



DIVERSE BUSINESS ASSISTANCE GRANT PROGRAM GUIDE

Version: January 13, 2023

1.0 GENERAL INFORMATION

1.1 Introduction

The purpose of this grant program is to assist chambers and non-profit organizations providing assistance to small businesses owned by individuals that have experienced barriers to capital and have been disproportionately impacted by the COVID-19 pandemic.

1.2 Granting Agency

This grant program is administered by the Department of Administration (DOA), which is the sole point of contact for the State of Wisconsin. All communications to DOA should be directed to the following email address: DiverseBusinessAssistance@wisconsin.gov.

1.3 Grant Agreement Term

The grant agreement shall be effective on the execution date and shall be in force until all eligible activities are completed and all required documents are submitted to DOA. Expenses must be incurred between March 3, 2021, and December 31, 2024.

1.4 Semi-Annual Reports Required

Grantees shall submit semi-annual reports (every six months) to DOA summarizing the use of funds and describing the impact on the grantee and the individuals it serves, unless more frequent or enhanced reporting is required pursuant to the Grant Agreement. DOA will supply a report document for completion by grantees and prescribe the dates upon which the reports are due. DOA reserves the ability to update/revise the reporting form over time to collect information necessary to meet its own obligations to report to the US Dept of Treasury, monitor grantees, and keep the public informed.

1.5 Recordkeeping

Grantees must maintain for at least five years following the end of the grant's performance period records sufficient to demonstrate that the expenses were compliant with obligations under state and federal law, and the grant agreement.

1.6 Public Disclosure

Copies of the application materials, excluding materials deemed to be confidential and proprietary information on Appendix B: Designation of Confidential and Proprietary Information (DOA-3027), the grant agreement and any other related material will be made available for public inspection in accordance with applicable Wisconsin law.

Diverse Business Assistance – Program Guide

1.7 Compliance with Applicable Law

As outlined in the grant agreement, Grantee is solely responsible for demonstrating that payments it receives under the Program meet the eligibility requirements set forth under the agreement, state and federal law, and state and federal guidance. Grantee agrees as part of its grant agreement to hold DOA and the State harmless for any audit disallowance related to the eligibility of costs or revenues, irrespective of whether the audit is ordered by federal or state agencies or by the courts and will be solely responsible for repaying the ineligible amounts (plus any assessed interest, costs, or fees) to the State or the federal government.

1.8 Subawards

Under the terms of the grant agreement, subawards, transfers of funds to third parties, are permissible for the purposes of grantmaking or forgivable loans. Subawards do not include costs associated with ordinary purchases of goods or services (e.g., hiring a third party to provide professional services). Grantee must maintain oversight and monitoring of subawards.

2.0 FREQUENTLY ASKED QUESTIONS

Below are answers to many of the questions that grantees have submitted to the Diverse Business Assistance Program (DBA). These answers have been revised due to recent guidance from the U.S. Department of the Treasury that significantly reduced the federal regulations applicable to the Program. If you do not believe your question has been answered in this document, or if you have additional questions, please submit your follow-up to: DiverseBusinessAssistance@wisconsin.gov.

Grant Agreements

2.1 Are you taking comments/questions about the grant agreement?

The Program is accepting comments and questions via the Program email: DiverseBusinessAssistance@wisconsin.gov.

2.2 How do we make changes to the DocuSign agreement (e.g., change the authorized signatory, change, or confirm the designated contact person, etc.) or add additional contacts for our organization? What is the best way to confirm the correct email address for receiving the DocuSign? The person in our organization will be leaving in the upcoming weeks.

Please send an email to the Program email box (DiverseBusinessAssistance@wisconsin.gov) with the information that you would like to change, add, or confirm. You are able to provide the contact information for more than one person attached to the program and re-assign signatories. For example, in the context of an authorized signatory, send an email stating the grant project ID, the former authorized signatory name and contact details, and the new signatory's information. To confirm the correct email address for receiving the DocuSign, you can review the information provided in the contact information survey. If this information needs to be changed, please email the program email.

Diverse Business Assistance – Program Guide

Disbursement of Grant Award Funds

2.3 When will we receive our grant award funds?

Grant awards will be provided to grantees in semi-annual disbursements. The first disbursement will be made following full execution of the grant agreement by both parties, and within approximately 30 days of the grantee's submission of Attachment C to the agreement, which is the Semi-Annual Report and Payment Request Form. Subsequent disbursements generally will be made in January and July of each year as advances for grantee expenditures during the upcoming six-month period.

In general, if the grantee submits a properly completed Attachment C – Semi-Annual Report and Payment Request Form, payment will usually be made within 30 days. For payment requests that are incomplete or require additional information, the period may be longer.

2.4 Will the awards be made in a lump sum to Grantees?

Generally, no. See Question 2.3 above.

However, if you expect to spend your entire grant award by December 31, 2022, you may request the entire amount in the first payment request. In all other cases, the State will release funds in installments throughout the performance period, based on the costs you expect to incur during each reporting period.

2.5 How and when do we submit request for payment of expenses between the time the grant agreement is executed and December 31, 2022? What time period will the first grant disbursement cover?

Initial payment requests may be submitted at or after the time of execution of your grant agreement. The initial payment request will cover expenses through December 31, 2022. The payment form will be available on the program website: <https://doa.wi.gov/pages/DiverseBusinessAssistance.aspx>. Grantees should make their best estimate of funds needed to cover each six months of the performance period.

The initial disbursement covers both past expenses (if they were included in grantee's original budget) and future expenses eligible under the terms and conditions of the grant agreement. It may cover eligible expenses included in Grant Agreement Attachment B- Budget, incurred, or to be incurred, on or after March 3, 2021 (the earliest date permitted by the American Recovery Plan Act) through December 31, 2022.

2.6 How far in advance should we ask for funds, and how long until disbursement of funds should reasonably be expected?

Grantees must submit payment requests at least 30 days before the start of each semi-annual payment period. Payment requests must be made using the Semi-Annual Report and Payment Request Form included as Attachment C to your grant agreement. Disbursements generally will be made at the start of the payment period. See Attachment C to your grant agreement for more information.

2.7 Must a purchase order be in place before we can request advance payment for an upcoming expense?

No. Grantees may request funds in advance for any eligible costs that may be incurred during the upcoming reporting period, regardless of whether a formal purchase order has been issued yet.

Diverse Business Assistance – Program Guide

2.8 If we miss the July 1 disbursement date, do we have to wait for December 1 to request for January 1?

No. Grantees' first request for payment is considered the Initial Payment Request Period and may be submitted within 30 days after grant agreement execution.

2.9 After we receive our first payment, what time periods will be covered by the future semi-annual requests for payment?

The next reimbursement request may be submitted in December 2022 for disbursement in January 2023. The request will cover expenses grantee expects to be incurred between January 2023 and July 2023. Similarly, the third reimbursement request may be submitted in June 2023 for disbursement in July 2023 and will cover expenses expected to be incurred between July 2023 and December 2023. Requests for reimbursement of calendar year 2024 expenses will follow the same timing. Payment requests should include amounts you expect to incur for each six-month period through the performance period.

2.10 Do funds have to be spent in equal portions each year of the grant?

No.

Period of Performance

2.11 Some of the regulations indicate expenses must be obligated by December 31, 2024 but expended by December 31, 2026. Can you please talk about this and what is required for obligation, especially in regard for personnel expenses.

The current intent is for the Performance Period to end on December 31, 2024 for this program, meaning that expenses must be expended by December 31, 2024. The Program will evaluate the need for any potential extensions as it monitors grantees' progress.

2.12 Will the deadline for spending grant award funds be extended?

The current intent is for the Performance Period to end on December 31, 2024, and grantees should plan accordingly. The Program will evaluate the need for any potential extensions as it monitors grantees' progress.

2.13 Can we charge project expenses incurred before the grant agreement is executed? If we track spending NOW on this project, do we have the DOA's approval to bill these expenses retroactively?

Yes. Eligible expenses for your project incurred on or after March 3, 2021 and included in the Grant Agreement Attachment B – Budget, may be submitted for payment. Grantees' first request for payment is considered the "Initial Payment Request Period" and may be submitted within 30 days after grant agreement execution.

Diverse Business Assistance – Program Guide

2.14 Is there any requirement that money be spent or costs be incurred during 2022?

No. Spending during 2022 is not required. However, project activities are expected to begin soon if they have not already started. The Period of Performance ends on December 31, 2024. All expenses must be incurred and projects completed by that date. Grantees will be required to report on their progress as a condition of receiving each semi-annual disbursement of grant award funds.

2.15 At what point can we begin hiring and have any hires reimbursed from grant process?

Grantees may begin the hiring process now as eligible expenses for your project that were incurred on or after March 3, 2021 and included in the Grant Agreement Attachment B – Budget, may be submitted for payment.

2.16 We wrote this grant in 2022 with the expectation that we would begin the program in early 2023. With the time delay now, will we simply adjust the timeline accordingly?

Yes; however, keep in mind that the current intent is for the Performance Period to end on December 31, 2024, and grantees should plan accordingly. The Program will evaluate the need for any potential extensions as it monitors grantees' progress.

Excess Funds

2.17 Because a portion of the grant award will be made as an advance to grantees, what will happen to any excess funds remaining at the end of any six-month period?

In general, any funds remaining at the end of a period may be used toward eligible costs for the upcoming reporting period. Payment requests submitted for upcoming periods may be reduced, or advances may be postponed, to account for unspent funds. The Program may require that any funds remaining at the end of the Performance Period (December 31, 2024) be returned to the State.

2.18 What happens if the project doesn't use all the funds before December 31, 2024? Do they lose the remaining balance or do all the funds go back?

The Program's goal is to help grantees successfully complete their projects. Only in exceptional circumstances would a grantee be required to return all grant funds. Because funds will be distributed to grantees on a semi-annual basis and grantees are required to submit progress reports, this is unlikely to occur. Grantees must notify the Program at least 90 days in advance of the end of the Period of Performance (December 31, 2024) if they expect any funds not to be expended by that date, so the Program can determine whether a return of remaining funds is necessary.

Procurement

2.19 Are grantees required to follow any particular procurement requirements when purchasing goods or services with grant funds? What if I'm only paying salaries and rent with the funding?

The revised Treasury Department guidance removed a number of applicable federal regulations regarding procurement. The Program will now permit grantees to follow their own written procurement policies (rather than federal procurement rules) when purchasing goods and services with their grant funds, as

Diverse Business Assistance – Program Guide

long as Grantee follows the standards set forth by the amended grant agreement. The grant amendment specifies that the Grantee must have, maintain and follow written procurement procedures which ensure:

- Grantee pays reasonable prices when procuring goods and services;
- Reasonable forms of competitive procedures are used where practical and appropriate in light of the value of the goods or services being procured;
- Grantee obtains goods and services in an open, consistent, and ethical manner; and
- Grantee avoids conflicts of interests in its procurement decisions

If you have questions about whether your procurement and conflict of interest policies meet these new requirements, please contact the Program at: DiverseBusinessAssistance@wisconsin.gov.

2.20 I did not want to negotiate a new supplier (subcontractor) relationship until our group had signed our contract with DOA. I understand from the most recent communications I received that we should go ahead and firm up our subcontractor relationships ahead of the time that we sign contracts with DOA. Am I understanding the situation correctly?

Grantees may begin that process now as eligible expenses for your project that were incurred on or after March 3, 2021 and included in the Grant Agreement Attachment B – Budget may be submitted for payment. Grantees are required to ensure they follow proper procurement procedures before entering into contracts for goods or services. See 2.19 above.

Budgets

2.21 You mentioned the possibility of resubmitting budgets. What is the process and what limitations do you have on this? If the total award amount does not change, is it possible to move funding from one category to another in the application categories? How much flexibility do we have with the budget from the original budget? If the project is the same but we have more knowledge now, can we adjust some of the category costs? Will we be allowed to amend our anticipated budget over the grant period?

During the grant agreement execution process, Grantees were asked to complete Attachment B – Budget. Grantees may not submit budgets that substantially deviate from the project activities, budget and timeline proposed in the grant application. However, the Program recognizes that certain costs may have changed since the filing of your grant application. It is possible to submit a budget with the line items adjusted to account for increased costs; however, Grantees may not submit an Attachment B – Budget with a total award amount greater than the amount identified on the Notice of Intent to Award. Additionally, Grantees may not submit budgets that substantially deviate from the project activities, budget and timeline proposed in the grant application. Once the agreement is executed, any future adjustments to the budget must be approved by the Program. Generally, adjustments between existing line items on Attachment B - Budget that impact 10% or less of the total budget will be approved. Adjustments impacting more than 10% of the total budget will be evaluated on a case-by-case basis.

Diverse Business Assistance – Program Guide

2.22 Given that the budget on the grant agreement is much more detailed and maybe in different categories than what was in the application. What counts as a “budget adjustment” vs “proper categorization” of expenses?

It depends. Grantees may not submit budgets that substantially deviate from the project activities, budget and timeline proposed in the grant application. However, the Program recognizes that the Grant Agreement budget is more detailed than the application budget, and certain costs may have changed since the filing of your grant application and certain other adjustments to your project may be necessary as it develops. Grantees should submit a revised budget for consideration as part of the grant agreement execution process, placing expenses in the appropriate categories. If the Grant Agreement Execution process has already occurred, see 2. 24 guidance, directly above.

2.23 Is there any reason we can’t request all funds up front if we expect to use all funds awarded?

The State will release funds in installments throughout the performance period. For instance, if your performance period ends on December 31, 2024, the last request for reimbursement needs to be made by June 1, 2024, in order to receive payment by the end of the performance period. If you expect to use all funds awarded by December 31, 2022, you may request the entire amount in the first payment request.

Audits

2.24 I heard a quick mention of “will be audited” during the webinar. Please describe what/when or any guidance related to audit.

Grantees that expend more than \$750,000 of their grant funds in a single fiscal year will be required to have a certified annual audit performed utilizing Generally Accepted Accounting Principles and Generally Accepted Auditing Standards. Audit reports will be due to the Program within the earlier of 30 calendar days after receipt of the auditor’s report(s), or nine months after the end of the audit period. In addition, even if a grantee is not required to obtain an audit because their spending of grant funds is less than \$750,000 in a single fiscal year, any audit of their financial statements that they obtain as a result of their regular practices must be shared with the Program. Grantees also may be subject to a compliance audit or review conducted by the Program or an “agreed-upon procedures” engagement with an auditor, at the Program’s discretion. Grantees should be prepared to demonstrate compliance with the requirements of their grant agreement (e.g., through submission of expenditure information and/or documentation, site visits, etc.). Note that federal audit requirements do not apply to recipients of DBA Grant awards in light of updated Treasury guidance.

Scope of Work

2.25 Must we strictly adhere to the scope of the project as described in our grant application? Can we amend the timeline for our project?

Proposed changes to the scope of a project will be evaluated on a case-by-case basis. A change in scope may be permitted if it: i) is consistent with the overall project described in the grant application, and ii) would not increase the total grant award amount, and iii) is consistent with federal requirements and all other applicable laws. All expenses must be incurred before December 31, 2024. If you believe your

Diverse Business Assistance – Program Guide

proposed change of scope or timeline meets these criteria, you should include the revised description in the Scope of Work or timeline you submit as Attachment A to your grant agreement.

Affirmative Action

2.26 Is evidence of compliance with the Affirmative Action processes/documents/data required?

Awards estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan by a grantee. Grantee's subcontractors must also comply with this requirement. DOA staff will work with grantees' subcontractors to ensure compliance with this requirement. Watch for further instructions from Program staff regarding this topic.

Reporting Requirements

2.27 Regarding outcomes and measures during past and planned periods – what will be required of grantees and by whom and when are those determined/defined? What metrics/outcomes is DOA looking for in this? Is it number of businesses served? If so, do you have ideal metrics you'd like to be hit to ensure we are fulfilling our obligations?

Given the wide variety of projects and services being undertaken by the Diverse Business Assistance grantees, the outcomes and measures of success will vary by grantee. Attachment C – Semi-annual Report and Payment Request Form requires grantees to provide a description of their project activities during the past reporting period and a description of project activities for the upcoming reporting period. Grantees should provide details related to the project activities that are funded by the grant (personnel and otherwise) and consistent with the project described in the grant application and specifically outlined in the Scope of Work (Attachment A). Grantees are encouraged to include descriptions of the goals they are seeking to achieve and data demonstrating their success.

The Program may require the submission of additional information regarding outcomes and measures on a case-by case basis.

2.28 Assuming there is a final report requirement, when will a format for a final report be available?

At present, all reporting will be performed as part of the Semi-Annual Report and Payment Request Form. If the Program modifies the reporting requirements it will notify grantees in advance of any reporting deadline, including any Final Report that grantees may be required to submit.

Miscellaneous

2.29 Will grant recipients be assigned a DOA staff representative or will all communications be handled through the general program email address?

All communications will be handled through the program mailbox (DiverseBusinessAssistance@wisconsin.gov).

Diverse Business Assistance – Program Guide

2.30 Indirect costs – do indirect costs apply to any current contract/employee for HR who will also be administering training to the program recipients? How do we calculate indirect cost rates for the project budget? What happens if you have an existing Federal indirect cost rate? Can you clarify indirect costs?

Administrative (indirect) costs are defined in the Attachment B – Budget cost categories and are those costs incurred by the Grantee for a common purpose that are not readily assignable to a specific project as a direct cost. Typically, administrative (indirect) costs are general costs of operation, such as the costs of operating and maintaining facilities, depreciation on buildings and equipment, and salaries and expenses of executive officers, personnel administration, and accounting.

Although Federal regulations regarding “indirect costs” no longer apply, DOA will continue to allow Grantees to recover for administrative (indirect) costs if they so choose under a framework similar to the one employed by the federal government.

If you have an existing Federal indirect cost rate, that rate should be used to calculate administrative (indirect) costs for the project budget. If not, then you may use an administrative cost rate of up to 10% of the Total Direct Costs (i.e., 9.1% of the total Grant Award).

Notably, if you decide to include administrative (indirect) costs in your budget, you must ensure that those costs are not also included in other lines of your budget, in order to avoid double billing. For example, if you decide to include a portion of your rent in your indirect cost line, you cannot claim rent expenses on the “Rental of Real Property & Equipment” line of your budget.

2.31 Are any additional documents required from organizations during the grant agreement process that DOA will be requesting in addition to the Affirmative Action statements?

Grantees may also be required to provide forms for set up in the State’s financial system and additional information related to audits of your organization. The program will follow up with grantees for any additional information.

2.32 Does segregation of funds require physical separation or does the proper accounting segregation of funds suffice?

Grantees are required to maintain all Grant Award funds in a separate bank account used exclusively for the Grant Award funds or specifically identify the Grant Award funds in a separate internal account used to track all deposits, obligations, and expenditures of Grant Award funds. Grant Award funds may only be used only for purposes of Eligible Expenses, pursuant to the Grant Agreement. Grant Award funds cannot be intermingled with funds received from any other source, including but not limited to other grant awards received from the State pursuant to ARPA. See Article 15 and 16 of the Grant Agreement for more detail.

2.33 What happens if an organization has requested a Unique Entity ID from SAM.gov and has not yet received it in over four months?

Any inquiries regarding federal UEI (unique entity ID) numbers must be addressed at the federal level.

Diverse Business Assistance – Program Guide

Document Change Log

Version #	Date Issued	Updated Information
Version 1.0	1/13/2023	