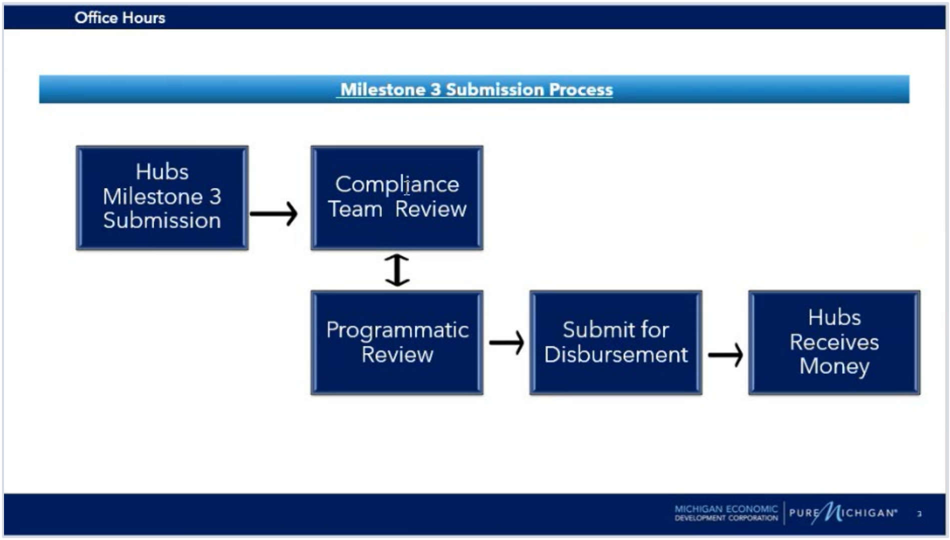
SBSH All Hub Office Hours
09-10-25

Terri Hunter opened the session with the Agenda and Milestone Three Submission Process.



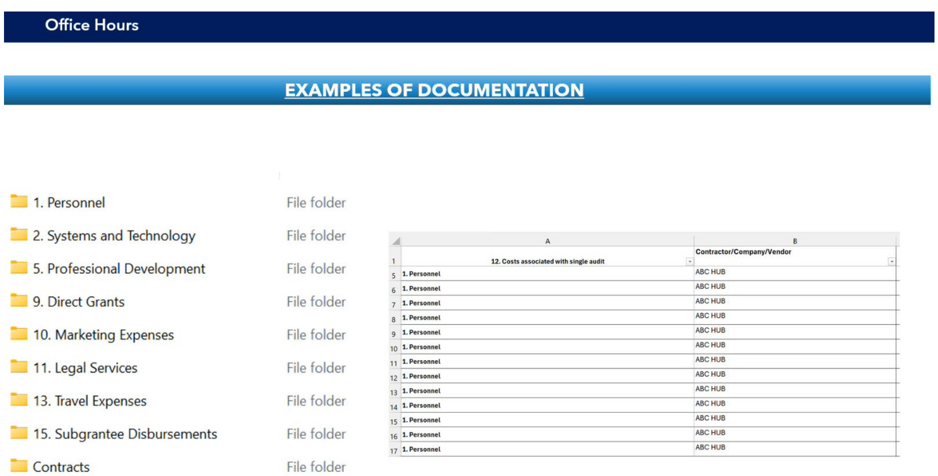
The process was significantly simplified and the only documentation the Hubs need to submit include:

1. The General Ledger from the Hub
2. Subgrantees General Ledge
3. The Expense Template

Once these documents have been received, you may receive an email or meeting request for additional backup documentation from our Compliance Team.

When Milestone Three is approved, disbursement is submitted and may take up to 10 days.

Below is an example of how the documentation should be submitted.



Greg West provided additional information about the documentation and how it should be submitted with an emphasis on categories, contracts and chronological order.

Teri talked about “Best Practices”

It is Important to keep invoices, contracts, direct grant recipients systematically for future Milestones and in the event of an audit

Important Dates & Reminders – Milestone Three submissions are due September 30th. We strongly recommend early submission for the team to process. The thirty-day review window begins when Milestone Three is received. The MEDC Blackout Payment Period is October 11 – November 2, 2025, no payments will be issued. Our offices will be open, however, no disbursements will be paid out as our finance team is working to close out the year.

Must submit quarterly and cumulative expenditures along with the Quarter Three template due on October 20, 2025

Q&A

Q. Is the compliance review process expected to be about a month long?

> A. Yes, there is a 30-day window. To expedite, organization and complete submittals is essential.

Q. For personnel, can we put the person’s initials in lieu of the person’s position and name?

> A. Yes, we can use a unique identifier for staffing, however, you must maintain the full documentation.

Q. Would you like the GL report from the start of the grant to present or broken down per reporting period?

> A. We need the GL to cover the period that the expenses you are submitting for are included

Q. What can be done to get those disbursement requests in the hopper before the blackout period?

> A. Follow best practices, respond quickly and completely to information requested by the MEDC. We will review in order of receipt. We will do what we can to expedite the complete packages quickly.

Q. Are the ones in the hopper going to make payment before the blackout period ends?

> A. That is the intent, it depends on well the information is organized and how quickly we receive the responses to our inquiries.

Q. It looks like if we submit anytime after Friday of this week, it looks like that puts us into the window of the pay period freeze window, what do you feel the payout would be post freeze?

> A. We understand that 30 days is a significant amount of time, it is our intent to process and expedite as quickly as possible. If we receive a milestone during the freeze, we can continue to work, there is not a freeze on the work, just the payout. As soon as possible after the freeze is lifted, we will process payment quickly.

- Jay Williams emphasized that we [MEDC] are very motivated to get payments out. We are describing the process and how to assist us to expedite the review.

- Greg West said the reason we are changing streamlining the process and holding office hours is so that we can expedite the milestone disbursements. Greg described how spot checks are done and what kind of information/questions we will be looking for. Greg reiterated that the Hubs do not need to submit all of the documentation and back up, that was one of the changes to streamline the original process. Now, we are simply asking you to keep that information and have it available should we ask for clarification or in the event of an audit.

Q. I understand we have another data submission due in February but ideally it would be great if you could release that money now so grantees are not slowed down in the final months of the grant.

> A. The grant agreement states it is reimbursed expense, if you do reach the next milestone, you can submit as soon as you reach the required expenditure amount.

Q. Have any success stories shared publicly or between hubs

> A. We have been working with our marketing team to get these success stories out, once we get through Milestone Three, we will be able focus additional time on success stories.

Q. For due diligence would you accept a past single audit in lieu of the milestone requirements

> A. No, we require the documentation we have outlined, the expense template and general ledgers.

- Greg mentioned that the compliance team is planning to have 1:1 meetings with each hub to answer detailed questions you may have and to help you organize the information that must be maintained at the Hub level in the event of an audit.

- We will be reaching out after the milestone submission to discuss record keeping procurement and additional office hours.

Q. How much detail do we need to supply regarding subgrantee and direct grant expenses?

> A. We require a high-level explanation of what that cost was. For example, if you bought computers for $20,000, we may ask for backup documentation proving that the individual computers did not exceed the $4,999 allowable limit.

Q. As we hit the final stages of this program, some of our partners are not meeting expectations, can we make changes to our subgrantees/partners?

> A. Yes, you can reallocate within categories except for direct grants

Q. Will we be talking about spend down in future office hours?

> A. Yes, after Milestone three is complete we will be discussing spend down.

Q. For the quarterly and cumulative expenses reports, what amount of detail do you want?

> A. Expense reports should cover the period of performance for the quarter you are submitted for. Cumulative expenses must be from the beginning of the program to the end of the quarter.

Q. Confirming, we can move money within buckets, we just need your approval?

A. You don't need approval; however, it is important that you notify the grant manager to ensure the changes you are making are within eligibility requirements.

Q. Is the SLFRF to be submitted as an attachment to the quarterly report?

A. No

SBSH All Hub Office Hours
07-07-25

Jay Williams shared that he plans to visit each Hub to assess effectiveness and impact.
He also announced that regular Office Hours will resume in August.

Compliance Overview – Milestone Three

The Compliance Team was introduced to provide guidance on Milestone Three reporting.
Christine Whitz introduced a new template for recording Milestone Three expenditures. She emphasized:

- The template organizes expenditures and supporting documentation for MEDC review.
- Hubs should continue using their own travel and procurement processes.
- While MEDC does not require submission of those internal policies, they may be requested during audits or if questions arise.

Template Instructions – Mitch Timmerman

- Use dropdown menus to categorize expenses by cost type.
- Complete columns B–H for each row.
- List expenses chronologically.
- Backup documentation must include both the invoice and proof of payment.
- Group and submit documentation by cost category and in chronological order.
- Submit grouped PDFs by category (e.g., receipts, invoices, payments).

Additional Announcements

Cathie Abad noted the updated "Get to Know You Guide" will be distributed this week.

Q&A Highlights

Q: Where should we submit large files?

A: Use the Salesforce Portal. You may zip large files or submit them separately by cost category. Contact the team if issues arise.

Please notify the team via email once your files are uploaded. You do not need to email the files themselves.

Q: Is a screenshot from bill.com acceptable proof for personnel costs?

A: Yes, if it shows the invoice was paid.

Q: Do we need timesheets for full-time and part-time SBSH employees?
A: 100% grant-funded employees: No documentation required.
Split-duty employees: Submit a positive timekeeping spreadsheet.
Also recommended: keep a position description on file for all grant-funded roles.

Q: Do we need to break down personnel by staff member?
A: Yes.

Q: Are there limits on capital expenditures?
A: Yes. Capital expenditures must not exceed $4,999. Submissions above this will trigger review. Do not combine expenses to avoid the cap.

Milestone Three Timeline – Teri Hunter

Once Key Milestone Three is submitted:

- The grant manager has 30 business days to review the request.
- If additional information is requested, the 30-day period resets.

Key grant agreement language includes provisions for document review, site visits, and final decision timelines.

Additional Questions

Q: For FF&E, do we need to list every item or just provide an invoice?
A: If the invoice itemizes each item and none exceed $4,999, that may suffice. Additional clarification may be requested offline.

Q: What should we submit with the spreadsheet?
A: Include the completed spreadsheet and backup documentation (invoices and proof of payment).

Q: What is the cutoff date for Milestone Three submissions?
A: All requests are due by September 30, 2025.
You may submit once you've spent 80% of Milestone One disbursement. Only include documentation showing the 80% spend.

Q: Do we need to submit backup documentation for subawardee expenses?
A: Yes, all items listed on the spreadsheet must be supported by documentation.

Q: Is a QuickBooks activity log sufficient?
A: No. You must submit the required spreadsheet and backup documentation.

Q: Do we need a separate timekeeping spreadsheet per person?
A: Yes.

SBSH All Hub Office Hours
03-12-25

Amy Rencher introduction to Jay Williams, New Director of Small Business Services

- Jay introduced himself and provided some background information.
- He announced that he will be visiting all Hubs and will provide a schedule shortly.
- Discussion also touched on random sampling techniques.

Mitch Zimmerman discussed the new Salesforce process for tracking expenses and obligations and mentioned that an additional office hours meeting will be scheduled closer to the launch.

Greg West talked about the details of the single audit, expecting to send out the form around the end of March with a two-week deadline for completion. The form will request details about ARPA funding and total federal funds received.

Cathie Abad provided a PowerPoint presentation discussing the new SBSH reporting template. The presentation will be made available on the website.
Summary of changes include:

- Tab 1: Instructions for use

- Tab 2: Salesforce Reporting Data. Features a new automated dashboard prepopulated with 2024 audited data. Columns include data from all periods of performance for 2025 and a running cumulative total. Ideation is a new field for businesses that have not yet started. Data will be auto-populated from corresponding data tabs. The tab is locked for protection.

- Tabs 3 to Tab 6: Small Business Data. The new template has separate tabs to record each data for each period of performance.
    - **T**ab 3: Period of Performance: January 1, 2025, through March 31, 2025. Report due April 20th.
    - Tab 4: Period of Performance: April 1, 2025, through June 30, 2025. Report due July 20th.
    - Tab 5: Period of Performance: July 1, 2025, through September 30, 2025. Report due October 10th.
    - Tab 6: Period of Performance: October 1, 2025, through December 31, 2025. Report due January 20, 2026.
        - Business Information remains the same. If the business has not started, leave the business name blank and use the owner's home address if no business address is available. PO Boxes are not eligible and will be deleted.

- NAICS codes – A link has been added to the site. Importance: NAICS 5-digit code to analyze industry trends, ensure eligibility for targeted grant and loan programs, meet federal and state reporting obligations, and tailor support services to specific sectors. NEW: The MEDC has adopted the Department of Licensing & Regulatory Affairs (LARA) as a requirement for business validation.
- NEW: If a business has not yet formed (no LARA ID Number), it will be categorized as Ideation. The template will auto-populate the business state when current FTEs, date established, and annual revenue (±$1 Million) are entered.
- NEW: A business recorded in the Ideation stage will not be included in the total unique businesses until a LARA ID is supplied. However, the services will be recorded. The business will be recorded as unique when the LARA ID is supplied.
- Equity ownership section has been revised; a checkbox has replaced the Yes/No dropdown allowing for multiple selections including "decline to answer." If "decline to answer" is checked, all other fields become unavailable.
- A link has been added to the Arc GIS map to verify locations disproportionately affected by Covid-19.
- NEW: A date column has been added for direct grants and follow-on funding to be recorded.
- NEW: Referrals are required to be reported; a column for the MI-SBDC has been added. When the referral box is checked, you will be prompted to enter the name of the person you referred the small business to.
- NEW: A column for notes has been added.
- NEW: Each HUB will be required to provide at least one small business success story per quarter. Tabs 8-11 contain the preferred format for success stories and have been added to the template. The form will be added to the website for additional submissions.
- Updated prepopulated data will be sent to each HUB by March 21st.

Q & A

Q. 1: If the business is not yet established, what do we enter for LARA?

- *A1: Leave the column blank; it will record as an Ideation. When the business acquires a LARA number, you can reenter, and it will record as a unique business.*

Q. 2: We have not been collecting LARA data. Do we need to go back and add it for all previous applicants?

- *A2: No, it is not necessary for you to re-enter previous data supplied in 2024.*

Q. 3: Does the address provided need to match LARA? Sometimes the location of the business is different from LARA.

- *A3: No, it is understood that a business may register in LARA prior to establishing a permanent address.*

Q. 4: Is there something on the backend that will account for businesses being entered more than one time when it comes to our total numbers?

- *A4: Yes, entering the LARA number assigns the small business as unique, therefore it will only be recorded as a unique business once. However, you will be able to reenter the business at a later date to record referrals, direct grants, and/or follow-on funding.*

Q. 5: The presentation says it "allows for a business to be entered multiple times to capture services, programming, follow-on funding, direct grants and still count 1x as unique." Previously when we asked, we were told we did not need to report any "Types of Services" beyond the 5 columns in the reporting document. Should we be adding the business a second time to report beyond the 5 Types of Services?

- *A5: No, reentering a business for additional services is not required. However, you should record referrals, direct grants, and/or follow-on funding.*

Q. 6: Do you want us to find NAICS codes for previously entered businesses from past quarterly reports?

- *A6: No, 2024 data is closed, you do not have to reenter any 2024 data into the 2025 reporting template.*

Q. 7: We will also have several businesses who were served last year and received grants this year?

- *A7: Direct grants, follow-on funding, and referrals should be entered in the period of performance in which they occurred.*

Q. 8: Does Alex's question boil down to whether we should be reporting the Direct Grant maximum award amount or waiting to report the actual amount reimbursed?

- *A8: You should add the direct grant in the period of performance in which it was awarded (not when paid, if different). Remember, only one grant per business, with the maximum award being $20,000.*

Q. 9: But if they weren't originally entered with a LARA number, but an EIN, would it treat it as a new business?

- *A9: Businesses recorded in 2024 have already been calculated and categorized. If the business was originally entered as Ideation, it was not recorded in the total for unique businesses. When* *they acquire a LARA number, the business should be re-entered, and it will then be added to the total number of unique businesses.*

Q. 10: I'm wondering about old clients (who've already been reported) who form their LLC later on, in a different quarter - can we update them as 'early stage' even if we initially marked them as 'ideation'?

- *A10: If a business was originally entered as Ideation, it is not counted in the "Unique Businesses Served" total. You can update them once the LARA ID has been assigned, and they will automatically be categorized as a new business and added to the total unique businesses served.*

Q. 11: Is there a place to review if a business has already received a direct grant from another hub?

- *A11: It is expected that the hubs have enough of a relationship that they would be able to determine if the small business owner met with another hub and if they received a grant. However, if unsure, please call Cathie, the Program Manager, to verify. Our organization requires grantees to sign a certification form stating that they understand they are only eligible for one grant from any hub across the state. (Allison Newman, Flint & Genesee Chamber) Our Direct Grant Agreement includes affirmative statements that the awardee must accept, stating they are not obtaining a direct grant from another hub, and if we find out otherwise, our grant must be refunded. (David Rhoa, SBAM)*

Q. 12: Is there an example of the filled-out 'Success Story' form that will be shared out?

- *A12: No, however, the form asks specific questions, so it should be relatively easy to complete. You can contact the Program Manager if you have questions.*

Q. 13: So to confirm - we will include each TA partner as a referral, thank you!

- *A13: Yes.*

Q. 14: When should we expect to see the single audit form sent out (mentioned at the beginning)?

- *A14: Around the end of March.*

Q. 15: And this is for all federal dollars, not just SBSH?

- *A15: The form asks for both the amount of ARPA funding and then also the total amount of federal funds.*

Q. 16: Are we having a separate meeting to discuss the process to request our next disbursement from MEDC?

- *A16: Yes, Date to be determined.*

Q. 17: Speaking more broadly about the impacts of this program, does your team have any interest in being sent media highlights of programming or information about events/attendance? Basically, would you like any info about what we are doing beyond the reporting form?

- *A17: Yes, please!*

Q. 18: Who would be the right person to send that to? I am assuming via email.

- *A18: I'd say start by sending this information to Catherine and me via email. Meg, we can make sure that PPA will be included in seeing this info.*

Q. 19: If the business is not yet established, what do we enter for LARA?

- *A19: Leave the column blank, it will record as an Ideation. When the business does acquire a LARA number, you can reenter, and it will record as a unique business.*

Q. 20: We have not been collecting LARA data. Do we need to go back and add it for all previous applicants?

- *A 20: No, it is not necessary for you to re-enter previous data supplied in 2024.*

  https://cofs.lara.state.mi.us/SearchApi/Search/Search has a search that we use for "keyword"

Q. 21: ***Does the address provided need to match LARA? sometimes the location of the business is different from LARA.***

- *A 21: No, it is understood that a business may register in LARA prior to establishing a permanent address.*

Q. 22: Is there something on the backend that will be able to account for businesses being entered more than one time when it comes to our total numbers?

- *A. 22: Yes, entering the LARA number assigns the small business as unique, therefore it will only be recorded as a unique business once. However, you will be able to reenter the business at a later date to record referrals, direct grants and/or follow on funding.*

Q. 23: The presentation says it "allows for a business to be entered multiple times to capture services, programming, follow on funding, direct grants and still count 1x as unique." Previously when we asked, we were told we did not need to report any "Types of Services" beyond the 5 columns in the reporting document. Should we be adding the business a second time to report beyond the 5 Types of Services?

- *A. 23: No, reentering a business for additional services is not required. However, you should record referrals, direct grants and/or follow on funding.*

Q. 24: Do you want us to find NAICS codes, for previously-entered businesses from past quarterly reports?

- *A. 24: No, 2024 data is closed, you do not have to reenter any 2024 data into the 2025 reporting template.*

Q. 25: We will also have a number of businesses who were served last year and received grants this year?

- *A. 25: Direct grants, follow on funding and referrals should be entered into the period of performance that they occurred.*

Q. 26: **Does Alex's question boil down to whether we should be reporting the Direct Grant maximum award amount or waiting to report the actual amount reimbursed*?***

- *A. 26: You should add the direct grant in the period of performance that it was awarded, (not when paid if different). Remember, only 1 grant per business, the maximum award is $20,000.*

Q. *27:* But if they weren't originally entered with a LARA number, but and EIN would it treat it as a new business?

- *A. 27: Businesses recorded in 2024 have already been calculated and categorized. If the businesses were originally entered an Ideation; it was not recorded in the total for unique businesses. When they acquire a LARA number, the business should be re-entered, and it will then be added to the total number of unique businesses.*

Q. 28: I'm wondering about old clients (who've already been reported) who form their LLC later on, in a different quarter - can we update them as 'early stage' even if we initially marked them as 'ideation'?

- *A. 28: If a business was originally entered as an Ideation, it is not counted in the "Unique Businesses Served" total. You can update them once the LARA ID has been assigned, they will automatically be categorized as a new business and added to the total unique businesses served.*

Q. 29: Is there a place to review if a business has already received a direct grant from another hub?

- *A. 29: It is expected that the HUB have enough of a relationship that they would be able to determine if the small business owner met with another Hub and if they received a grant. However, if unsure, please call Cathie, the Program Manager, to verify.*
- *Our organization has grantees sign a certification form stating that they understand they are only eligible for 1 grant from any hub across the state. (Allison Newman, Flint & Genesee Chamber)*
- *Our Direct Grant Agreement has affirmative statements that the Awardee must accept that states that are not obtaining a direct grant from another hub, and if we find out that they are, our grant must be refunded to us. (David Rhoa, SBAM)*

Q. 30: Is there an example of the filled out 'Success Story' form that will be shared out?

- *A: 30: No, however the form asks specific questions, so it should be relatively easy to complete. You can contact the Program Manager if you have questions.*

Q. 31: So, to confirm - we will include each TA partner as a referral, thank you!

- *A. 31: Yes.*

Q. 32: When should we expect to see the single audit form sent out (mentioned at the beginning)?

- *A. 32: We anticipate around the end of March.*

Q. 33: And this is for all federal dollars, not just SBSH?

- *A: 33: Yes*

Q.34: Are we having a separate meeting to discuss the process to request our next disbursement from MEDC?

- *A. 34: Yes, date to be determined.*

Q. 35: Speaking more broadly about the impacts of this program, does your team have any interest in being sent media highlights of programming or information about events/attendance. Basically, would you like any info about what we are doing beyond the reporting form?

- *A. 35: Yes please!*

Q. 36: Who would be the right person to send that to? I am assuming via email.

- *A. 36: Start by sending this information to Catherine and me (Jay Williams) via email. Meg, we can make sure that PPA will be included in seeing this info.*

Q. 37: *Does a success story have to have received or be forecasted to receive a direct grant from SBSH?*

- *A. 37: No, a success story does not have any impact or relevance to direct grants from the small business support hubs.*

SBSH All Hub Office Hours
12-4-24

Feedback from the PPA session
- Some hubs would prefer to have one point of contact to PPA.
- Cheryl will send out an email requesting name(s) and contact information for each hub for PPA communication

3rd Reporting Submission
- Reminder that 3rd reporting submission is well overdue.
- Properly reporting the data
    - Recommendation is to include all appropriate questions in the intake form
    - Hub transferring data from Sub-grantees to MEDC should be transparent for us

Small Business Team is considering updating the reporting spreadsheet
- If the spreadsheet is updated it will coincide with a reporting period
- Suggestions from the hubs:
    - Add additional columns for services
    - Add “ideation” as an option in the drop down menu
    - Tab 3 – For those incorrectly listed as a percentages change to a whole number
    - Remove dropdown menus because it’s hard for the hubs to cut and paste
    - Blank miscellaneous columns that the hubs can use for their personal coding
    - Adding a column for the date a direct grant was disbursed and one for follow-on funding
        - Suggestion to add the reporting period in which the funds were disbursed verses date
    - Need a method for tracking a business who moves from ideation to an established business
        - Do we want the hub to highlight the business when they move status

SBSH All Hub Office Hours
8-7-24

Follow-up

- When working with businesses it is expected that the hubs will take responsibility for any required follow-up. Example – if a business applies for a direct grant and not awarded. The hub is expected to provide follow-up to the business.

2nd Reporting

- All reports have been submitted
- Emails were sent out to those hubs who require corrections. Updates to the template and salesforce are due by Tuesday, Aug 13
- Areas the hubs should pay close attention to are:
  - Ensure the reporting template is a cumulative list of all businesses served since Dec. 18, 2023 thru June 30, 2024.
  - Within the reporting template tab 3 – Cells C32 thru C44 should reflect only those businesses that you are counting for the 2nd reporting period. Totals for those respective questions should equal the totals input into salesforce.
  - Within the reporting template tab 3 – Cells C48 thru C54 should reflect all businesses served during 1st and 2nd reporting period.
  - Ensure all businesses have an address listed.
  - Each business being served under the ARPA grant must have an address within an area disproportionately impacted by COVID, SEDI owned or can demonstrate they were negatively impacted by COVID.
  - Intake date - The hub may have previously serviced the business. But, the date listed in the reporting template should be within the period the business was first serviced under the ARPA grant.
  - Any cell that shows a percentage will be counted as a whole number.
  - Expenditures & Obligations
    - Expenditures are monies spent. Obligations are monies committed by contract.
    - Expenditures should never outpace the obligations.
    - Current expenditure and current obligation should represent the current period.
    - Cumulative expenditures and cumulative obligations should represent the amount for all past reporting periods up through the current reporting period.

Milestone Two

- Due in Salesforce no later than September 30, 2024.
- Exhibit D-2 must be submitted by all Hubs – even if Hubs does not desire to update its budget.
- Three Scenarios the hub will choose from
  - *Scenario One:* Grantee does not desire to update its Budget (Exhibit C of the Agreement)
  - *Scenario Two:* Grantee desires to update its Budget (Exhibit C of the Agreement) AND the reallocation between the two programming and services sub-categories is up to ten percent (10%) of the Maximum Grant.
  - *Scenario Three:* Grantee desires to update its Budget (Exhibit C of the Agreement) AND the reallocation between the two programming and services sub-categories is greater than ten percent (10%) of the Maximum Grant.
- In no event can funds allocated for Direct Grants to Eligible Small Businesses be reallocated at any point.
- Necessary documents for submission will be emailed to the hubs.
- All documents must be submitted through the grantee’s salesforce portal.

- Any request for budget changes AFTER the milestone 2 deadline (Sept 30) must be submitted to Greg West, Federal Compliance for approval.

SBSH All Hub Office Hours
6-26-24

Quarter 2 Reporting Instructions

- Reporting period is 4/1/24 – 6/30/24. Due date is 7/20/24
- Hubs are allowed to provide a cumulative list of businesses served
- The template should be sorted with businesses served during the current quarter at the top
- Instructions/tips will be emailed to the hubs
- Businesses in the ideation phase
    - Still need to be qualified as disproportionately impacted by COVID based on their business or personal address
    - As much information as possible should be listed
    - N/A should be placed in columns that have not been established for that entrepreneur
- Tribal businesses are not required to have a NAICS code. If they do not, N/A should be added

UEI Requirements for sub-recipients and contractors

- Based on 2 CFR Part 200 & 2 CFR Part 25 recipients and sub-recipients of Federal awards are required to provide UEI information for the Federal Government's system. To determine whether someone is either a subrecipient of a Federal award or a contractor please review 2 CFR 200 Section 200.331 'Subrecipient and Contractor Determinations' as it provides guidance and characteristics of whether a non-Federal entity is either a subrecipient or a contractor.
- Additionally, the definitions of 'Subrecipient' and 'Subaward' found in 2 CFR 200 Section 200.1 are helpful in determining whether the relationship the Support Hub has with a non-federal entity is a subrecipient of a federal award or a contractor.

SBSH All Hub Office Hours
6-12-24

Financial Clarifications

- How and when will the new Uniform Guidance for Federal Grants be implemented?
    - The final rule states that the revised uniform guidance for federal grants is effective for awards made on or after October 1, 2024. The Support Hub grant was awarded prior to October 1, 2024. Therefore, the information in 2CFR200 that we are working under will not change. Also, as a result of the October 1 date, the capitalized items (fixed assets >5K) will not change.

- Can you give clear explanations and examples of overhead that can be directly used for grant purposes?
    - Any expenses from the hub or a subcontractor related to things such as rent, and utilities can be charged to the grant. However, the hub will need to document and justify the appropriate amount that is charged based on the full scope of work.
    - Administrative cost related to things such as office supplies, internet cost, databases, can be charged to the grant at the discretion of the Hub. Proceed with caution when

determining the time needed to calculate the percentage of services that can be charged as a grant expense.

- What additional requirements does ARPA bring for financial requirements other than 2CFR200?
    - The guidance for the program's financial requirements is the 2CFR200.
    - Requirements for financial reporting are outlined in the grant agreement
- Financial reporting
    - Reporting must be done on an accrual basis.
    - A conversation has taken place with SBDC to ensure they understand the requirement for the Hubs.
- Follow-on Funding
    - Support services funded through the hubs would not be considered follow-on funding. Follow-on Funding are monies received through lending institutions or access to capital.

Metrics

- Hubs are not required to track small businesses and/or direct grant recipients beyond their engagement with the business.

Servicing small businesses who are not formally established

- It is permissible for a hub to serve a business who is not formed as long as the hub can verify the entrepreneur is disproportionately impacted by COVID, either through their business address or home address.
- For reporting purposes, it is understood that unestablished businesses may have missing data from the reporting template (examples – business name, NAICS code)
- Direct Grants can only be awarded to businesses who have been formally established and meet the criteria for being disproportionately impacted by COVID.

Training Classes

- Although anyone can attend a hub training class, Federal funds can only be used for those businesses who meet the criteria of disproportionately impacted by COVID
- The hubs are strongly encouraged to have a registration process to ensure they can qualify those businesses who meet the criteria for this grant program

Next Office Hours - June 26

- Focused on prepping for the next quarterly report (Apr 1 – Jun 30) due on July 20
- The MEDC will review the reporting instructions, address pain points faced during the previous reporting period and address any open questions.

MEDC website

- Updates have been made to the website that allow viewers to use a dropdown to identify support hubs within their respective county.

SBSH All Hub Office Hours

5-29-24

Smart zone and Support Hub Meeting

- Will be held on June 11, 2024 in Lansing
- The meeting is intended to be a joint/collaborative session for smart zones and support hubs

- The meeting is not required by the grant agreement. However, it is highly encouraged for all Support Hubs to be in attendance.

One Pager document
- Ready for disbursement
- A PDF will be emailed to all hubs. If hard copies are desired, please request and they can be made available

“Get To Know You” Guide
- Expected to be ready by the June 11 meeting
- Smart Zones information has been added to the document

FFATA Reporting
- Federal requirements state that a FFATA Form is required to be submitted. However, this requirement does not extend down to the Hub as a sub-recipient and is required to be submitted by the State of Michigan for the entire ARPA allocation as a whole.

Support Hub offices hours
- An adjustment in the cadence is in consideration, possibly scheduling meetings closer to due dates and support hub updates.

SBSH All Hub Office Hours
5-22-24

Program Requirement – 20% Minority Owned Businesses Served
- Federal eligibility requirements for the Small Business Support Hubs program require the entrepreneurial hub to serve small businesses disproportionately impacted by COVID-19. While minority owned businesses across the state have been impacted by COVID-19 at a higher rate than non-minority owned businesses, not all regions across the state have large enough populations to meet or exceed the legislative requirement that 20% of businesses served must be minority-owned. In recognition of this, the 20% minority businesses served will be measured at a state-wide level vs. for each individual hub.

Eligible Use of Funds – Market Research
- Marketing research to assist a small business in achieving their milestone goals is allowable use of grant funds.
- Market research to support a Hub in strategic planning is not an eligible use of funds.

Flow of funds between Hubs and Sub-Grantees
- A third party that does not use all the funding allocated for a service by end of the contract term, should return remaining monies back to the hub.
- A Hub that wishes to engage with a third-party for a limited term (example one year) and then wishes to extend / renew their contract should pull back any remaining funding from their first contract before extending / renewing / or entering into a new / second agreement.

Reporting Period 3/1/24 – 6/30/24 – Reporting Template

- After reviewing and approving all Quarterly Reports from the period of 12/18/23 – 3/31/24, MEDC will provide guidance on the next quarter's submission including if data will be collected cumulatively and/or if any updates to the template will be updated.
- Small business information that was not captured during the first reporting period should be updated in the Template during the next quarter reporting.

Program Registration Fees

- Hubs have expressed a desire to charge fees to eligible businesses for participation in SBSH funded programs and services. This is not permissible.
- Hubs may elect to inform participants that previously assessed fees have been waived due to this one-time funding opportunity. Hubs may charge businesses that do not meet eligibility requirements for the cost to participate.

FFATA Form

- Federal requirements state that a FFATA Form is required to be submitted however, this requirement does not extend down to the Hub as a sub-recipient and is required to be submitted by the State of Michigan for the entire ARPA allocation as a whole.

SBSH All Hub Office Hours

5-15-24

Direct Grants

- Program guidelines state that small businesses can receive a grant up to $20,000. This funding should be disbursed in one payment.
    - Direct grants may not be used for leasing space, as this does not support the business operations or growth needs identified by the Hub.
    - Businesses serviced by the Hub as part of the Small Business Support Hub grant must be registered with LARA, and the NAICS code must be supplied.
    - A hub will determine if the disbursement is provided on an advancement or reimbursement basis. An advanced model involves additional risk for the Hub. A Hub is responsible for ensuring that direct grants are used for eligible items and must be able to provide documentation to substantiate this.
- Selection Model
    - Hubs may develop their own method to selecting direct grantees based on their goals, desired outcomes, and business targets including stages, industries, size, etc. Hubs will create their own parameters for direct grants specific to the type of businesses they serve.
- Grant Agreement
    - Hubs must ensure there is an agreement in place between the Hub and the business receiving the direct grant.
    - Grants are considered taxable income and Hubs are responsible for completing any required financial documentation.

Distinction between Sub-Awardee, Sub-Grantee and Sub-Recipient

- Hubs are considered Sub-Recipients. Third parties that are delivering programs and services on behalf of the Hub may also be considered a Sub-Recipient.

- Eligible small businesses receiving direct grants are a beneficiary.

NAICS Codes

- NAICS code should be 6 digits and identify the industry the business is in.
- Tribal businesses are not required to obtain a NAICS code. Hubs may skip completing this data point for any tribal owned business and may indicate “tribal” within the corresponding cell within the reporting template.

Positive Timekeeping

- Positive timekeeping is the process of documenting the time each employee spends working on the ARPA program. The hours should be tracked in the organization’s official timekeeping system. It can be paper or electronic as long as it documents the hours specific to the federal grant.
- The records should include – day and number of hours worked. A ½ hour or more is reasonable to track. An explanation of hours worked is not required.

SBSH All Hub Office Hours

5-8-24

Quarterly Reports

- MEDC team is in the process of reviewing the quarter report for the period of 12/18/23 – 3/31/24 and will contact Hubs for clarification and updates.
- If you have served qualified businesses within the last quarter, they should be reported.
- Businesses served must have been disproportionately impacted by COVID-19. This requirement will be sampled by staff.
- Salesforce information must align with the reporting data tab and small business tabs within the reporting template.

Small Business Grants

- Funding cannot be used as gifts/prize money.
- Hubs are allowed to determine criteria for small businesses to qualify for grants. They should work with the small business to determine how funds will be used.
- Small Businesses can only receive one grant regardless of the number of Hubs (or sub-grantees) they are receiving services from.

SBSH All Hub Office Hours

5-1-24

Marketing Materials

- Hubs are encouraged to use the MEDC logo on Marketing materials.
- Exhibit G. 25 in the grant agreement also specifies “**Publications**. Any publications produced with funds from this award must display the following language: “This project [is being] [was] supported, in whole or in part, by federal award number [SLFRP0127] awarded to [name of Grantee] by the U.S. Department of the Treasury.”
    - In this case, this name of the Grantee is the State of Michigan.

Eligible Small Business Served / Debarment & Suspension

- It is a best practice for Hubs to ensure small businesses, particularly those receiving direct grants, are not on the federal debarment / suspension list. Verifying this information via a self-certification is sufficient.

Sampling Expenses & Backup Documentation

- Backup documentation that identifies the expense, how funds were used, when the expense incurred, and the need for that expense may be requested as part of MEDC's Compliance process. Examples of supporting include contracts, sub-grant agreements, proof of payment, invoices, etc.
- Documents should be kept for a minimum of 7 years.

SBSH All Hub Office Hours
4-24-24

NAICS Code

- The following link https://www.naics.com/search/ can be used to search for a NAICS Code. The website is maintained by a third party organization.

Reporting Period – Due 4/24

- The current reporting period should include December 22 - March 30

Obligated vs Expended

- Having an executed sub-grant agreement or contract obligates funds. Obligated, as defined in the Grant Agreement, means orders placed for property and services, contracts, and subawards made, and similar transactions that require payment.
- Funds expended means that both: 1) the goods have been received or the services have been performed; and 2) the funds have been paid.
- Hubs should understand when their entity considers payroll costs obligated. If a policy is not in place that identifies this, Hubs may consider creating a policy.
- Payroll can be estimated for the duration of the grant and be included in "obligated".

SBSH All Hub Office Hours
4-17-24

Report Submission Date Extended to April 24

- We are currently addressing technical issues with the ARPA Progress Report functionality in Salesforce, which has impacted the submission of required reporting documentation. Our technical team is diligently working on a resolution. In recognition of the original deadline on April 20, 2024 and to provide adequate time for your submissions, we are extending the deadline to April 24, 2024 5:00 PM.

Reporting Template Locked vs. Unlocked Version

- In circumstances where a Hub is compiling reports from various third-party service providers and needs the ability to copy/paste data into the Report Template, the MEDC *will consider* providing an "unlocked" version of the template.

MEDC Logo Placement / Publicity

- Hubs are highly encouraged to place the MEDC logo on websites, collateral material, and other supporting documents for programs and services that are funded through the Small Business Support Hubs Program. Hubs should complete this MEDC Logo Request Form. Once complete, MEDC staff will reach out to send logos and MEDC's Style Guide to Hubs for inclusion.
- Hubs who previously signed an agreement due to involvement in other programs such as SmartZone, are asked to complete a new agreement. This will ensure the most up to date logo is being used.
- Under federal guideline there is a requirement that references noting a statement identifying the program is funded through ARPA dollars - review your grant agreement for additional information if needed.

Lobbying Political Activity

- The lobbying form to disclose political activities is SF-LLL. For clarity, the form only needs to be used if program funds are being used for lobbying or if the entity is lobbying for program funds. If you and your subs are not doing these activities, then you would not have to fill out the form.

ARPA Progress Report – Impacted Populations – Specify

- In the ARPA Progress Report in Salesforce (also referenced in SBHS Reporting Template - Tab 3 SF Reporting Data Fields Row 25), there is a character limit to the field. Please enter "*As defined in the guidelines.*" instead of inputting the full definition of Disproportionately Impacted by COVID-19.

Use of Funds – Direct Grants

- A small business that desires to use their direct grant allocation to send employees to receive a specific industry certification would be an allowable use of grant funds.
- The Program Guidelines state "Grant funding must support business operations or growth needs as identified by the Hub. Eligible expenses include purchase of equipment, inventory, software, hardware; highly specialized consulting services, or other services which cannot be contracted by 12/31/2024. a. **Grant funds used to pay certification** or licensing fees must result in receipt of corresponding certification or license by 9/30/2026.
- Travel expenses related to getting to / from the training would also be allowable. Businesses and/or Hubs should be able to substantiate that the certification / training / travel is necessary, is reasonable, and drives revenue growth and/or business stabilization. Businesses should utilize their own policy and procedures to determine cost reasonableness.

Categorizing Staff travel expenses for the Hub

- Hubs will submit documentation, including a spreadsheet, in form and substance as approved by the Grant Manager, demonstrating, describing, and itemizing the actual Eligible Costs Expended from Grant Disbursements. This will be submitted as part of Milestones 3 and 4.
- Hubs may want to consider tracking travel expenses in some type of expense report/ logs and be able to substantiate why the travel was necessary, how it related to the program, etc. This may be requested as part of backup documentation.
- CFR 200.475 provides federal guidance related to travel.

Tribal Sovereignty & Sub-Grant Agreements

- Hubs that are partnering with sub-recipients or third-party contractors that are tribal nations are not required to include the Non-Discrimination and Unfair Labor Practices clause that is in their sub-agreement.

NAICS Codes

- A 6 digit NAICS Code should be reported indicating the industry of the business.

Positive Timekeeping

- The template has been posted on the Michigan website. It is titled semi-annual
- For those working less than 100% of their time on the program can use any template to distinguish the time on the federal award versus non-federal work.

SBSH All Hub Office Hours

4-10-24

Eligible Use of Funds for Direct Grants to Small Businesses

- Construction is not permitted.
- Capital expenses may not exceed $4,999 on a per unit basis.
- Payroll is not eligible.
- Development / Developer Costs – examples include hiring software developers, AI, etc. where the company may outsource this service. This is eligible.
- Marketing expenses – this is eligible.
- Hardware / software – this is eligible.

Duplication of Direct Grants to Small Businesses

- Eligible small businesses may only receive one direct grant.
- There is a risk that a company may seek direct grants from multiple Hubs, which would violate the Program Guidelines. By requiring eligible small businesses to be engaged with the Hub, this risk is anticipated to be reduced.
- Additionally, Hubs should have processes and procedures in place to mitigate this risk. An example of this may include but is not limited to seeking self-certification and including claw-back language in the agreement between the Hub and the business receiving the grant.
- MEDC will audit grantees annually and notify each Hub directly should we identify a business that received more than one grant.

Rent Expenses

- In a unique scenario, a Hub is providing funding to a third-party sub-recipient to deliver programs and services to businesses disproportionately impacted by COVID-19. The scope of work includes offering these services at a location within a specific geographic area. Funds would be used by the third-party to cover rent expenses and would be paid to the Hub (the owner of the space). Is this allowable?
    - The third-party sub-recipient may use a portion of their funding from a Hub to cover costs related to renting space where businesses disproportionately impacted by COVID19 will be served. The Hub / third-party must be able to substantiate that expenses are:
        - Reasonable in nature, in comparison to other market rate rent available in the area.
        - That the Hub does not require that space is leased from them as a condition of their agreement, but that space is available for rent if the third-party determines its location makes the most sense in serving businesses disproportionately impacted by COVID-19.
        - The space is exclusively used for this program. If it is not, the rent must be prorated.
        - This amount paid by the third-party to the Hub for space rental is not considered program income.
- An alternative way to structure this type of arrangement would be for the Hub to determine the reasonable cost for use of the space by the third-party and charge that cost to the grant. This would be a more streamlined way to structure the arrangement, but it can also be set up as described in the first example.

Reporting Expenses from Sub-Recipients & Contractors (Cash vs Accrual)

- Hubs are required to report expenses on an accrual basis.
- Hubs will account for incurred expenses in the period when the services were provided, or goods received.
- Incurred expenses means when the goods or services have been received or the services were provided.
- For example, if a Hub receives an invoice on April 10th for services rendered between March 1 – 30, then the expenses will be accounted for in the reporting period of Jan. 1 – March 30.

Salaried Employees

- If a salaried employee is spending 100% of their time working on this program, then they do not have to submit positive timekeeping.
- If only a portion of a salaried employee's time is spent on the program, then positive timekeeping is required.
- This applies to Hubs and their third-party sub-recipients, not contractors.

Receiving TA or Support Services & a Direct Grant

- Eligible small businesses may receive multiple support services. Hubs are responsible for exercising appropriate discretion in the amount of support services any individual eligible small business may receive.
- Eligible small businesses may receive both support services and a direct grant.

Direct Grants & BAF Grant Awards

- Is a small business that has previously received a Business Accelerator Fund grant through a SmartZone eligible to receive a SBSH direct grant?
    - Yes. An eligible small business would not be excluded from receiving a SBSH direct grant if they previously received a BAF grant.

New Business Starts – Expanded Definition

- While the SBSH Reporting Template defines a new business start as follows:
    - A new business should represent those created as a result of your involvement. A business must have been formed within the past 12 months in order to be reported as a "new business start". Please see the LARA Corporation Division Business Entity Search at https://cofs.lara.state.mi.us/corpweb/CorpSerch/CorpSearch.aspx to determine if the company was formed within the past 12 months. Companies can be defined as sole proprietorship, LLC, corp, etc.
- MEDC also recognizes that Tribal owned businesses may register their business within their tribal nation and may or may not register their business in LARA. Hubs may "count" a business that registers with a tribal nation in lieu of LARA as a new business start.

Direct Grant language

- Grants must relate to eligible programs or services provided by the Hub. Eligible grant recipients must have completed an eligible program or service within the previous six months in order to receive a grant.
- It is up to the Hub to determine additional parameters around what constitutes the engagement and/ or completion of an eligible program of service with Hub prior to receiving a grant.

Timekeeping

- A positive time keeping template will be shared and posted to the MEDC's program webpage.

Reporting Template & Obtaining an "Unlocked" Version

- In a unique circumstance where a Hub is compiling reports from various third-party service providers and needs the ability to copy/paste data into the Report Template, the MEDC will consider providing an "unlocked" version of the template.
- It is critical in this situation that data (what populates the dropdowns within the template) is matched with 100% accuracy to preserve data integrity. MEDC will request revised reporting if that data does not match and may elect to withdraw this option for future quarterly reports.
- An "unlocked" version of the template may be requested by contacting Suzanne at perreaults@michigan.org.

SBSH All Hub Office Hours
4-3-24

SBSH Reporting Template

- The Reporting Template has been emailed to all Hubs. A few changes to note from what was shared at the 3/27/24 Office Hours.
    - Tracking of Subrecipients and Contractors is not required to be reported to MEDC. This tab has been removed from the final template.
- Hubs will complete two reports in Salesforce – the ARPA Progress Report and a Small Business metric. MEDC is building these reports out and they are anticipated to be available by 4/15/24.
- Reporting is required to be submitted by **4/20/24**. Acknowledging that this leaves just five business days for the submission of the salesforce reports and the upload of the Template, please contact Suzanne if this is a concern.

Reporting Sub-Grantee Data in the Template

- Third-party sub-grantee and contractor work should not be included in the reporting until they have an executed agreement with the Hub.

Reporting on a cash vs. accrual basis

- Hubs are not required to adopt an accrual account system. However, everything must be reported on an accrual basis.

Reporting Names and other information about businesses served

- Hubs are required to report specific business names and other data points about each eligible business served. This means that third party subgrantees and contractors must provide that data up to the Hub.
- Hubs may consider utilizing a sign off / confidentiality / NDA / disclosure between all parties indicated business information will be shared with the MEDC.

Positive Timekeeping Tools

- Jonathon confirmed the federal government does not have a specific form. However, there is a sample form that has been used at MEDC and can be shared with Hubs.

SBSH All Hub Office Hours
3-27-24

SBSH Reporting Template

- The template will be available to all grantees to use for quarterly reporting and will be shared as soon as it is finalized.
- Eligible businesses who receive multiple services only need to be listed in the template one time, the template allows for multiple services to be accounted for.
- Several Hubs are utilizing technology / digital software to support data collection and reporting efforts. Hubs are encouraged to connect to their peers to identify options.

- Quarterly reporting is designed to provide a status update of where the Hub is with program implementation at that point in time.

Timekeeping

- Shall be kept in the organization's official timekeeping system. It can be paper or electronic as long as it documents the hours specific to the federal grant.
- Those managing the grant are required to submit positive timekeeping for their employees.
- Contractors do not need to submit positive timekeeping. They are expected to provide grantees with service at a professional rate.

SBSH All Hub Office Hours
3-20-24

SBSH Reporting Template

- An example of what the Salesforce Progress Report and an overview of the Reporting Template will be presented in next week's office hours.
- Business stage definitions will be provided.

Timekeeping

- Timesheets with actual hours worked on the SBSH Program are required to obtain federal reimbursement for Sub-recipients.

Direct Grant Payments

- Direct grant funding must support business operations or growth needs as identified by the Hub. Eligible expenses include purchase of equipment, inventory, software, hardware; highly specialized consulting services, or services which can not be contracted by (the Hub) by 12/31/24.
- Grants are limited to one grant per business, up to $20,000. Grants should be paid directly to the business in one disbursement.

Delineation of Service providers

- Hubs should reference the Federal Guidance on determining the Sub-Recipient / Contract relationship.

SBSH All Hub Office Hours
3-13-24

Budget Adjustments

- Changes within the SBSH budget are allowed as part of Key Milestone 2. The grant agreement does not specify a number or limit as to how many times additional budget requests can be made within the grant period. Requests should be reasonable, justifiable, and not deviate too far from the program intent laid out in your application.

Reporting timeline

- Quarterly reporting deadlines have been revised to the 20th of the month following the reporting period.

Federal CDFA Number

- The CDFA number is now known as the Assistance Listing and is 21.027. It can be found in the upper right corner of the Grant Agreement.

Sub-Awards/Sub-Contracts

- Hubs will determine how they want to structure sub-awards. When granting to the same entity for different activities, the Hub may utilize one agreement or split the work into separate agreements based on activities.
- Generally, if a third party is provided a one-time activity for the Hub, the Hub may consider that entity as a contractor. If third-party services are being performed to help the Hub deliver programming to the small business, the Hub may consider this as a sub-recipient relationship. Reference Federal Guidance on determining the Sub-Recipient / Contract relationship.

Obligation Deadline – Feb 1, 2026

- The obligation deadline is February 1, 2026, this is referenced in the Grant Agreement under section listed in Section 2.5 (b).

Expenses that include non-eligible participants

- Hubs can host events where eligible and non-eligible participants are in attendance.
    - Expenses (such as rental space) should be prorated based on the number of eligible to non-eligible participants.

Software

- Licensing software such as subscription is not a capital expense and is not limited to the $4,999 capital expense limit.

Food Expenses

- Food expenses will be allowable so long as they are reasonable, appropriate, necessary, and minimizes the cost to the federal award.
- Food expenses are only allowable at events where technical information is delivered and does not include events like mixers / networking events.
- Hubs will have to document food expenses in a manner that makes it possible for a third party to easily determine how the costs benefitted the businesses disproportionately impacted by COVID19 as well as the event the food was provided at, the purpose of the event, and that the expense was appropriate, necessary, and reasonable.
    - Examples of reasonable food expenses include water, pop, and other non-alcoholic beverages, cookies, chips, other snacks boxed lunches, etc. all served to eligible businesses at an event or training where technical information was delivered.
    - Examples of food expenses that may be considered ineligible include alcoholic beverages, food served at "entertainment" events or annual dinners or mixers.

Federal guidance pertaining to food and other necessary expenses for hosting a meeting, seminar, workshop or event can be found in 2 CFR 200.432.

§ 200.432 Conferences.

A conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity and is necessary and reasonable for successful performance under the Federal award. Allowable conference costs paid by the non-Federal entity as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the Federal award. As needed, the costs of identifying, but not providing, locally available dependent-care resources are allowable. Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the Federal award. The Federal awarding agency may authorize exceptions where appropriate for programs including Indian tribes, children, and the elderly. See also §§ 200.438, 200.456, and 200.475.

SBSH All Hub Office Hours
3-6-24

Reporting Date Change

- Based on feedback provided by Hubs at the 2/28/24 Office Hours meeting, MEDC will extend reporting deadlines to the 20th of the Month following the end of reporting period. While the grant agreement reflects the deadlines listed above, the agreements also allow for modifications to these dates at the discretion of the Grant Manager.

Branding Materials and Collateral

- "Get To Know You" guide is complete and has been shared. This peer-to-peer document includes a brief introduction of the Hubs and their areas of focus. Future versions will include adding SmartZone information and repurposing content to be useful for small businesses / customer facing.
- MEDC is working on both a one-pager about the program as well updates to the program website. We will reach out to the hubs for supporting materials (i.e. logos, Hub websites, etc.).

Reporting Guidelines & Template

- MEDC is working on an excel template for the reporting. This will be shared in the coming weeks.

Reporting Requirements

- Transactions submitted in aggregate (total amount obligated / expended).
- Exhibit H of the Grant Agreement identifies Reporting Requirements. Item 2 of this section says:

<u>Quarterly Federal Report.</u> The Quarterly Project and Expenditure Report is filed by the State on a quarterly basis and reports on projects, expenditures, contracts, and subawards over $50,000. The reporting threshold is based on the total award amount allocated to the State by Treasury under the SLFRF program, not the funds received by the State as of the time of reporting. Each Quarterly Project and Expenditure Report will cover one calendar quarter and must be submitted to Treasury by the last day of the month following the end of the period covered. Quarterly Project and Expenditure Reports are

not due concurrently with Annual Project and Expenditure Reports discussed below. Grantee's reporting due dates are listed in Section 2.5(d) of the Agreement.

- This means that Hubs will have to provide a list of Sub-Grantees and/or Contractors that are receiving over $50,000 in total (over the total length of the grant).
- This requirement is independent of other reporting requirements including procurement requirements.
- As a reminder, Hubs must have all funds Obligated by February 1, 2026 and Expended by September 30, 2025.

Within the budget line-items, where is the best place to account for a contractor that is working on "Strengthening the Hub"?
- Personnel seems most appropriate based on what was described.

Technology Integration to track Hub Reporting
- Several hubs are working with Economic Impact Catalyst / Start Up Space to track small business engagement. This is an eligible use of funds.
- It is anticipated that this technology may help Hubs aggregate information about their Sub-Grantees and Contractors making it easier / more automated to submit data to MEDC.
- Some data will have to be entered into the Salesforce portal as MEDC does not anticipate allowing automated API connections between third parties and MEDC's salesforce system.

Business Eligibility -- Certification
- Self-Certification is acceptable in meeting program requirements (i.e. SEDI, minority owned, woman owned, etc.).

SBSH All Hub Office Hours
2-28-24

Reporting for Sub Hub
- Hub Grant Agreements outline general reporting requirements. These include:
    - State Progress Report (Exhibit F) – Due October 10*
    - Federal Quarterly Reports (Exhibit H) – Due January 10, April 10, July 7, October 10*
    - Federal Annual Report (Exhibit H) – Due July 7*

***IMPORTANT NOTE ABOUT REPORTING DEADLINES:** Based on feedback provided by Hubs at the 2/28/24 Office Hours, MEDC will extend reporting deadlines to the 20th of the Month following the end of reporting period. While the grant agreement reflects the deadlines listed above, the agreements also allow for modifications to these dates at the discretion of the Grant Manager.

- Reporting will be submitted through the Salesforce Portal. Hubs will be required to report on financial data, federal and state requirements, and programmatic outcomes. Hubs will submit a "Master Spreadsheet" via excel that will list all eligible small businesses served. MEDC will provide a template. This data will be submitted quarterly.
- Sub Hub are responsible for collecting data and other reporting requirements from all of their Subgrantees and contractors and will aggregate information and plug into the reporting requirements.

DRAFT Data Points:

Finanical Obligations

Current Period Expenditures	Current Period Obligations
Total Cumulative Expenditures	Current Period Obligations
Status to Completion	

Small Business Economic Assistance - Required for Expenditure Category 2.31

Businesses Served (Cumulative)	
Businesses Served (Reporting Period)	

State & Programmatic Data Points (Small Business Metric)

# of Minority Businesses Served	# of Total Businesses Served
# of Unique Early-Stage Businesses Services	# of Unique Microbusinesses Served
# of Second-Stage Companies Served	# of "Mature" Businesses Served
# of Businesses Served for the First Time by Hub	# of Businesses that were also served ("counted") through SZ programming
Total Dollars Deployed to Small Businesses	Number of New Business Starts
Number of Referrals to other SBSH Partners	Number of Referrals to other Small Business Ecosystem Partners (Outside of HUB network)

DRAFT Master Spreadsheet Fields:

Small Business Data	
Business Name & Contact Information	NAICS Code
TIN/EIN	Business Owner Information
Year Establish	FTEs
Is this a "new" business	Is this an "early stage" business
Is this a "microbusiness"	Is this a "mature" business

Minority-owned or controlled business status	Women-owned or controlled business status
Veteran-owned or controlled business status	Disabled-owned or controlled business status
Disproportionately Impacted by COVID19 Qualifier	
Is located on map	Is SEDI-owned
Other	
Time Period of Engagement & Types of Services Received	
Date of initial intake	Date of End of Engagement
Type of Service Received: 1:1 Business Coaching/ Consulting; Group Training, Classroom or Cohort; Service; Small Business Grant; Total Grant Dollars Received	Did this business also receive services funded through the SZ?
Engagement Outcomes	
Jobs Created	Jobs Retained
Opened a Physical Location (Commercial Space)	Facilitated Revenue
Loan / Equity Capital Leveraged	Referred to Partner Organization / Who
Mentorship Connections Made/ Received Mentorship	
Narrative	
Narrative	Success Story

Close Out Period

- The final date for Hubs to expend funds and deliver programs and services is September 30, 2026, will there be a longer runway to complete final reports and close out the grant other than what is stated in the grant agreement as the 10th of the following month?
    - There hasn't been a ton of guidance from the Feds on the close out period. Hubs should be prepared to submit final reports by the 20th of the following month (October 20, 2026). If additional guidance is provided and the timing can be extended, we will communicate to Hubs.

Hubs contracting with MI-SBDC or other Third-Party Contractors

- Hubs will collect and aggregate data from all third-party providers and submit one report to the MEDC – this includes both aggregated data and individual small business data of business served.

Is there any guidance on how Hubs should structure their sub-grant agreements with third parties – should expenses be reimbursed, or should funds be advanced?

- Hubs can determine how they want to structure their sub-grant agreements or contracts. Both options are permissible.

Single Audit Requirements

- The threshold for Single Audit requirement is $750,000 – If a Hub is expended $750,000 through this program in a single fiscal year, a single audit will be required. Sub grantees/Contractors will not be meeting this threshold so wouldn't be required to do one.

Charging Fees for Programming/Services Offered

- Cost of training is $100. Cost for Hub is $75. Cost for attendee is $25.
  - If fees are spent back on the programming AND do not exceed the cost of the training – then you can charge a fee.
  - Compliance/Jonathon will provide additional guidance.

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Interest Bearing Accounts

- ARPA guidelines allow funding to be held an interest-bearing account and are not subject to the requirements of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR Part 205 or 2 CFR 200.305(b)(8)-(9).
- As such, recipients can place funds in interest-bearing accounts, do not need to remit interest to Treasury, and are not limited to using that interest for eligible uses under the SLFRF award. (From SLFR Compliance Guidance; D. Uniform Administration Requirements; Section 3 – Cash Management)

Reporting Requirements

- Reporting requirements are highlights in Exhibit F (State Requirements) and Exhibit G (Federal Requirements). Additional program outcomes and KPIs will be forthcoming.
- An initial overview of the reporting process will be presented at the next Office Hours meeting on 2/28.
- The Salesforce Portal will be used for all reporting.

Sampling & monitoring of Sub-grantees

- If I'm the Hub – how do I sample the small business in an appropriate way to ensure they have used the Small Business grant funding in accordance with the grant guidelines?
  - This will be up to the Hub to determine best method.

Obligated vs Expended

- Having an executed sub-grant agreement or contract obligates funds. Obligated, as defined in the Grant Agreement, means orders placed for property and services, contracts, and subawards made, and similar transactions that require payment.
- Funds expended means that both: 1) the goods have been received or the services have been performed; and 2) the funds have been paid.
- Hubs should understand when their entity considers payroll costs obligated. If a policy is not in place that identifies this, Hubs may consider creating a policy.

Qualifying businesses as disproportionately impacted by COVID19

- Hubs will qualify a business receiving programs, services, or grants as disproportionately impacted by COVID19. The third qualifier in the definition "The business can demonstrate a disproportionate negative economic impact as a result of COVID-19" will be up to the Hub to determine how they want to define what qualifies. Hubs can create their own standard and MEDC was intentionally not prescriptive here as what constitutes a disproportionate negative economic impact could vary by region, sector or other factors. Hubs should create a standard, document how a business served meets this standard, apply the standard consistently over time, and be able to substantiate the standard should this item be sampled.

Business eligibility – to receive services or grants
- Non-profits are not eligible to receive programming, services or grants through this program.

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Positive Timekeeping
- Do organizations need to keep track of the time that they're not working on the grant (other specific programs)?
    - No – only log the time spent on this program.
- Salaried Employees aren't tracked by hour for some entities operating within larger organizations. Is it possible to track in an excel spreadsheet instead of an official payroll system?
    - Yes - this is acceptable.

Changes to Sub-grant Agreements (with third-parties)
- Can an organization cancel or amend a sub-grant agreement with a third-party and engage a different one?
    - From a budget perspective – It depends on how your organization has structured your budget (If funds for these sub-agreements are included in "Strengthening the Hub" or "Operations and Programming"); most likely Hubs have flexibility to make adjustments as long as you're not moving money between the two buckets of funding after September 30, 2024.
    - MEDC is only monitoring the "Strengthening the Hub" and "Operations and Programming and funding buckets – which is where we will be sampling.
    - From an obligation deadline perspective – Hubs have until February 1, 2026 to obligate funds. Sub-grant agreements could be adjusted prior to the obligation deadline.

Eligible Expenses, as it pertains to direct grants to Small Businesses
- Grant funding for website development – appears eligible, could also offer this as a service.
- Grant funding for business signage – this may be considered construction, which is not eligible and will depend on the extent that the building is altered / disturbed.

Conflict of Interest
- MEDC is not requiring a specific Conflict of Interest form be used. Organizations may use their own template.
- Who needs to complete the conflict of interest?

- Hubs, Hubs Contractors and Hubs subgrantees – not to the small businesses (beneficiary) level

Verifying businesses eligibility - Disproportionately Impacted by COVID-19

- When qualifying a business as disproportionately impacted by COVID19, Hubs are able to determine how they want to qualify businesses under "The business can demonstrate a disproportionate negative economic impact as a result of COVID-19" and can use their own criteria to make that determination. Hubs should document how they use this determination.
- MEDC will request demographic data of the business owner(s) to be captured. Please note, the MEDC compliance and reporting materials are still being developed.

Anticipated change from Application Scope, including Partners and or Geographic Expansion

- There may be flexibility to work with new or different partners; however, if the scope of your work is significantly changing – the MEDC needs to understand how the work is still tying back into your application. If your organization finds yourself in this situation, please contact Suzanne Perreault to set-up a meeting.
- Geographic expansion – if you identified expanding services into a new community, but don't intend to move forward with that, please also set-up a meeting with MEDC.

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Sub-Award / Sub-Grantee Agreement Template

- MEDC will not be providing a template for Hubs to use with Sub-Grantees.
- Tech Town shared a useful link that provides some framework for crafting such agreements.
- Hubs will be responsible for ensuring Sub-Grant Agreements include all required language as specified in their grant agreements.

Positive Timekeeping Guidance – Presented by Jonathon Ludko

- Positive timekeeping is the process of documenting the time each employee spends working on the program.
- Based on ACTUAL records.
- Should show – day, number of hours worked, exported from payroll system
- De Minimus – anything a ½ hour or more is reasonable to track
- SEE SLIDES for more information

Sub-Grantees + Positive Timekeeping

- Yes, Sub-grantees need to be tracking time using positive timekeeping.
- Contractors do not have to track time using positive timekeeping and can provide invoices summarizing hours worked and charged rates.

Grant Funds Expended Deadline

- Grant funds must be expended by 9/31/2026.
- Expended is defined as both: 1) the goods have been received or the services have been performed; and 2) the funds have been paid.

Key Milestone One – desire to update the narrative of describing eligible costs

- If Hubs would like to update the narrative describing eligible costs from what was submitted in December as part of the Implementation Timeline to something new for Key Milestone One, please email perreaults@michigan.org.

Is a nonprofit entity eligible for a grant?

- No, an eligible small business that receives services and/or a grant must meet the definition of a small business included in Exhibit A – Define Terms of the grant agreement.

Eligible Expenses that may cross into "construction"

- While furniture, fixtures, and equipment are allowable within the program, construction is not eligible. Construction, building alteration, or repair generally means disturbing surfaces. Installation of items is allowable if the cost does not exceed 13% of the total cost of the item being installed.
- Expenses like office furniture will likely be fine and not cross into construction, Hubs will want to decide if the installation of the items will alter the building/ disturb surfaces and will be considered construction.

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MEDC Program Updates

- Grant Agreement Execution Status – 3 agreements have been fully executed; 4 have been returned to MEDC to execute; 14 have been sent to the Hub; 6 are in process.
- Hubs will be invited to the March 5th SmartZone meeting. MEDC is also preparing a "Get to Know You" document for this meeting that will include high level Hub programming.
- Continue to send questions between meetings to perreaults@michigan.org.

Key Milestone One Process

- Written instructions will follow
- Hubs will set up a user with access to the Salesforce Portal
- Once the Hub has access to the portal, you will click submit report for Milestones for Small Business Support Hubs. The Milestone Title and a Brief Description of the Project Status has been filed out for you. You do not need to make any updates to this section. You will check the certification box and upload two documents:
    - Exhibit D-1 of your grant agreement
    - Acknowledgement and Certification Form (Attached)
- Finally, select "submit".
- MEDC will then process Key Milestone One and submit the disbursement request for payment. This is anticipated to take approximately 20-25 days. Funds will be released through SIGMA.

Eligible Use of Funds – Procurement

- Q: One of our partners would like to work with a procurement company. This procurement company will source and purchase the items for the space with a guaranteed best price. Their fee would be included on the invoice (within the agreed upon budget). Is the use of a procurement agency allowed with the grant funds?
  - A: Use of procurement company appears to be eligible; need clarification on what the procurement team will be buying. Installation of equipment could cross into construction and is not eligible.

Use of Salesforce Portal

- Hubs can have the same individual within their organization as the point of contact on the SBSH grants as on the Gateway grant. If it is the same person, the log-in is the same.
- It is not too late to change the Salesforce Portal point of contact, please email mahamans@michigan.org with changes or any other portal access needs.

Grant Agreement / Federal Compliance Details

- Several questions posed at the Office Hours – such as what the CFDA number is, the FAIN number, etc. these are listed in your Grant Agreement.
- The grant award is a fixed amount of funding.
- The MEDC is the sub-recipient. Hubs are also considered sub-recipients.

Reporting Requirements

- MEDC is finalizing program KPIs and other reporting information and will provide additional guidance.

Sub-Grantee Contracts

- The MEDC will not review or approve sub-agreements prior to agreements being executed.
- Sub-Grantees must have UEI numbers and meet other federal requirements as listed in Exhibit E of the grant agreement.
  - Sub-Grantees must not be on the federal debarment list. Hubs should document this via a screenshot.
- The Hub will make the determination as to if a third -party should be considered a Sub-Grantee or a Contractor.