

# SSBCI: Guidelines for the Technical Assistance Grant Program



## CDFA'S ANALYSIS

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When the [State Small Business Credit Initiative](#) (SSBCI) was reauthorized in March 2021 through the American Rescue Plan Act (ARPA), it included funding to provide small businesses with legal, accounting, and financial advisory services. The current iteration of SSBCI includes \$500 million for a Technical Assistance (TA) Grant Program which may be carried out by the U.S. Department of the Treasury (Treasury) and the Minority Business Development Agency (MBDA), as well as states, the District of Columbia, U.S. territories, and Tribal Governments that are approved for the SSBCI Capital Program (collectively referred to as “Eligible Recipients”). On April 28, 2022, Treasury [announced](#) that \$100 million in TA funding will be transferred to the MBDA and \$200 million will be available to Eligible Recipients. Treasury also issued guidelines for Eligible Recipients applying to receive funding through the TA Grant Program.

This analysis of the [TA Grant Program Guidelines](#) highlights key provisions and is not comprehensive of all program requirements. View Treasury’s dedicated SSBCI webpage and [CDFA’s SSBCI Resource Center](#) for additional program information, updates, and insights.

## WHAT YOU NEED TO KNOW

- The TA Grant Program Guidelines provide details on:
  - Eligible recipients, beneficiaries, and TA services.
  - The application process, including the components of the required TA plan.
  - Pre-award requirements, including the TA grant agreement.
  - Treasury’s framework for assessing program applications.
  - Award administration information.
- The guidelines do not include reporting requirements for the TA Grant Program.
- Treasury has issued a [Preliminary Allocation Table](#) that notes how \$200 million in TA Grant Program funding may be apportioned amongst Eligible Recipients.
- As of April 28, 2022, Treasury has announced plans to allocate \$300 million of the \$500 million authorized for the TA Grant Program.
- Eligible Recipients must submit a TA Grant Program application to Treasury by September 1, 2022.
- The TA Grant Program has a five-year performance period.

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## FUNDING DEPLOYMENT

### Treasury

Deploys TA Grant Program awards to Eligible Recipients.

### Eligible Recipients

- States, the District of Columbia, and U.S. territories that submitted a Capital Program application by February 11, 2022.
- Tribal Governments that submit a complete Capital Program application by September 1, 2022.

Eligible Recipients may deliver Eligible TA Services by:

- Carrying out the TA Grant Program award itself.
- Contracting with legal, accounting, and financial advisory firms to provide TA services.
- Serving as a Pass-through Entity to make a sub-award to a sub-recipient that will carry out the TA Grant Program award.

### Eligible TA Services

Funds provided under a TA Grant Program award are for the provision of legal, accounting, and financial advisory services to Eligible Beneficiaries.

### Eligible Beneficiaries

Very Small Businesses and SEDI-owned businesses that are applying for, preparing to apply for, or have previously applied for an SSBCI capital program or other federal or other jurisdiction small business programs.

## ALLOCATION AND TRANSFER OF TA GRANT PROGRAM FUNDING

Treasury has issued a Preliminary Allocation Table that notes how \$200 million in TA Grant Program funding may be apportioned amongst Eligible Recipients. Of the \$200 million, \$14.73 million will be available for distribution to Tribal Governments. Treasury will inform Tribal Governments of their TA Grant Program allocations via e-mail.

The MBDA will utilize its \$100 million TA Grant Program allocation to facilitate a range of TA services to small businesses, with a particular focus on providing support to entrepreneurs seeking venture capital financing and other forms of equity financing. Additionally, the agency will facilitate a suite of additional supportive services, such as intellectual property education and resources.

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### WHO CAN APPLY FOR THE TA GRANT PROGRAM?

Treasury will transfer funds to Eligible Recipients, which are defined as states, the District of Columbia, and territories that submitted a complete SSBCI capital program application by February 11, 2022; and Tribal Governments that submit a complete SSBCI capital program application by September 1, 2022. Eligible Recipients must submit a TA Grant Program application to Treasury by September 1, 2022.

Treasury may invite Eligible Recipients to apply for any remaining TA Grant Program funds that are returned, not awarded, or not disbursed.

### CAN ELIGIBLE RECIPIENTS CONTRACT WITH THIRD-PARTY TA PROVIDERS?

Eligible Recipients may:

- Carry out the TA Grant Program award itself.
- Contract with legal, accounting, and financial advisory firms to provide TA services.
- Serve as a Pass-through Entity and make a sub-award to a sub-recipient that will carry out the TA Grant Program award.

If an Eligible Recipient chooses to contract with third parties to deliver TA, the Eligible Recipient must prioritize providers that are SEDI-owned businesses, consistent with any applicable federal, state, and local requirements. A third-party contractor may be a legal, accounting, or financial advisory nonprofit or for-profit entity.

An Eligible Recipient is considered a Pass-Through Entity if it makes a sub-award to a sub-recipient that is responsible for carrying out a TA Grant Program award. The Pass-Through Entity must execute a sub-award agreement with the sub-recipient, which may be an entity of the Eligible Recipient (e.g., a state entity), or a legal, accounting, or financial advisory nonprofit or for-profit entity.

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## WHAT SERVICES CAN BE FUNDED THROUGH THE TA GRANT PROGRAM?

Funds awarded through the TA Grant Program are for the provision of legal, accounting, and financial advisory services. Treasury notes the following, and other similar services, are Eligible TA Services.

### Legal Services

- Assisting with business formation or adopting corporate governance documents.
- Obtaining needed registrations, licenses, filings, and certifications.
- Advising on, or preparing documents for, the business to enter into contracts.
- Legal services related to the business obtaining capital from investors, such as the development of financial instruments, investment term sheets, purchase agreements, and shareholder rights agreements.
- Legal services related to a transfer of ownership interests in a business, in the case of employee stock ownership plans (ESOPs).

### Accounting Services

- Preparing audits, financial statements, or business records.
- Digitizing financial records.
- Advisory services or training regarding accounting practices, recordkeeping, or accounting software.

### Financial Advisory Services

- Assisting with the establishment of banking relationships or other financial services.
- Assisting with applications for government small business programs, including preparing financial analyses.
- Identifying sources of credit, capital, grants, and other financing.
- Advising on factors that may impede access to financing for the business.
- Advising on financial management.
- Developing presentations to potential investors, financial models, and business plans.

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### ARE THERE LIMITATIONS ON WHICH SMALL BUSINESSES CAN RECEIVE TA SERVICES?

Yes. Funds awarded through the TA Grant Program are for the provision of Eligible TA Services to Eligible Beneficiaries. Small businesses must meet the following criteria in order to be considered an Eligible Beneficiary.

- The small business must meet the SSBCI program definition of a Very Small Business (VSB) or a SEDI-owned business.
- Additionally, eligible VSBs and SEDI-owned businesses must be applying for, preparing to apply for, or have previously applied for an SSBCI capital program or other federal or other jurisdiction small business programs.

### WHAT ARE THE RESPONSIBILITIES OF AN ELIGIBLE RECIPIENT?

At a minimum, Eligible Recipients are responsible for:

- Submitting a TA Grant Program application to Treasury.
- Executing a TA Grant Agreement with Treasury.
- Maintaining a conflict of interest policy that is applicable to all activities funded under the TA Grant Program award.
- Monitoring the use of TA Grant Program funds to ensure compliance with all TA Grant Program terms and conditions.
- Maintaining a financial management system that meets the requirements of 2 C.F.R. § 200.302, including records that document the expenditure of funds under an award.

Eligible Recipients will likely be responsible for submitting TA Grant Program reporting as dictated by Treasury. Reporting requirements for the program are forthcoming

### WHAT INFORMATION IS REQUIRED IN THE TA GRANT PROGRAM APPLICATION?

In the guidelines, Treasury refers to "TA Projects" or "projects" and "TA Plans". An Eligible Recipient that receives a TA Grant Program award can use that funding to capitalize one or more TA Projects. As part of the TA Grant Program application, Eligible Recipients must submit a TA Plan that describes each TA Project.

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At a high level, each TA Plan must include details on the following.

- Data-driven assessment of the needs of Eligible Beneficiaries in the Eligible Recipient's jurisdiction.
- The connection between the TA Project and SSBCI or other programs that support small businesses.
- The strategy and efforts to reach SEDI-owned businesses and VSBs that are Eligible Beneficiaries.
- Performance goals.
- For Eligible Recipients that will use a third-party contractor, a description of the process for prioritizing providers that are SEDI-owned businesses.
- The organizational capacity and ability of the TA providers, including:
  - A description of the TA provider's capability to deliver economic benefits to SEDI-owned businesses and VSBs in a manner proportional to the ratio of the Eligible Recipient's SEDI and VSB capital allocation. The Preliminary Allocations Table for the TA Grant Program includes Economic Benefit Ratios that should be used to inform the design of TA strategies.
  - The TA provider's historical record, geographic reach, policies, or procedures that substantiate their ability to serve SEDI-owned businesses and/or VSBs.

If an Eligible Recipient is not able to identify all of its anticipated TA providers in the TA Plan, it must describe its process for contracting with and identifying future TA providers that have the organizational capacity and ability to serve Eligible Beneficiaries.

The TA Grant Program Guidelines outlines the application components in full detail and provide examples of how Eligible Recipients can meet the requirements noted above. Eligible Recipients will use an online portal (forthcoming) to submit TA Grant Program applications.

## WHAT IS REQUIRED IN THE BUDGET AND NARRATIVE JUSTIFICATION?

The TA Grant Program application requires Eligible Recipients to provide a program budget and budget narrative. Treasury will provide a template for the budget and narrative justification in the application portal. The template will generally cover the line items in [Form SF-424A](#) (Budget Information – Non-Construction Programs). Categories include:

- |                   |               |                      |
|-------------------|---------------|----------------------|
| ■ Personnel       | ■ Equipment   | ■ Other Direct Costs |
| ■ Fringe Benefits | ■ Supplies    | ■ Indirect Costs     |
| ■ Travel          | ■ Contractual | ■ Program Income     |

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Funding from the TA Grant Program can be used to reimburse pre-award costs under very limited circumstances. You should know that:

- Treasury will not allow reimbursement for costs incurred before an award is made unless a recipient demonstrates that:
  - The costs were incurred directly pursuant to the negotiation and in anticipation of the award, and
  - The costs were necessary for the efficient and timely performance of the scope of work.
- Pre-award costs are limited to five percent of the total amount of the TA Grant Program award.
- Any pre-award costs should be requested as part of a TA Grant Program application.

The budget narrative must include specific justification for all applicable budget categories and explain how funds in each line item of the budget will be used to support the proposed TA Projects. Eligible Recipients must also provide an explanation of the necessity, allowability, reasonableness, and allocability of proposed costs in the budget narrative.

## HOW WILL TREASURY ASSESS TA GRANT PROGRAM APPLICATIONS?

Treasury will assess TA Grant Program applications based on the following factors:

- Alignment of the project design with the needs of Eligible Beneficiaries: Whether the project design reasonably addresses the needs of Eligible Beneficiaries;
- Alignment of the performance goals and benchmarks with project design: Whether the performance goals and benchmarks reasonably align with the project design;
- Adequacy of the organizational capacity and ability of the TA provider(s): Whether the organizational capacity and ability of the TA provider(s), as described in the TA Plan, is adequate to implement the project(s);
- Alignment of the budget with project design and performance goals: Whether the budget reasonably corresponds with the project design and reasonably supports the achievement of the performance goals; and
- Completeness of the TA Grant Program application.

## CDFA'S TIPS FOR THE TA GRANT PROGRAM

The following tips are based on the requirements outlined in the TA Grant Program Guidelines. These suggestions may be helpful as SSBCI stakeholders finalize TA Grant Program strategies and submit applications to Treasury.

### Keep it Simple

Eligible Recipients will need to submit a TA Plan for every TA Project contemplated. It may be beneficial to design one TA Project that can be contoured to meet the needs of different recipient subsets but seeks to achieve a singular goal. Further, Eligible Recipients should consider limiting the number of program partners involved in their TA strategy as the recipient will be responsible for monitoring the use of TA Grant Program funds by all partners to ensure compliance with TA Grant Program terms and conditions.

### Identify Administrative Processes

The flow of capital from Eligible Recipients to TA providers to small businesses will require certain Standard Operating Procedures to be in place. At a minimum, Eligible Recipients should establish processes for:

- Identifying and prioritizing TA providers that are SEDI-owned businesses.
- Monitoring the use of TA Grant Program funds to ensure compliance with all TA Grant Program terms and conditions.
- Ongoing evaluation of the performance of TA providers.
- Obtaining program feedback from TA providers to inform necessary adjustments to the provision of TA services and strategy for engaging Eligible Beneficiaries.
- Monitoring progress toward the performance goals and benchmarks included in the TA Grant Program application.

### Know Your TA Providers

In the TA Grant Program application, Eligible Recipients are required to describe the process, sources, and tools used in identifying and determining the capability of the TA providers. Prior to selecting a partner (sub-recipient or contractor), Eligible Recipients should gather information on the following:

- The partner's ability to implement the TA project or to manage the implementation of lower-tier sub-recipients or contractors.
- The partner's historical record of serving SEDI-owned businesses and/or VSBs, and their geographic reach.
- Any policies or procedures that guide the partner's activities and demonstrate their focus on serving SEDI-owned businesses and/or VSBs.
- The partner's proposed systems for financial management, reporting, and compliance, as well as their historical record for properly implementing and maintaining these systems.



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### Design a Data-Driven TA Strategy

Eligible Recipients should lean on local data to identify the current needs of small businesses and determine what TA services should be offered to meet these needs. Accordingly, the provision of these services should result in outputs and outcomes that demonstrate small business needs are effectively being met.

The application will require Eligible Recipients to describe how the proposed TA services will address small business needs based on local data. For example, data sets could include barriers to capital access, economic conditions such as unemployment or job creation, and stated needs for small business legal, accounting, and financial advisory services. Those services will create outputs and outcomes which Eligible Recipients will need to articulate and monitor.

- **Outputs:** Eligible Recipients must explain the output measures they will use to measure performance and the benchmarks for all identified short-, medium-, or long-term goals. Examples of outputs include: the number of newly established business organizations or the number of successful small business program applications submitted by TA recipients.
- **Outcomes:** Eligible Recipients must articulate the targeted outcomes and goals of their TA strategy. These goals should tie back to effectively addressing the needs of small businesses which were identified using local data sets. Examples of program outcomes include helping small businesses implement new technologies, build relationships with local distributors, or reduce energy costs.

### Stay Tuned for Additional Resources and Guidance from Treasury.

The TA Grant Program Guidelines state that certain resources, such as the online application portal and budget template, are forthcoming. Treasury is also likely to issue guidance on reporting requirements for the TA Grant Program and may issue a Frequently Asked Questions document in the future.

## FOR MORE INFORMATION

Visit CDFA's [SSBCI Resource Center](#) or contact CDFA at [info@cdfa.net](mailto:info@cdfa.net).

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## CDFA'S SSBCI RESOURCES

### CDFA SSBCI Resource Center

The central source for information, data, analytics, and programs related to the SSBCI program.

[Visit the SSBCI Resource Center](#)

### CDFA SSBCI Coalition

SSBCI Coalition meetings are held once a month to provide an interactive forum for CDFA members during the State Small Business Credit Initiative (SSBCI) application period. CDFA facilitates discussions that allow for networking, peer knowledge sharing, and problem solving.

[Learn more about the SSBC Coalition](#)

### CDFA SSBCI Fact Sheet & FAQs

An overview of how the SSBCI program works and the top things you need to know about it.

[View the SSBCI Fact Sheet & FAQs](#)

## ABOUT CDFA

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