



## DIVERSE BUSINESS INVESTMENT GRANT PROGRAM GUIDE

Version: January 13, 2023

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### 1.0 GENERAL INFORMATION

#### **1.1 Introduction**

The purpose of this grant program is to provide funding to Community Development Financial Institutions (CDFIs) to support grants and forgivable loans to Diverse Businesses, including those in qualified census tracts, underserved communities, or other areas 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 with DOA should be directed to the following email address: [DiverseBusinessInvestment@wisconsin.gov](mailto:DiverseBusinessInvestment@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 performance period, records sufficient to demonstrate that the expenses were in compliance with obligations under federal and state law as well as the grant agreement provisions.

#### **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-2037), the grant agreement and any other related material will be made available for public inspection in accordance with applicable Wisconsin law.

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### **1.7 Compliance with Applicable Law**

As outlined in the grant agreement, grantees are solely responsible for demonstrating that payments they received under the Program meet the eligibility requirements set forth under the agreement, state and federal law, and state and federal guidance. Grantees agreed 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 paying the ineligible amounts (plus any assessed interests, 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 small or micro businesses, 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 Investment (“DBI”) Program. These answers have been revised due to recent guidance from the U.S. Department of the Treasury that significantly reduced the number of federal regulations applicable to the Program.

If you do not believe your question has been answered below, or if you have additional questions, please submit your follow-up to: [DiverseBusinessInvestment@wisconsin.gov](mailto:DiverseBusinessInvestment@wisconsin.gov)

### **Grant Agreements**

#### **2.1 When will grantees receive the DocuSign grant Agreements?**

Grant Agreements are being routed to grantees on an ongoing basis after each grantee’s capability assessment and any requests for additional information are completed.

#### **2.2 When will grant agreements be executed and when will we receive the executed grant agreements?**

Grant Agreements will be executed following a review of the Grant Application and Grant Agreement and when capability assessments and any requests for additional information are completed. Grant agreements can be executed shortly after you receive the agreement via DocuSign so long as DOA has all the relevant information. Upon receipt of the DocuSign grant agreement, grantees should complete all required fields, including the Scope of Work and Budget, and submit the agreement to the Program at their earliest convenience. Although the Program will soon issue an amended grant agreement reflecting changes made in response to recent Treasury guidance, the Program recommends that grantees execute the current version of the agreement in order to avoid delays in receiving grant funds. If you have questions about the grant agreement, please send an email to the Program at: [DiverseBusinessInvestment@wisconsin.gov](mailto:DiverseBusinessInvestment@wisconsin.gov)

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### **2.3 Are you taking comments/questions about the grant agreement?**

The Program is accepting comments and questions via the Program email: [DiverseBusinessInvestment@wisconsin.gov](mailto:DiverseBusinessInvestment@wisconsin.gov)

### **2.4 How should we change information such as the authorized signatory on the grant agreement, the DocuSign contact, or the primary point of contact for the program?**

Please send an email to the Program email box ([DiverseBusinessInvestment@wisconsin.gov](mailto:DiverseBusinessInvestment@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.

#### **Disbursement of Grant Award Funds**

### **2.5 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.

### **2.6 Will the awards be made in a lump sum to Grantees?**

Generally, no. See Question no. 2.5 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.

### **2.7 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 eligible costs that may be incurred during the upcoming reporting period, regardless of whether a formal purchase order has been issued yet.

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### **2.8 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.

### **2.9 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.

### **2.10 How long will it take to reimburse the grantee after a semiannual payment request is made?**

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 time period may be longer.

### **2.11 What time period will the first grant disbursement cover and what are the fiscal years that are assigned to the specific months outlined for submitting reimbursement?**

The first grant disbursement will cover 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 will cover eligible expenses 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.

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.

### **2.12 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.

### **2.13 Do funds have to be spent in equal portions each year of the grant?**

No.

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**2.14 After the Initial Payment Request and first disbursement, will we be permitted to seek reimbursement if our advance does not cover all of our costs in a reporting period?**

Yes. The Program recognizes that changed circumstances may cause you to incur costs more quickly than expected. As long as the expenses are for eligible costs, they can be submitted for reimbursement in your next Semi-Annual Report and Payment Request Form. However, the program will not be distributing any additional funds, so the overall amount of your award cannot and will not be adjusted.

### Period of Performance

**2.15 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.

**2.16 At what point can we begin hiring and have any hires reimbursed from grant proceeds?**

Eligible personnel costs will be reimbursed even if incurred before execution of the grant agreement, but only for eligible expenses on or after March 3, 2021.

### 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.

### Procurement

**2.18 Are grantees required to follow any particular procurement requirements when purchasing goods or services with grant funds?**

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 long as Grantee follows the standards set 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

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- 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: [DiverseBusinessInvestment@wisconsin.gov](mailto:DiverseBusinessInvestment@wisconsin.gov).

### **Budgets**

#### **2.19 You mentioned the possibility of resubmitting budgets. What is the process and what limitations do you have on this?**

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 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.

### **Audits**

#### **2.20 What is the guidance related to audits, and if audits are required, when are they expected to be completed?**

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 NIF Grant awards in light of updated Treasury guidance.

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### Scope of Work

**2.21 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, 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 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

**2.22 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

**2.23 Regarding outcomes and measures during past and planned periods – what will be required of grantees and by whom and when are those determined/defined?**

Given the wide variety of projects and services being undertaken by the Diverse Business Investment 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. Grantee should provide details related to the project activities that are funded by the grant (personnel and otherwise) 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.

**2.24 Assuming there is a final report requirement, when will the 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.

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### Document Change Log

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