

**SMALL BUSINESS ADMINISTRATION****13 CFR Part 119****PRIME Act Grants****AGENCY:** Small Business Administration.**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The U.S. Small Business Administration is proposing regulations to add new regulations to set up the Program for Investment in Microentrepreneurs Act ("PRIME" or "the Act"), created by Title VII of the Gramm-Leach-Bliley Act, enacted November 12, 1999. The proposed regulation sets forth the Act's grant requirements for qualified Microenterprise Development Organizations ("MDOs") to: train and provide technical assistance to disadvantaged microentrepreneurs; build MDO's capacity to give disadvantaged microentrepreneurs such training and technical assistance; research and develop best practices for training and technical assistance programs for disadvantaged microentrepreneurs, and perform such other activities as the Administrator or designee determines are consistent with the Act.

PRIME grants will enable MDOs to reach more disadvantaged microentrepreneurs with training and technical assistance, which will make a difference in their ability to start, grow, and sustain microenterprises in economically distressed, high unemployment areas. SBA will award a minimum of 75 percent of available funds to MDOs to use for training and technical assistance to disadvantaged microentrepreneurs. At a minimum, another 15 percent will be used to build MDOs' capacity to give more training and technical assistance. SBA will use the remaining funds to make grants for research and development on best practices or other purposes to improve MDOs' services to PRIME's ultimate beneficiaries—disadvantaged microentrepreneurs.

**DATES:** Submit comments on or before November 9, 2000.

**ADDRESSES:** Written comments should be sent to Jane Palsgrove Butler, Associate Administrator, Microenterprise Development Branch, Office of Financial Assistance (OFA), U.S. Small Business Administration, 409 3rd Street, SW, Washington, DC 20416, 202-205-6497.

**FOR FURTHER INFORMATION CONTACT:** Jody Raskind, Chief, Microenterprise Development Branch, 202-205-6485.

**SUPPLEMENTARY INFORMATION:** Congress recognized that many disadvantaged

microentrepreneurs lack sufficient training and education to gain access to capital and to conduct other activities necessary to establish, maintain, and expand their businesses. It enacted the Program for Investment in Microentrepreneurs Act ("PRIME" or "the Act") to augment training and technical assistance under the Small Business Act and other legislation. PRIME grants to qualified Microenterprise Development Organizations (MDOs) will help meet training and technical assistance needs for disadvantaged microentrepreneurs, thereby encouraging entrepreneurship and capital formation at the community level.

The Congressional mandate to provide cognitive support to the target market through the Act is recognition that many low income and very low-income entrepreneurs need training and technical assistance to start, operate, strengthen, or expand their businesses. In order to achieve measurable success, technical assistance providers must be accessible, consistent and committed to the entrepreneur's progress over extended periods of time. The competency and capacity of these providers must also be measured. Research into the outcomes of support, its long-term effect, and how best to continue assistance is essential in determining the value of support over the long run.

The U.S. Department of Commerce's Characteristics of Business Ownership shows that in 1987, approximately 17 percent (2.3 million) of businesses in the United States were operated by low-income and very low-income microentrepreneurs. Since then a variety of economic developments, including corporate downsizing, declining availability of lower skilled manufacturing jobs and expanded opportunities in the technology field, have combined to make microenterprise an increasingly more viable option in the U.S. economy.

The Aspen Institute estimated that during 1997 microlenders nationwide provided business assistance to 172,000 microentrepreneurs, a mere fraction of low-and very-low income individuals involved in microenterprise. The Institute further estimated that of that number, about 57,000 actively pursued and benefited from sustained business-based training and technical assistance. Of those, approximately 6,000 received loans.

One of the major constraints is the cost of providing this training and technical assistance. Current private sector sources simply are not meeting the need. The Act, therefore, focuses on

expanding the cultivation, support and motivation of these low- and very-low income microentrepreneurs. It will also help build the capacity of the microenterprise industry in order to deliver vital services to a much greater segment of the 2.3 million or more low income and very low income microentrepreneurs. One of the goals of the PRIME program is to be a resource for MDOs as they grow and develop and ultimately become self-sustaining.

The Act authorizes SBA to make grants to "qualified organizations" to fund training and technical assistance for disadvantaged microentrepreneurs. It also authorizes SBA to make grants to increase the training and technical assistance capacities of MDOs. Further, it provides funding for grants for research and development, and other undertakings deemed by the Administrator or designee to be consistent with the purposes of the Act. The PRIME program requires that grants made by SBA be matched by grantees from non-Federal sources. The proposed regulations set up four categories of technical assistance grants targeted to these purposes.

Grants made either for the purpose of providing technical assistance to disadvantaged microentrepreneurs or for capacity building purposes initially will be awarded, on a competitive basis, in amounts not less than \$50,000. Such grants may be renewable, annually, for up to 4 additional years. Renewal of an existing grant will take place at the discretion of the SBA and will be based on the availability of funds, continued legislative authorization, and the individual grantee's performance in terms of goals met, milestones achieved, and demonstrated results.

Grants for research and development will also be awarded on a competitive basis, though not subject to the \$50,000 minimum award. These grants may also be renewed based on the appropriateness of extended funding periods, availability of funds, continued legislative authorization and appropriation and performance.

PRIME will be implemented with a clear focus on the applicants' abilities to meet the purposes of the Act. Accountability and outcomes will be an ongoing consideration during the grant period. Applicants for funding for technical assistance to disadvantaged microentrepreneurs will be evaluated based on such items as technical capabilities; market penetration potential; ability to meet stated goals; historical performance; key personnel; resource management; community partnering and collaboration with state and local entities; accountability for

outcomes; program sustainability; and replicability of program design. Applicants for funding as capacity builders will be similarly evaluated. Continued performance of these two groups will be measured in terms of such items as number of clients served; range and quality of service; number of businesses started, stabilized, expanded, and/or funded; number of jobs created; business survival rates; capital formation; and non-business outcomes such as wage employment.

SBA is inviting public comment on how the agency intends to fulfill the purposes of the Act. SBA intends to award PRIME grants so that they reach MDOs that most clearly serve, have the potential to serve, or can best improve services to those microentrepreneurs with the greatest need for business-based training and technical assistance.

### Section by Section Analysis

The following is a section by section analysis of each provision of SBA's proposed regulations to implement the Act.

Section 119.1 of Part 119 states the purpose of PRIME—to make grants to qualified MDOs to provide training and technical assistance to disadvantaged microentrepreneurs; to build MDO's service provider capacities; to pursue research and development in the field of microenterprise development; and for other purposes deemed by the Administrator or designee to be consistent with the Act.

Section 119.2 sets forth definitions found in the Act, and further defines terms not included in the Act. The following terms were either not included or were not fully defined in the Act: *Capacity Building Grant* in § 119.2(a); *developer* in § 119.2(d); *disadvantaged entrepreneur or disadvantaged microentrepreneur* in § 119.2(e); *Discretionary Grant* in § 119.2(f); *economically disadvantaged entrepreneur or economically disadvantaged microentrepreneur* in § 119.2(g); *emerging microenterprise development organization or program* in § 119.2(h); *grantee* in § 119.2(i); *group* in § 119.2(j); *large and small microenterprise development organization or program* in §§ 119.2(n) and (v); *local community* in § 119.2(o); *qualified organization* in § 119.2(s); *Research and Development Grant* in § 119.2(t); *severe constraints on available sources of matching funds* in § 119.2(u); *Technical Assistance Grant* in § 119.2(w).

In defining these terms, SBA considered the policy objectives of the Act and how the definitions proposed

will further the intent of Congress to ensure that PRIME grants reach its intended audience.

SBA proposes a definition of *Indian tribe jurisdiction* in § 119.2(l) consistent with other Federal laws extending Federal assistance to Indian country.

Section 119.3 lists organizations eligible to apply for PRIME grants:

- (1) non-profit MDOs or groups of MDOs with demonstrated records of delivering microenterprise services to disadvantaged entrepreneurs;
- (2) a private, non-profit entity serving or seeking to serve other qualified organizations;
- (3) MDOs or programs accountable to local communities and working with State, local or tribal governments; and
- (4) an Indian tribe acting on its own behalf, if no private organization or program as defined in the Act exists within its jurisdiction.

Section 119.4 lists the uses for PRIME grants permitted by the Act:

- (1) training and technical assistance for disadvantaged microentrepreneurs;
- (2) capacity building services for MDOs;
- (3) research and development on best practices in microenterprise; and
- (4) other activities not covered by the first three categories and deemed by the Administrator or designee to be consistent with the Act's purposes.

Section 119.5 states the Act's parameters for allocating PRIME grants and their apportionment among the permitted uses of PRIME funds. 50 percent of the number of the grants will be awarded to qualified MDOs assisting very low-income persons, including those on Indian reservations. The categorical allocation of PRIME grants will be:

- (1) at least 75 percent to MDOs providing training and technical assistance to disadvantaged microentrepreneurs;
- (2) at least 15 percent to organizations providing training and capacity building services to MDOs; and
- (3) the remainder to be divided between research and development and for other purposes as the Administrator or designee deems consistent with the Act.

Section 119.6 states awards will be not less than \$50,000 for training and technical assistance and capacity building. Although the Act sets no minimum, SBA decided that a certain minimum sum is needed for MDOs to carry out effective training and technical assistance and capacity building to further the purposes of the Act. The Act limits the maximum sum a single MDO may receive in one fiscal year to \$250,000 or 10% of PRIME funds

available in that fiscal year, whichever is less.

Section 119.7 states that subject to availability of funds and continuing authorization of PRIME, awards will be made to grantees on an annual basis, and will allow for the initial grant plus up to 4 option years, for a total of 5 years. After the initial grant, grant awards for following option years will be in declining amounts, declining by 20 percent of the initial grant amount in each successive year.

Section 119.8 requires a 50 percent match for PRIME grants. It states what resources a grantee may use to fulfill them and the circumstances in which SBA may reduce or eliminate the match requirement. It sets a 10 percent limit on exemptions that may be made in a single fiscal year.

For example, combining the requirements of §§ 119.7 and 119.8, if a grantee receives an initial grant of \$100,000, the grantee will receive \$80,000 in the first option year, \$60,000 in the second option year, \$40,000 in the third option year, and \$20,000 in the fourth option year. The grantee will be subject to a 50 percent match for each year—\$50,000 for initial year, \$40,000 for first option year, \$30,000 for second option year, \$20,000 for third option year, and \$10,000 for fourth option year.

Section 119.9 states that SBA will issue Programs Announcements seeking PRIME grant applications. SBA believes a competitive process will allow a greater number of varied, diverse proposals that will accomplish the goals of the Act.

Section 119.10 restates the Act's requirement that SBA not prefer SBA Microloan Program participants under § 7(m) of the Small Business Act over non-participants or former participants in that program. Congress intended PRIME grants to help MDOs serve a greater number of disadvantaged entrepreneurs than currently receive assistance. Though Microloan participants and former participants will still be eligible, avoiding a preference for them will enable SBA to broaden opportunities for training and technical assistance, rather than duplicating existing programs.

Section 119.11 sets forth information that will be requested in an application for funding under PRIME, based on the 4 categories of PRIME grants described in § 119.4.

Section 119.12 explains factors that will affect grant application consideration. To further the Act's goals to assist disadvantaged microentrepreneurs most in need of training and technical assistance, SBA will initially give special consideration

to organizations located in and serving areas of, or with a history of successful outreach to, low-income and very low-income persons. SBA believes this approach will further the goals of the Act by directing grant funds to those microentrepreneurs who are at the greatest disadvantage.

Section 119.13 explains how grantees may make subgrants from PRIME awards. Subgrants will enable more MDOs to provide training and capacity building, and will enable them to expand the technical assistance network available to disadvantaged entrepreneurs. To make sure that funds are used to carry out purposes of the Act, SBA is requiring grantees to obtain its prior approval for subgrantees. The Act limits how much grantees may use for administrative expenses related to making subgrants.

Section 119.14 sets forth limitations on use of program income.

Section 119.15 explains carryover procedures from one fiscal year to the next or unexpended Federal funds.

Section 119.16 advises the public about SBA reporting, record keeping, and related requirements. Congress stated its intent for qualified organizations to maintain records as the Riegle Community Development Act of 1994 ("Riegle Act") requires of community development financial institutions under 12 U.S.C. § 4714. SBA will include the details of such requirements in its Program Announcements.

Section 119.17 advises the public about SBA oversight functions, including additional reporting requirements in accordance with applicable OMB circulars.

Section 119.18 sets forth restrictions against lobbying.

Section 119.19 explains that fundraising costs are not allowable expenditures of grant funds under the Act.

Section 119.20 explains process for grantees and subgrantees to raise conflict of interest matters with SBA.

Appendix A of this rule contains the Program Announcements SBA proposes to issue to potential applicants. SBA chose to draft three separate Program Announcements, one for each of the first three grant categories identified in § 119.4. The Program Announcements (and their appendices) include such items as the purpose and overview of the PRIME Program, program eligibility and evaluation criteria, application requirements and instructions, reporting and recordkeeping requirements. SBA reserves the right to simultaneously review multiple Program Announcement responses from an

applicant applying to receive a grant under more than one of the categories listed in § 119.4. SBA welcomes comments on any aspect of the proposed Program Announcements (and their appendices).

**Compliance With Executive Order 12866, 12988 and 13132, the Regulatory Flexibility Act, 5 U.S.C. 601–12, and the Paperwork Reduction Act, 44 U.S.C. Ch. 35**

The Office of Management and Budget (OMB) reviewed this rule as a "significant" regulatory action under Executive Order 12866.

SBA has determined that this proposed rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601–612. Because Congress has limited the funding level for this program, it can only serve a limited number of small businesses by making grants to the defined organizations.

For purposes of the Paperwork Reduction Act, 44 U.S.C. Ch. 35, SBA will submit to the Office of Management and Budget (OMB) our proposed Program Announcements for the PRIME program. SBA will request OMB to approve or disapprove of these collections of information 30 days after submission. SBA proposes using three separate Program Announcements, one for each of the first three grant categories identified in § 119.4. The data collection requirements of the various Program Announcements (and their appendices) are described generally within this proposed regulation. The specific data collection requirements can be found in the Program Announcements themselves, which are attached to this proposed rule as Appendix A. You may also obtain a copy of the proposed Program Announcements for comments on the data collection requirements by visiting SBA's website at [www.sba.gov](http://www.sba.gov).

The following list identifies the sections of this proposed regulation which describe generally the data collection requirements found within the Program Announcements (and their appendices).

(1) As referenced in § 119.11 (What information will be requested in an application under the PRIME program?) and § 119.12 (What criteria will SBA use to evaluate applications for funding under the PRIME program?), SBA proposes requesting information, such as, basic identifying information and core data, management and organization information, descriptions of past and present performance in serving low and

very low income individuals, technical qualifications of the applicant, descriptions of activities proposed using PRIME grant funds, information regarding community partnering efforts, and reporting capabilities.

SBA needs this information to evaluate applicants and ensure that awards are made in furtherance of the PRIME program's objectives. SBA anticipates that the respondents to this request will include those organizations identified in § 119.3 (What types of organizations are eligible to apply for PRIME grants?). Based upon the Agency's knowledge of the industry, SBA estimates that approximately 500 applicants will apply to participate in the PRIME program. Respondents will need to submit the information referenced in §§ 119.11 and .12 each time they apply to participate in the PRIME program. SBA estimates that it will take respondents 80 hours to respond to a Program Announcement and fulfill the reporting and recordkeeping requirements referenced below.

(2) As referenced in § 119.13 (How will an applicant make a subgrant?), SBA proposes requesting information that would support the awarding a subgrant, such as, a description of how the subgrant will allow the grantee to provide expanded services and benefits.

SBA needs this information to assess whether issuing a subgrant is in the best interest of the objectives of the PRIME program. SBA anticipates that the respondents to this request will be grantees that have identified opportunities to enhance proposal implementation through the use of subgrants. Respondents will need to submit the information referenced in § 119.13 each time they request a subgrant. SBA estimates that it will take respondents 10 hours per response to provide the information requested by this section.

(3) As referenced in § 119.15 (If a grantee is unable to spend the entire amount allotted for a single year, can the funds be carried over to the next year?), SBA proposes requesting information, such as, an explanation of why funds were not spent during the period in which they were awarded, budget and matching fund information.

SBA needs this information to assess whether the grantee should be allowed to carry funds over to the next budget period. SBA anticipates that the respondents to this request will be grantees that have not expended their grant funds during the period in which they were awarded. If a respondent makes a request for funds to be carried over, this request will be made on an

annual basis. SBA estimates that the time it will take respondents to provide this information is 1 hour per response.

(4) As referenced in § 119.16 (What are the reporting, record keeping, and related requirements for grantees?) and § 119.17 (What types of oversight will SBA provide to grantees?), SBA proposes requesting a variety of data including narrative performance reports and financial status reports. The recipients of:

(a) Technical Assistance and Capacity Building Grants will be required to provide SBA with annual performance and, initially, quarterly financial reports.

(b) Research and Development Grants will be required to provide performance and financial reports in accordance with agreed upon milestones for each particular grant proposal.

(c) Discretionary Grants will be required to provide reports as appropriate for their proposal or on a schedule as described for Technical Assistance and Capacity Building Grants.

SBA needs this information to assess the impact of services provided by the grantees and to measure the success rate of individual clients, microenterprise development organizations, and the microenterprise development industry. SBA anticipates that all grantees will respond to this request as required by their respective grant category. SBA estimates that the time it will take respondents an average of 4 hours to provide this information.

(5) As referenced in § 119.19 (Is fundraising an allowable expense under the PRIME program?), SBA proposes requesting information supporting that the grantees have adequate fundraising resources for the non-Federal matching fund requirements of the PRIME program.

SBA needs this information to ensure that the applicants for the PRIME program have the ability to satisfy the program's regulatory matching requirements. SBA will require this information each time a grantee applies for grant funds under the PRIME program. SBA estimates that it will take respondents 2 hours to provide this information.

(6) As referenced in § 119.20 (Should grantees and subgrantees raise conflict of interest matters with SBA?), SBA proposes requesting that each grantee or subgrantee provide a copy of its conflicts of interest policy.

SBA needs this information to ensure that the grantees and subgrantees are in a position to avoid conflicts of interest, or the appearance of conflicts of interest, in the handling of grant funds or program provisions under the PRIME

program. SBA anticipates that all grantees and subgrantees will provide this information. SBA will require that respondents provide this information once, prior to receiving funding under the PRIME program. SBA estimates that it will take respondents .50 burden hours to provide this information.

SBA is seeking your comment on the following: (a) whether the information SBA is requesting is necessary for the proper performance of the Agency, (b) the accuracy of the burden estimate (time estimated to complete each collection of information request), (c) ways to minimize the burden estimates, and (d) ways to enhance the quality of the information being collected. Please send comments on the data collection requirements to David Rostker, Office of Management and Budget, Office of Information and Regulatory Affairs, 725 17th Street, NW, Washington, DC 20503, and to Jane Palsgrove Butler, Associate Administrator, Office of Financial Assistance, 409 3rd Street, SW, Washington, DC 20416.

For purposes of Executive Order 13132, SBA has determined that this proposed rule has no federalism implications because the legislation authorizing it provides grants to private, non-profit organizations working directly with disadvantaged entrepreneurs.

For purposes of Executive Order 12988, SBA certifies that this proposed rule is drafted, to the extent practicable, in accordance with the standards set forth in section 3 of that Order.

#### List of Subjects in 13 CFR Part 119

Grant programs—business, Small business.

For the reasons stated in the preamble, the Small Business Administration proposes to add 13 CFR part 119 as follows:

#### PART 119—PROGRAM FOR INVESTMENT IN MICROENTREPRENEURS (“PRIME” OR “THE ACT”)

##### Sec.

119.1 What is the Program for Investment in Microentrepreneurs (“PRIME” or “the Act”)?

119.2 Definitions.

119.3 What types of organizations are eligible for PRIME grants?

119.4 What services or activities may PRIME grant funds be used for?

119.5 How are PRIME grant awards allocated?

119.6 What are the minimum and maximum amounts for an award?

119.7 How long will grant funding be available to a single grantee?

119.8 Are there matching requirements for grantees?

119.9 How will a qualified organization apply for PRIME grant awards?

119.10 Will SBA give preferential consideration to other SBA program participants?

119.11 What information will be requested in an application under the PRIME program?

119.12 What criteria will SBA use to evaluate applications for funding under the PRIME program?

119.13 How will an applicant make a subgrant?

119.14 Are there limitations regarding the use of program income?

119.15 If a grantee is unable to spend the entire amount allotted for a single fiscal year, can the funds be carried over to the next year?

119.16 What are the reporting, record keeping, and related requirements for grantees?

119.17 What types of oversight will SBA provide to grantees?

119.18 What are the restrictions against lobbying?

119.19 Is fundraising an allowable expense under the PRIME program?

119.20 Should grantees and subgrantees raise conflict of interest matters with SBA?

**Authority:** 15 U.S.C. 634(b)(6) and Pub. L. 106–102.

#### § 119.1 What is the Program for Investment in Microentrepreneurs (“PRIME” or “the Act”)?

PRIME authorizes SBA to make grants to “qualified organizations” to fund training and technical assistance for disadvantaged entrepreneurs, build these organizations’ own capacity to give training and technical assistance, fund research and development of “best practices” in microenterprise development and technical assistance programs for disadvantaged microentrepreneurs, and to fund other undertakings the Administrator or designee deems consistent with these purposes.

#### § 119.2 Definitions. For the purposes of this part, the following definitions apply:

*Capacity Building Grant* means a grant made under the Act identified under § 119.4(b).

*Capacity building services* means services provided to an organization or program that is currently, or is developing as, a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and technical assistance to disadvantaged microentrepreneurs.

*Collaborative* means two or more nonprofit entities that agree to act jointly as a qualified organization under this part.

*Developer* means a person interested in starting or acquiring a microenterprise.

*Disadvantaged entrepreneur*, or *disadvantaged microentrepreneur*, means the owner, majority owner, or developer, of a microenterprise who is also—

- (1) A low-income person;
- (2) A very low-income person; or
- (3) An entrepreneur who lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as defined in this part.

*Discretionary Grant* means a grant made under the Act identified under § 119.4(d).

*Economically disadvantaged entrepreneur*, or *economically disadvantaged microentrepreneur*, means an owner, majority owner, or developer of a microenterprise whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the industry such that his or her ownership of a small business would help to qualify the small business for assistance under the section 7(j) or section 8(a) programs of the Small Business Act.

*Emerging microenterprise development organization or program* means a microenterprise development organization or program which has a microenterprise capacity building services component, but has had such a component for less than 4 years at the date of its application for a PRIME grant.

*Grantee* means a recipient of a grant under the Act.

*Group* has the same meaning as “collaborative” as defined in this section.

*Indian tribe* means any Indian tribe, band, pueblo, nation, or other organized group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services the United States provides to Indians because of their status as Indians.

*Indian tribe jurisdiction* means Indian country, as defined in 18 U.S.C. 1151, and any other lands, title to which is either held by the United States in trust for the benefit of any Indian tribe or individual or held by any tribe or individual subject to a restriction by the United States against alienation, and any land held by Alaska Native groups, regional corporations, and village corporations, as defined in or established under the Alaska Native Claims Settlement Act, public domain Indian allotments, and former Indian reservations in the State of Oklahoma.

*Intermediary* means a private, nonprofit entity serving or seeking to serve microenterprise development organizations or programs identified under § 119.3.

*Large microenterprise development organization or program* means a microenterprise development organization or program with 10 or more full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

*Local community* means an identifiable area and population constituting a political subdivision of a state.

*Low-income person* means a person having an income, adjusted for family size, of not more than—

- (1) For metropolitan areas, 80 percent of the median income; and
- (2) For non-metropolitan areas, the greater of—

- (i) 80 percent of the area median income; or
- (ii) 80 percent of the statewide non-metropolitan area median income.

*Microenterprise* means a sole proprietorship, partnership or corporation that—

- (1) Has fewer than 5 employees, including the owner; and
- (2) Generally lacks access to conventional loans, equity, or other banking services.

*Microenterprise development organization or program* means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged microentrepreneurs.

*Qualified organization* means an organization eligible for a PRIME grant identified under § 119.3.

*Research and Development Grant* means a grant made under the Act identified under § 119.4(c).

*Severe constraints on available sources of matching funds* means the documented inability of a qualified organization applying for a PRIME grant to raise matching funds or in-kind resources from non-Federal sources during the 2 years immediately prior to the date of its application because of a lack of or increased scarcity of monetary or in-kind resources from potential non-Federal sources.

*Small microenterprise development organization or program* means a microenterprise development organization or program with less than 10 full time employees or equivalents, including its executive director, as of

the date it files its application with SBA for a PRIME grant.

*Technical Assistance Grant* means a grant made under the Act identified under § 119.4(a).

*Training and technical assistance* means services and support provided to disadvantaged entrepreneurs, such as assistance intended to enhance business planning, marketing, management, financial management skills, business operations, or assistance for the purpose of increasing access to loans and other financial services.

*Very low income person* means having an income adjusted for family size of not more than 150 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act, 42 U.S.C. 9902(2), including any revision required by that section.

### **§ 119.3 What types of organizations are eligible for PRIME grants?**

An organization eligible for a PRIME grant (“qualified organization”) is one that is:

- (a) A microenterprise development organization or program as defined in § 119.2 (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged microentrepreneurs;
- (b) An intermediary, as defined in § 119.2;
- (c) A microenterprise development organization or program as defined in § 119.2 that is accountable to a local community, working with a State or local government or Indian tribe; or
- (d) An Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in paragraphs (a), (b) and (c) of this section exists within its jurisdiction.

### **§ 119.4 What services or activities may PRIME grant funds be used for?**

A recipient of a PRIME grant (“grantee”) must use PRIME grants to—

- (a) Provide training and technical assistance to disadvantaged microentrepreneurs (“Technical Assistance Grant”);
- (b) Provide training and capacity building services to microenterprise development organizations and programs to assist them to develop microenterprise training and services (“Capacity Building Grant”);
- (c) Aid in researching and developing the best practices in the field of microenterprise development and technical assistance programs for disadvantaged microentrepreneurs (“Research and Development Grant”); or
- (d) Conduct such other activities as the Administrator or designee determines to be consistent with the

purposes of the Act ("Discretionary Grant").

**§ 119.5 How are PRIME grant awards allocated?**

(a) Not less than 50 percent of the number of grant awards made under this part will be awarded to qualified organizations benefiting very low-income persons, including those residing on Indian reservations. In general, SBA will make grant award decisions to serve diverse populations by including as recipients both large and small microenterprise development organizations, and organizations serving urban, rural, and Indian tribal communities.

(b) SBA will allocate the funding available for awards as follows:

(1) A minimum of 75 percent for Technical Assistance Grants;

(2) A minimum of 15 percent for Capacity Building Grants; and

(3) The remaining 10 percent or less may be allocated by SBA, in its sole discretion to be used for:

(i) Research and Development Grants; or

(ii) Discretionary Grants.

**§ 119.6 What are the minimum and maximum amounts for an award?**

(a) The minimum grant award for Technical Assistance and Capacity Building Grants will be \$50,000, subject to the availability of funds.

(b) There is no minimum grant award for Research and Development or Discretionary Grants.

(c) The maximum amount that an individual grant recipient may receive in any fiscal year from a single award or multiple awards, under any of the purposes of the program, may not exceed \$250,000 or 10 percent of the total grant funds available for award in that fiscal year, whichever is less.

**§ 119.7 How long will grant funding be available to a single grantee?**

(a) Subject to the availability of funds and continuing authorization of the PRIME program, funding will be available on an annual basis allowing for the initial grant plus up to 4 option years, for a total of 5 years. Continuation of funding during option years will depend upon funding limitations, the grantee's performance, continued legislative authorization, and otherwise at the discretion of SBA. A grantee may apply for funding for less than the 5-year time frame available.

(b) After a grantee receives an initial grant, funding for any option years will be in declining amounts as follows:

(1) 80 percent of initial grant amount in first option year;

(2) 60 percent of initial grant amount in second option year;

(3) 40 percent of initial grant amount in third option year; and

(4) 20 percent of initial grant amount in fourth option year.

**§ 119.8 Are there matching requirements for grantees?**

Applicants and grantees must match SBA funding as follows:

(a) Except as provided in paragraph (c) of this section, applicants and grantees must match Federal assistance with funds from sources other than the Federal Government in an amount not less than 50 percent of the grant amount awarded each year. Sources such as fees, grants, gifts, income from loan sources, and in-kind resources of a grant recipient from non-Federal public or private sources may be used to comply with the matching funds requirement;

(b) Grantees receiving funds in option years as described in § 119.7(b) are subject to matching requirements of this section.

(c) For an applicant or grantee with severe constraints on available sources of matching funds, the Administrator or designee may reduce or eliminate the matching requirements. Any reductions or eliminations must not exceed 10 percent of the aggregate of all PRIME grant funds made available by SBA in any fiscal year.

(d) An applicant may request a waiver of the matching fund requirement by submitting a written request with its application for funding. The request must justify the need for a waiver indicating:

(1) The cause and extent of the constraints on the historical and projected ability to raise matching funds;

(2) Fund raising efforts up to the time the application is submitted;

(3) Based on those efforts, a list of any matching funds expected for the PRIME grant; and

(4) The extent to which, without the waiver, services under the PRIME program will be unavailable to an area with a demonstrated concentration of microenterprises.

**§ 119.9 How will a qualified organization apply for PRIME grant awards?**

(a) SBA will issue Program Announcements specifying the terms, conditions, and evaluation criteria for each potential set of awards. Program Announcements will summarize the purpose of the available funds; will advise potential applicants regarding how to obtain an application packet; and will provide summary information regarding deadlines and other

requirements. Program Announcements may specify any limitations, special rules, procedures, and restrictions for available funding.

(b) Applicants may submit applications in response to the Program Announcements. Each applicant shall submit an application for a grant in accordance with this part and the applicable Program Announcement.

(c) SBA reserves the right to consider at the same time multiple applications from a single applicant when appropriate.

**§ 119.10 Will SBA give preferential consideration to other SBA program participants?**

In making grants under this part, SBA will not give preferential consideration to an applicant that is a participant in the program established under section 7(m) of the Small Business Act.

**§ 119.11 What information will be requested in an application under the PRIME program?**

Each application must contain the information and documentation specified in the applicable Program Announcement including, but not limited to, the following items.

(a) For applications seeking Technical Assistance Grants:

(1) Identifying information and core documentation for the applicant including such items as the applicant's articles of incorporation, by-laws, proof of IRS tax-exempt status, financial statements, and reference contacts.

(2) A description of past and present activities and technical qualifications of the applicant, including workshops, programs and other technical assistance services, with specific descriptions of the extent to which such services have reached low and very low-income individuals, and the success rates of clients.

(3) A list of applicant's community partnerships and collaborations with state and local entities, and a description of how such partnerships and collaborations are serving microentrepreneurs.

(4) A description of the proposed activity for which the applicant will use PRIME grant funds, including training programming plans; a plan for outreach and delivery; applicant's capacity to provide thorough and detailed reports; and a description of the applicant's current data collection and management system, such as computer hardware, software and internet capabilities.

(5) In the event the applicant is a collaborative, a plan for maintaining internal controls, accountability, and program quality control among the participants of the collaborative.

(6) Resumes of the personnel that will be administering and managing the proposed activities under the PRIME grant, showing knowledge in such areas as business development, business structures, financial management, and business training and counseling.

(7) A list of grants received, and/or contracts entered into, that are similar in scope to the subject grant, including name of Federal or other agency providing funding, grant or contract number, and a summary of services provided.

(b) For applicants seeking Capacity Building Grants:

(1) See paragraphs (a) (1) , (5) , (6) and (7) of this section.

(2) A description of past and present activities and technical qualifications of the applicant, including workshops, programs, operational services, and other technical assistance services, or program development services with specific descriptions of the extent to which such services have improved the operations of client MDOs, assisted client MDOs with operational issues, and assisted client MDOs in reaching low and very low-income individuals.

(3) A description of the proposed activity for which the applicant will use PRIME grant funds, including training programming plans, a plan for outreach and delivery, applicant's capacity to provide thorough and detailed reports; a description of the applicant's current data collection and management system, such as computer hardware, software, and internet capabilities and a description of how these capabilities will or will not be integrated into the training of MDOs.

(c) For applicants seeking Research and Development Grants:

(1) See paragraphs (a)(1), (6), and (7) of this section.

(2) A research proposal indicating the thesis, method(s), scope, duration, and implementation plans (if any).

(3) A description of the expected effect of the research on services to disadvantaged microentrepreneurs.

(d) For applicants seeking Discretionary Grant:

(1) See paragraph(a)(1) of this section.

(2) A description of the proposed activity for which the applicant will use PRIME grant funds, including applicant's capacity to provide thorough and detailed reports, and a description of the applicant's current data collection and management system, such as computer hardware, software and internet capabilities.

#### **§ 119.12 What criteria will SBA use to evaluate applications for funding under the PRIME program?**

During the first year for which funding is available for the PRIME program, SBA will give special consideration to organizations located in and serving areas of, or with a history of successful outreach to, low-income and very low-income persons, to enable the Prime program to assist those with the greatest need first. SBA will evaluate applications for funding in accordance with the specific goals of the Act, and as more fully described in the Program Announcements. Evaluation criteria include, but are not limited to, the following:

(a) Applications for Technical Assistance Grants:

(1) Applicants will compete within two levels of expertise:

(i) The start-up level, for those that have been in operation as a microenterprise development organization for 4 years or less; and

(ii) The experienced level, for those that have been in operation for more than 4 years.

(2) SBA will evaluate organizational structure, financial stability, financial management systems, personnel capacity, and electronic communication capabilities (or potential for same). SBA will also evaluate data collection capabilities, reporting capacities, and ability to account for performance and outcome.

(3) SBA will evaluate the applicant's history of providing technical assistance to low-income and very low-income microentrepreneurs. This factor includes patterns of program growth, client success, outcomes of training, success in establishing new businesses, and success in arranging micro-level financing when the client indicates financing as a goal.

(4) SBA will evaluate the applicant's ability to use community partnerships and collaborations with state and local entities to better serve low-income and very low-income microentrepreneurs.

(b) Applications for Capacity Building Grants:

(1) SBA will evaluate the criteria set forth in paragraph (a)(2) of this section.

(2) SBA will evaluate the applicant's history of providing capacity building services to MDOs, as an indication of the organization's understanding of the goals and purposes of capacity building, its historical effectiveness with the microenterprise development industry, and its ability to provide quality programming to the targeted market. SBA will evaluate patterns of program growth, outcomes of training, types of services provided, delivery systems

used, the number and types of clients served, and the successes realized within the client's organizational goals.

(3) SBA will evaluate expected impact on client MDOs; expected impact on services to low-and very-low income microentrepreneurs; and a plan for service and delivery.

(c) Applications for Research and Development Grants:

(1) SBA will evaluate the criteria set forth in paragraph (a)(2) of this section.

(2) SBA will evaluate how the research potentially will enhance microenterprise-oriented technical assistance services to disadvantaged entrepreneurs. Applicants must show the method(s), scope, duration, and implementation plans of the proposed research.

(3) SBA will evaluate applicant's plan of action incorporating original and secondary research. Applicants must show impact on improved access to microenterprise development services for disadvantaged microentrepreneurs, and the expected replicability/transferability of the finished product to the field.

(d) Applications for Discretionary Grants will be evaluated in accordance with the requirements of each project.

#### **§ 119.13 How will an applicant make a subgrant?**

(a) An applicant that wants to make subgrants using PRIME grant funds must receive written approval from SBA prior to making subgrants. The applicant must identify the subgrantee(s) and describe in detail what the subgrantee(s) will do to help the grantee implement its proposal. An applicant must submit information to SBA demonstrating that, through the subgrantee(s), the grantee's program will:

(1) Provide expanded services to the community,

(2) Provide a method by which one or more previously unserved communities will gain access to the program, or

(3) Provide other specific benefits to the clients, such as specialized training, expanded schedules of operation, or other benefits.

(b) If an applicant has identified potential subgrantee(s) at the time it submits an application for a PRIME grant, the applicant must include the information requested in paragraph (a) of this section in the application. Otherwise, the applicant or grantee may submit the requested information at such time that approvals for subgrantee(s) are requested.

(c) A grantee may not use more than 7.5 percent of the assistance received under its PRIME grant for administrative expenses in connection with the making of subgrants.



**§ 119.14 Are there limitations regarding the use of program income?**

Program income, as defined in OMB Circular A-110, may only be used to further PRIME program objectives. As such, fees collected from clients, and other program income as defined, may be used to help fund the matching requirement. All program income, as defined, shall be reported on financial reports submitted to SBA and added to funds committed to the project by SBA and the recipient organization. However, any interest earned in excess of the maximum allowable amount as specified in the OMB circular incorporated into the grant must be returned to the Federal Government by the grantee.

**§ 119.15 If a grantee is unable to spend the entire amount allotted for a single fiscal year, can the funds be carried over to the next year?**

(a) The grantee may request approval to use unexpended funds in the next budget period. This is permissible if funds are to be used for a non-severable, non-recurring project or activity within the scope of the PRIME program. Non-severable means a project in its entirety that cannot be subdivided. The request for using unexpended funds in the next budget period must include the following:

- (1) SF 424, budget pages, and justification;
- (2) Explanation of why the funds were not expended during the period in which they were awarded; and
- (3) Evidence of match. The match requirement for funds carried over to the next budget period can be met by using any excess of matching funds from the current budget period, new matching funds, or a combination of both.

(b) The request must be made no later than 60 days before the end of the budget/project period or the de-obligation process will begin. Approved requests will require the issuance of a revised Notice of Award. Expenditures for funds carried over to the next budget period must be tracked separately.

**§ 119.16 What are the reporting, record keeping, and related requirements for grantees?**

A grantee must keep records and meet the other requirements of section 115 of the Riegle Community Development and Regulatory Improvement Act of 1994 (Riegle Act), as if it were a community development financial institution. (*See* 12 U.S.C. 4714). In addition to meeting requirements of the Riegle Act, a grantee must also maintain data allowing it to measure the impact of services provided by it and any subgrantees, and, if

specifically required by the terms of the PRIME grant, measure the success rate of individual clients whom the grantees assist. SBA will detail such requirements in its Program Announcements.

**§ 119.17 What types of oversight will SBA provide to grantees?**

(a) In addition to reports required under the Riegle Act, SBA will require reports in accordance with applicable OMB circulars. Such reports will include the following information:

(1) For recipients of Technical Assistance and Capacity Building Grants, for the first three years of receiving grant funding, narrative performance reports and financial status reports will be required quarterly within 15 calendar days of the end of each quarter. Thereafter, SBA may reduce the frequency of reports from quarterly to semi-annually, as it deems appropriate. In addition, details of expenditures will be required with each request for payment. Grantees will be required to submit audited financial statements on an annual basis, if available, or annual financial statements prepared by a licensed, independent public accountant, within 120 calendar days of the end of the grantee's fiscal year.

(2) For recipients of Research and Development Grants, reports will be required in accordance with agreed upon milestones and as part of the disbursement process.

(3) For recipients of Discretionary Grants, reports will be required as appropriate for the project, or on a schedule as described in paragraph(a)(1) of this section, whichever is more frequent.

(b) In addition, SBA may, from time to time, make site visits to the grantee, and review all applicable books and records.

**§ 119.18 What are the restrictions against lobbying?**

No assistance made available under the PRIME program may be expended by a grantee or subgrantee to pay any person to influence, or attempt to influence, any agency, elected official, officer, or employee of a Federal, State, or local government in connection its participation in the program.

**§ 119.19 Is fundraising an allowable expense under the PRIME program?**

Expenditures of grant funds for fundraising activities are not allowable costs under this program. Applicants must be able to raise matching funds without the assistance of grant funds. Unless the full requirement for matching funds is waived, the applicant must demonstrate that it has adequate

fundraising resources to obtain required non-Federal matching funds to perform the project.

**§ 119.20 Should grantees and subgrantees raise conflict of interest matters with SBA?**

Each grantee or subgrantee must provide SBA with a copy of its conflicts of interest policies prior to receipt of funding under the program. Such policies must clearly describe the grantee's or subgrantee's protections from conflicts of interest or the appearance thereof in the handling of grant funding and program provision under this program.

Dated: September 25, 2000.

**Aida Alvarez,**  
*Administrator.*

**Note:** The following appendix will not appear in the Code of Federal Regulations.

**Program for Investment in Microentrepreneurs**

DATE:

TO: Applicants

FROM: Office of Procurement and Grants Management (OPGM)

SUBJECT: Program Announcement No. PRIME 01-1, Program for Investment in Microenterprise Act, ("PRIME") to provide disadvantaged microentrepreneurs training and technical assistance to start, operate, or expand their businesses.

The U.S. Small Business Administration plans to issue Federal grants awards to qualified organizations under PRIME to provide training and technical assistance to disadvantaged microentrepreneurs. These organizations include: non-profit microenterprise development organizations or programs; intermediaries (as defined); other microenterprise development organizations or programs (as defined) that are accountable to a local community, working in conjunction with a State or local government or Indian tribe; or Indian tribes acting on their own, with proper certification that no other qualified organization exists within their jurisdiction. You are invited to submit an application, an original and two (2) copies, in response to Program Announcement No. PRIME 01-1. You are required to bind the cost proposal and technical proposal separately. Prepare the technical and cost proposals in single-spaced 12-pt. font format. The technical proposal must not exceed 50 pages, excluding exhibits and appendices. The Government will not return proposals, but will retain them for a limited period of time.



The closing date for the program announcement is \_\_\_\_\_, 4:00 P.M., Eastern Standard Time. Address your applications/proposal to the U.S. Small Business Administration, Office of Procurement & Grants Management (OPGM), 409 3rd Street, SW, 5th Floor, Washington, DC 20416, Attention: Mina Bookhard, Agreement Officer. If hand carried, deliver the application/proposal to Mina Bookhard, or her designee, at the above address. Deliveries to other locations will be considered late if not received in OPGM at the U.S. Small Business Administration by 4:00 p.m. on \_\_\_\_\_. Please place the following notation in the lower left corner of the sealed envelope or package:

THIS IS A SEALED OFFER. DO NOT OPEN. STAMP THE DATE AND TIME RECEIVED ON THE ENVELOPE. THE ENCLOSED APPLICATION IS IN RESPONSE TO PROGRAM ANNOUNCEMENT NUMBER PRIME 01-1, DUE \_\_\_\_\_ AT 4:00 P.M., Eastern Standard Time, AT SBA's OFFICE OF PROCUREMENT & GRANTS MANAGEMENT.

Applicants will be required to meet the standards for financial management systems as prescribed in the Office of Management and Budget's (OMB) Circular A-110, Subpart C, sections .21 through .28, and 13 CFR Part 143.

Questions concerning this program announcement should be directed to Warren Boyd at (202) 205-7534. Questions about budget or funding matters should be directed to Mina Bookhard, at (202) 205-7080.

Sincerely,  
Sharon Gurley, Director, *Office of Procurement and Grants Management.*

OFFICE OF FINANCIAL ASSISTANCE  
PROGRAM ANNOUNCEMENT

*PROGRAM FOR INVESTMENT IN  
MICROENTREPRENEURS ACT,  
("PRIME")*

TO PROVIDE TRAINING AND  
TECHNICAL ASSISTANCE TO  
DISADVANTAGED ENTREPRENEURS

FISCAL YEAR 2001

U.S. SMALL BUSINESS  
ADMINISTRATION OFFICE OF  
FINANCIAL ASSISTANCE

OPENING DATE: \_\_\_\_\_

CLOSING DATE: \_\_\_\_\_

ANNOUNCEMENT NO: PRIME 01-1 \_\_\_\_\_

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## I. Legislation Purpose

The Program for Investment in Microentrepreneurs Act of 1999 (P.L. 106-102) became law on November 12, 1999. 15 U.S.C. 6901 *et seq.* ("PRIME" or "the Act"). The Act authorizes the Administrator of the U.S. Small Business Administration (SBA) to establish a microenterprise training and technical assistance program for disadvantaged microentrepreneurs and to provide training and capacity building grant program to microenterprise development organizations (MDOs). Additionally, the Act authorizes research and development of best practices for microenterprise development and technical assistance programs for disadvantaged entrepreneurs and other activities as the Administrator of SBA determines are consistent with the Act. PRIME has several purposes for which SBA will issue separate program announcements soliciting applications geared toward a particular legislative purpose. Program Announcements called for under the Act solicit, from eligible organizations, applications for grant funding to be used to carry out the purposes of the Act as follows:

Program Announcement No. PRIME 01-1 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and technical assistance programs for disadvantaged microentrepreneurs.

Program Announcement No. PRIME 01-2 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist them in

developing microenterprise training and services.

Program Announcement No. PRIME 01-3 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of pursuing research and developing best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs.

The purpose of this Program Announcement No. PRIME-01-1, is to solicit applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and technical assistance programs for disadvantaged microentrepreneurs. These PRIME grants will enable MDOs to offer disadvantaged microentrepreneurs training and technical assistance that will make a difference in their ability to start, grow, and sustain microenterprises in economically distressed, high unemployment areas. Seventy-five (75) percent of available PRIME funds will be used for training and direct technical assistance to disadvantaged microentrepreneurs and of the funds allocated for training & technical assistance, 50% will be used to benefit very low income persons. Subject to the availability of funds, grants awarded under this Program Announcement will be for a minimum of \$50,000 with no one grant exceeding \$250,000 or 10% of the total amount appropriated, whichever is less.

## II. Introduction

Congress recognized that many disadvantaged microentrepreneurs lack sufficient training and education to gain access to capital to establish and expand their own small businesses. It enacted PRIME to augment training and technical assistance under the Small Business Act and other legislation. PRIME grants to qualified MDOs will help meet more training and technical assistance needs for disadvantaged microentrepreneurs, thereby encouraging entrepreneurship and community development.

Many low income and very-low income entrepreneurs need training and technical assistance to start, operate, or expand their businesses. In order to achieve measurable success in the effort, the providers of this training and technical assistance, (MDOs) must be accessible, competent, consistent and committed to the entrepreneur's progress over extended periods of time.

For every business started or microloan made, a number of entrepreneurs are preparing themselves for business start. A generally accepted assumption in the microenterprise

industry is that it takes approximately 10 potential microentrepreneurs for every microenterprise started or microloan booked. The cost of training is substantial because those at the entry-level stage of development typically require the greatest amount of dedicated advice and guidance, over an extended period of time, to achieve the highest rates of success. Funding is scarce relative to the need. The microenterprise industry has found the technical assistance-funding gap to be a nationwide condition, particularly in the very low-income sector.

This Program Announcement addresses funding for training and technical assistance for disadvantaged entrepreneurs, as defined, in the entry-level stages of development. The program requires that grantees match a portion of the SBA's funds with funds from other sources.

### III. Program Overview

1. *Project Name:* Program for Investment in Microentrepreneurs (PRIME).

2. *Purpose:* Provide training and technical assistance to disadvantaged microentrepreneurs for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services.

3. *Federal Catalog Number:* 59.049.

4. *Authority:* The Program for Investment in Microentrepreneurs Act of 1999, "PRIME", P.L. 106-102, 15 U.S.C. 6901 *et seq.*

5. *Funding Instrument:* Grant.

6. *Funding:* Funding is subject to the availability of funds and the requirements enumerated under the Act.

7. *Funding Range:* Target award amounts will be a minimum of \$50,000. Award amounts may vary, depending upon availability of funds (and performance for option years); however, no single person may receive more than \$250,000 or ten (10) percent of the total funds made available for this program in a single fiscal year, whichever is less. In general, match is required, although SBA may reduce or eliminate the required match in certain circumstances (up to a program limit of 10 percent).

8. *Number of Awards:* SBA anticipates issuing multiple awards under this Announcement. The number may vary, based on the needs of the pool of qualified applicants received and the amount of available funds. At least 75% of all funds available under the Act must be awarded under this Program Announcement.

9. *Targeted assistance:* A minimum of 50% of the funds available for grants

under the PRIME Act must be used to benefit very low income persons (as defined in this document), including those residing on Indian reservations.

10. *Closing Time and Date for the Submission of Applications:* \_\_\_\_\_ at 4:00 P.M. Eastern Daylight Time.

11. *Project Starting Date:* \_\_\_\_\_ (estimated).

12. *Project Duration:* The period performance for this grant is one base year with 4 twelve-month options subject to availability of funds and continued program authorization. The total possible period of performance is five years. Each option year will constitute a separate budget period. The project recipient's satisfactory performance will be one of the key factors in determining the award of an option year. Failure to secure the required annual non-Federal contribution during any project year may jeopardize continued option year funding.

13. *Proposal Evaluation:* Applications will first be screened to determine if the applicant meets certain mandatory eligibility requirements. Applicants that do not document in their application that they meet these requirements will not be evaluated by SBA for participation in the Prime Program. In addition, applications that are incomplete, illegible, or unreadable, in whole or in part, will be deemed incomplete and will not be evaluated.

Eligible proposals will be scored by an Objective Review Committee (ORC) based on evaluation criteria stated in this program announcement. The ORC will consist of SBA officials and may include Federal Officials from other agencies. Microenterprise Development Branch staff will review the ORC evaluations, the ORC's summary report on each applicant, and the applicant's proposals to determine the final scoring of award recipients. SBA may ask applicants for clarification on the technical and cost aspects of the proposals. Such clarifications must not be construed as a commitment to fund the proposed effort.

14. *Points of Contact:* Questions concerning the technical aspects of this Program Announcement should be directed to the Microenterprise Development Branch at (202) 205-7534. However, due to the competitive process, SBA will be unable to assist with answers to specific questions regarding individual proposals or requests for assistance in completing proposals. Questions concerning budgeting or funding for this grant should be directed to Mina Bookhard at (202) 205-6621.

15. *Award Notification:* All applicants will receive a written notification relative to selection of award recipients. This written notice will be SBA's *final* response to this program announcement. SBA will not provide debriefing sessions if your proposal was not successful.

16. *Cancellation:* SBA reserves the right to cancel this Program Announcement in whole or in part at the Agency's discretion.

### IV. Eligible Applicants for This Grant

An organization will be considered eligible for funding for the purpose of providing training and technical assistance to disadvantaged microentrepreneurs if it meets the following qualification requirements:

1. A microenterprise development organization or program (or group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs, OR

2. An intermediary (as defined in this document) which has experience in delivering technical assistance to disadvantaged entrepreneurs, OR

3. A microenterprise development organization or program (as defined in this document) that is accountable to a local community, working in conjunction with a State or local government or Indian tribe, OR

4. An Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

An eligible applicant for the Prime technical assistance grant must provide documentation in its application that it falls within one of the above categories of qualified organizations. Such documentation should include but is not limited to:

1. A copy of your organization's IRS tax-exempt certificate including the IRS code under which your organization is considered non-profit;

2. Certification by your Secretary of State that your organization is legally allowed to do business in the State and a copy of your organization's articles of incorporation and by-laws;

3. For category 4 in the preceding paragraph, written certification from a duly authorized person that no other qualified organization (i.e. private organization or program as defined in categories 1-3 above) exists within its jurisdiction; and

4. Financial statements for the past 3 years. If your organization has been in business for less than 3 years provide your year end financial statements for

those years completed and a financial statement not less than 90 days old.

SBA will not evaluate applications that do not meet these requirements. SBA may not screen applicants for eligibility until after the Closing Date for application acceptance. SBA will attempt to notify applicants of ineligible proposals as soon as practicable. However, SBA is under no obligation to notify ineligible applicants before the Closing Date for the acceptance of applications under this Program Announcement. SBA strongly urges all applicants to ensure all eligibility requirements are met and documented before sending an application to SBA.

#### V. Ineligible Applicants for This Grant

The following applicants will automatically be considered ineligible and their applications will not be evaluated:

1. Any organization with an unresolved audit by any Federal agency.
2. Any organization suspended or debarred from any Federal agency or is otherwise excluded from Federal non-procurement or procurement programs.
3. Any organization which has defaulted on an obligation to the United States.

#### VI. General Information

##### 1. Definitions

Throughout this Program Announcement specific terminology may be used, as defined in the Act and the accompanying rule (13 CFR part 119) published on \_\_\_\_\_. The definitions are contained in a glossary of terms located at the end of this document in Section XV.

##### 2. Collaborative Applications

a. If you participate in a collaborative (as defined in this document), all entities who are party to the collaborative must separately meet the statutory requirements and eligibility requirements in order to apply as a collaborative.

b. Applications from collaboratives must name the primary liaison with the Federal government, and include a copy of the collaborative agreement outlining responsibilities of each partner organization. An authorized signature from each organization must appear on the agreement. The primary liaison will be responsible for coordinating reports and requests for funding.

##### 3. Program Income

All program income as defined in OMB Circular A-110, and OMB A-122 shall be reported on financial reports submitted to SBA and added to funds committed to the project by SBA and

recipient organizations. Program income may only be used to further eligible program objectives.

##### 4. Cost Principles

a. *General*: All costs approved for a successful applicant must meet the tests of necessity, reasonableness, allowability and allocability in accordance with the cost principles applicable to this award. All proposed costs are subject to pre-award audit. Grantees are responsible to ensure proper management and financial accountability of Federal funds to preclude future cost disallowances. Payment will be made by reimbursement or advance payments as described in the grant award document and applicable OMB Circulars.

b. *Carryover Policy*: The grantee may request approval to use unexpended funds in the next budget period. This is permissible if funds are to be used for a non-severable, non-recurring project or activity within the scope of the PRIME program. Non-severable means a project in its entirety that cannot be subdivided. The request for using unexpended funds in the next budget period must include the following:

- (1) SF 424, budget pages, and justification;
- (2) Explanation of why the funds were not expended during the period in which they were awarded; and
- (3) Evidence of match. The match requirement for funds carried over to the next budget period can be met by using any excess of matching funds from the current budget period, new matching funds, or a combination of both.

The request must be made no later than 60 days before the end of the budget/project period or the de-obligation process will begin. Approved requests will require the issuance of a revised Notice of Award. Expenditures for funds carried over to the next budget period must be tracked separately.

##### 5. Publications/Websites

Any publications or websites developed under this grant must be submitted to SBA for prior review and approval. SBA will have an unlimited license to use data and written materials generated under this grant award, whether or not the materials are copyrighted. Any publications resulting from this project must include the following acknowledgement of support, whether copyrighted or not, in legible, easily readable print:

This grant is partially funded by the U.S. Small Business Administration. SBA's funding is not an endorsement of any products, opinions, or services. All SBA

funded programs are extended to the public on a nondiscriminatory basis.

The grant recipient may not use the U.S. Small Business Administration name or logo for the endorsement of any services, products, or merchandise under this award.

The SBA logo may appear on prominent webpages of Internet sites that are related to this project, but must appear with the above disclaimer in legible, easily readable print and acknowledgement of support in close physical proximity (within 2 inches) next to it.

#### 6. Reports

##### a. General Reporting

The selected grantees will be required to submit the reports as outlined below. Participants must agree to cooperate with SBA in the collection and retention of data required by this agency. Your ability to meet reporting requirements must be addressed in the Technical Proposal.

Payments may be withheld if reports are not submitted within the required time frame or if the quality of reports is considered inadequate.

##### b. Performance Reports

Quarterly performance reports, unless otherwise specified, must contain a summary of activity for the reporting period using the following format:

1. A comparison of actual accomplishments to the estimated milestones established in the proposal and/or subsequent grant agreement.
2. A discussion of accomplished milestones and reasons for slippage in those cases where milestones are not met. Where milestones were not met, a plan of action must be provided to overcome these slippages or a detailed statement of how the program will better serve disadvantaged entrepreneurs if the milestones are revised.

3. Evidence that at least 50% of funding expended during the reporting period was expended for the benefit of very-low income clients.

4. Information relating to actual financial expenditures of budgeted cost categories versus the estimated budget award, including an explanation of all cost overruns, if any, by budgeted cost category. Financial data furnished in this report is from a manager's standpoint and is in addition to that furnished in the financial reports cited below.

5. Client Progress Reports. SBA is interested in the actual outcome of technical assistance provided to disadvantaged entrepreneurs. As such,

participants will be required to compile, maintain, and submit data as part of its quarterly performance reports. This report includes information regarding each client as follows:

A. At Intake:

- Income level (low-income, very-low income, other)
- Geographic location (Address, Urban, Suburban, Rural)
- Goal of training (business start, business enhancement, professional improvement, self-employment, other)
- Business status (is it a start-up or existing business)
- Financing goal (if any)

Intake reports should be compiled and maintained by the MDO within seven business days of initial intake under this grant.

B. At Client Follow-up:

- Income level
- Geographic location
- Training status in terms of intake goals
- Business status
- Financing status in terms of intake goals

Follow up data should be collected on all clients meeting the Six, Twelve, and Eighteen-Month receipt of technical assistance with the grantee. Follow-up reports should be submitted with quarterly performance reports.

6. Any other pertinent information, including any significant accomplishments or met milestones of special significance. The report should include items which may be determined appropriate by SBA after acceptance of the grant proposal but which cannot be pre-determined due to the undetermined special purpose of the grant at the writing of this document.

Quarterly reports will be due no later than:

- (a) January 15 for the period ending December 31,
- (b) April 15 for the period ending March 31,
- (c) July 15 for the period ending June 30, and
- (d) October 15 for the period ending September 30.

c. Financial Reports

1. Financial Status Report Forms must be submitted every quarter with the performance reports. Reports must include Standard Form ("SF") 269, the Financial Status Report, and SF 272, the Federal Cash Transactions Report.

2. The year-end report must include a cost breakdown of actual expenditures and costs incurred by line item. Participants will also be required to submit the SF 2069, Detailed Actual Expenditures for Period Covered by Request, with the final SF 269.

3. In addition, grantees will be required to submit audited annual financial statements, if available, or annual financial statements prepared by a licensed, independent public accountant, within 120 days of the end of the grantee's fiscal year period.

SBA may withhold payment of advances or reimbursements if reports are not received or are regarded as inadequate.

SBA may, at its discretion, reduce reporting requirements to semi-annually as it deems appropriate. SBA will notify participants if it decides to take such action.

7. Match Requirements

In general, funds awarded under the PRIME Program will require a non-Federal match of not less than 50% of each dollar awarded. Matching funds may come from fees, non-Federal grants, gifts, funds from loan sources, and in-kind resources. After the initial grant, grant awards for the following option years will be made in declining amounts, declining by 20% of the initial grant amount in each successive year.

*Exception:* In the case of an applicant with severe constraints on available sources of matching funds, SBA may reduce or eliminate the 50% match requirement on a case by case basis. Any reductions or eliminations must not exceed 10% of the aggregate of all PRIME grant funds made available by SBA in any fiscal year.

Organizations seeking to receive a reduction or elimination of the matching fund requirement must include such a request (as a cover letter) with their proposal, and include justification and supporting documentation for their request. Submission of a request will not automatically guarantee that an exception, in whole or in part, will be granted. Rather, it will alert SBA to the applicant's desire to receive an exception.

8. Fundraising Not Allowable Expense

Expenditures for fundraising activities are not allowable costs under this grant. Applicants must be able to raise matching funds without the assistance of grant funds. The applicant must demonstrate that it has adequate fundraising resources to obtain required non-Federal matching funds to perform the project.

9. Subgrants

An organization selected to receive a grant under the PRIME Program may provide sub-grants to qualified small and emerging microenterprise development organizations.

Applicants wishing to provide subgrants as a part of their implementation plan should include detailed information regarding same in their Technical Proposal.

An applicant that wants to make subgrants using PRIME grant funds must receive written approval from SBA prior to making subgrants. The applicant must identify the subgrantee(s) and describe in detail what the subgrantee(s) will do to help the grantee implement its proposal. An applicant must submit information to SBA demonstrating that, through the subgrantee(s), the grantee's program will:

- (1) provide expanded services to the community,
- (2) provide a method by which one or more previously unserved communities will gain access to the program, or
- (3) provide other specific benefits to the clients, such as specialized training, expanded schedules of operation, or other benefits.

If an applicant has identified potential subgrantee(s) at the time it submits an application for a PRIME grant, the applicant must include the information requested in paragraph above in the application. Otherwise, the applicant or grantee may submit the requested information at such time that approvals for subgrantee(s) are requested.

The total amount of monies subgranted by the grantee must not exceed 50% of the total amount of the PRIME grant. A maximum of 7.5% of the funds awarded may be used by the grantee for administrative expenses in connection with the making of subgrants.

10. Subcontracts

Any and all subcontracts awarded under this grant must be approved by SBA in advance and in writing and must not exceed 50% of the total amount of the PRIME grant.

11. Diversity

In making grants under the Act, SBA will ensure that grant recipients include both large and small microenterprise organizations, serving diverse populations including urban, rural and Indian tribal communities serving diverse populations.

12. Prohibition on Preferential Consideration of Certain SBA Program Participants

In making grants under this Program Announcement, SBA will not give preferential consideration to an applicant that is a participant in the program established under section 7(m) of the Small Business Act.

## VII. OMB Uniform Administrative Requirements and Cost Principles

The Prime Grant Notice of Award incorporates by reference all applicable OMB Circulars, including:

1. OMB Circular A-21, "Cost Principles for Educational Institutions," containing cost principles for educational institutions;

2. OMB Circular A-87 "Cost Principles for State, Local, and Indian Tribal Governments," containing cost principles for State, local governments, and federally recognized Indian tribal governments.

3. OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," containing administrative requirements;

4. OMB Circular A-122, "Cost Principles for Non-Profit Organizations," containing cost principles for non-profits; and

5. OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," concerning audits.

Current versions of OMB Circulars are available from the Office of Management and Budget's website. The address is: [www.whitehouse.gov/WH/EOP/OMB/html/circular.html](http://www.whitehouse.gov/WH/EOP/OMB/html/circular.html).

## VIII. Proposal Instructions and Evaluation Criteria

The technical and cost proposals must be bound separately. The technical proposal must be single-spaced and not exceed 50 pages, excluding exhibits and appendices. Prepare your proposal using the following outline.

### 1. Application Format

#### A. Technical Proposal

##### *Section 1. Eligibility Requirements (not to exceed 5 pages)*

In this section the applicant must prove that it falls within one of the four categories of qualified organizations. (See Section IV)

Applicants are reminded to include documentation of the mandatory eligibility requirements in their technical narrative. Failure to provide the mandatory eligibility documentation will result in disqualification of the application, and the application will not be evaluated. In addition, incomplete or illegible (in whole or in part) applications will not be evaluated.

##### *Section 2. Applicant Experience and Activities. (not to exceed 15 pages).*

Applicant experience includes information regarding current and past performance in providing training and

technical assistance to disadvantaged entrepreneurs (as defined in this document.)

In this section, the applicant should discuss the items delineated below. To the extent possible, the applicant should provide internal statistical data to document its past experience and illustrate current activities.

1. An understanding of the microentrepreneur community and the needs of disadvantaged entrepreneurs.

2. Its existing and historical training and technical assistance program. If the applicant is a start-up organization it should discuss in detail its current methods of training. Details regarding curriculum, types of technical assistance offered, and counseling services should be included. This discussion should include a detailed description of the programmatic information regarding activities and services offered to low and very low income individuals, and the success rates of the clients served.

3. As part of documenting past experience, the applicant should include a list of grants and or contracts similar in scope to the grant for which you are applying. Specifically provide the name, if any, of any Federal or non-Federal, agency(ies) or private sector foundations or organizations providing funding, the grant or contract number, a short summary of services provided under each grant, and the period(s) of performance. Include in each summary the name and contact information (phone number and E-mail address) of the person providing oversight on each grant or contract.

4. Discuss your organization's ability to penetrate the target market, including past and current strategies for outreach.

##### *Section 3. Institutional Capacity (not to exceed 5 pages)*

This section should include the following:

#### *1. Personnel Qualifications and Internal Structure*

- You must have, or exhibit the ability to obtain, personnel who are qualified to meet the goals of providing technical assistance under this grant. Provide resumes of personnel key to your organization's participation in the PRIME Program. The resumes should clearly present personnel's qualifications relative to this particular work. Special mention should be made of relevant experience. Personnel indicated must demonstrate knowledge of business development, business structures, business planning, marketing, business management,

financial management, and training and counseling.

- Provide an organizational chart all proposed full-time and part-time project staff and the amount of time each will devote to the project. The PRIME Project Director must be a full time employee of the organization; however, the PRIME Project Director does not have to be solely dedicated to this activity. The Project Director (and other federally funded staff positions) must not engage in fundraising activities using Federal funds provided under this grant.

- Describe the role of subcontractors, subgrantees and/or outside consultants and indicate the percent of the project services you anticipate they will provide.

- Provide a description of at least one staff or consultant function to handle on-going program data collection and electronic reporting to SBA.

- Indicate the position(s) within your organization that will be responsible for financial record keeping regarding receipt and expenditure of program funds.

#### *2. Data Collection and Maintenance Capacity*

- Describe your organization's current client data collection and management system and how it will be used and/or modified to meet reporting and other requirements of this grant. If applying as a group or collaborative, describe how data management systems will be integrated for an inter-organizational uniform approach to data gathering and reporting.

- Discuss your organization's computer capacities, if any, and the software used. Indicate whether or not your organization is connected to the Internet and, if not, delineate plans to become connected. The applicant should indicate its level of willingness/capability to report data via the Internet as well as how the applicant will accomplish its electronic management, communication, and reporting goals.

- Describe your organization's internal systems of checks and balances in terms of financial, data collection, and reporting systems. If applying as a group or collaborative, also describe the plan for inter-organizational checks and balances in terms of those systems. Also indicate which member of the group or collaborative will be responsible for coordination and submission of data and reports, and how the collaborative will ensure that this responsibility will be fully implemented.

*Section 4. Program Narrative (not to exceed 15 pages)*

In this section, each applicant must set forth the following:

1. Proposed training and technical assistance management plan. The management plan to provide training and technical assistance to disadvantaged entrepreneurs plan should include but not be limited to long and short term training, counseling and technical assistance. Technical assistance and training activities under the Act must include the following activities:

- assistance for the purpose of enhancing business planning,
- marketing assistance,
- management assistance,
- assistance with financial management skills, and
- assistance for the purpose of accessing financial services.

For purposes of this grant program, technical assistance should be viewed as an ongoing function during the pre-start-up, start-up, maintenance, and growth periods of the business cycle. It includes, but is not necessarily limited to, assistance with the broad issues of business ownership such as business planning assistance, marketing assistance, management assistance, financial management skills assistance, and assistance for the purpose of accessing financial services. It should also include specific assistance in areas of expertise specific to the type of business being pursued. Technical assistance should include both counseling and training. Counseling should be viewed in terms of giving advice, guidance, or instruction specifically tailored to the needs of a single business. Training may include counseling, but can also include teaching in classroom or other public settings. Topics of training and counseling must include information necessary to start, manage, and/or operate a microbusiness. Information delivery media may vary from program to program and may include person to person oral communication, teleconferencing, video tape, printed materials, computer software, or any similar delivery mechanism provided it is effective in assisting clients in meeting their training goals. Technical assistance should not stop in the event microbusiness financing is obtained. It should continue through a significant period of time, to assist the microbusiness owner with continuing knowledge to enhance the chances for success.

2. Outreach and delivery plan. The plan should include, but not necessarily be limited to:

- brief description and map of the proposed service area;
- demonstration of the need for this program in the proposed geographic area;
- description of the target market to be served—geographic size, population numbers, population type (empowerment zone, urban, rural, suburban, Indian reservation);
- plans for penetration of the target market;
- strategies to be used for reaching its scheduling and delivery goals;
- methods by which the applicant organization will incorporate outside resources into the plan;
- evidence of and/or plans for building relationships with financing sources and/or otherwise making financial assistance available to those clients in need of micro-level financing.
- discussion of how the applicant organization will reach its goals in terms of local nuances in population density, economic stratification, levels of education, and racial and ethnic oriented issues that affect the disadvantaged in the defined area of operation.

*Section 5. Strategic Alliances and Partnerships (not to exceed 5 pages)*

In this section, the applicant should describe strategic alliances and partnerships with state and local entities. Inter-organizational cooperation regarding funding, training activities, utilization of space, utilization of human and other resources, client referral networks, and other such activities should be discussed. Organizations should illustrate how these alliances serve the best interests of disadvantaged entrepreneurs and how the alliances have enhanced the applicant's ability to provide training and technical assistance services to the target market.

*Section 6 Timeline/Milestones (not to exceed 5 pages)*

In this section the applicant must include a timeline with milestones covering the 12-month grant period. Milestones should clearly illustrate the applicant's goals for training and technical assistance activity in terms of the projected client, projected programming, and projected use of funds.

*Section 7. Supporting Documentation*

In this section the applicant should provide any necessary documentation to support its proposal, including but not limited to the following documents:

1. A statement signed by your Executive Director (or his/her duly

authorized representative), authorizing SBA to make inquiries to other Federal Agencies as to the performance capabilities of your organization.

2. A copy of your organization's IRS tax exempt certificate including the IRS code under which your organization is considered non-profit.

3. Certification by your Secretary of State that your organization is legally allowed to do business in the State and a copy of your organization's articles of incorporation and by-laws.

4. A copy of your organization's financial statements for the last 3 years. If your organization has been in business for less than 3 years, provide your year-end financial statements for those years completed and a year-to-date financial statement not less than 90 days old.

5. A summary table of the training and technical assistance provided to date (limit to 3 pages). Include the income levels of clients served (low, very-low, other).

6. Resumes and reference information for personnel key to the delivery of technical assistance services to date.

7. An organizational chart of the entire organization. If you are applying as a group, or plan to use sub-contractors, or make sub-grants, include a second organizational chart that shows how the members of the group will interact and collaborate and/or how the sub-contractors and/or sub-grantees will fit into the work flow plan.

**B. Cost Proposal**

The cost proposal must include the application cover sheet, budget information, assurances and certifications. Additional information on how to organize the proposal is provided on page 23, "Preparing Your Budget." The applicant's Cost Proposal will be evaluated in terms of the quality and effectiveness of the proposed training and technical assistance to be provided.

**2. Evaluation Factors**

SBA will evaluate applicant experience on two levels. Applicants having 4 years or less of experience providing training and technical assistance to disadvantaged entrepreneurs at time of application will be evaluated as "start-up" organizations. Applicants having more than 4 years or more of experience providing such services at time of application will be evaluated as "experienced" organizations. Whether start-up, or experienced, applicants are expected to provide information as requested in this Program Announcement.

Start-up organizations will be evaluated based on the general criteria listed below. The maximum number of points an applicant may receive for each criterion group are shown to the right of the listing.

**A. Institutional Capability (total of 90 points)**

The following factors are considered under this criteria:

(1) Organizational structure, financial stability, and financial management systems (20).

(2) Personnel (30).

(3) Electronic communication or potential for same (20).

(4) Data collection and reporting capability (20).

**B. Past performance and history of performing technical assistance, especially to low and very-low income microentrepreneurs (20 points).**

**C. Management Plan for Proposed training and technical assistance, including outreach and delivery (total of 140 points).**

The following factors are considered under this criteria:

(1) Proposed training and technical assistance activities to low and very low income microentrepreneurs (30).

(2) Outreach and delivery plan (20).

(3) Proposed use of community partnerships and collaborations with State and local entities (30).

(4) The appropriateness of the proposed activity to the purposes of the Act (10).

(5) The perceived ability of the applicant to carry out the proposed activity as well as the clarity of the proposal and its attainability in terms of the milestones set. (30).

(6) Performance and outcome measurement tools (20).

The total number of points an applicant may achieve as a start-up organization is 250. Experienced organizations will be evaluated based on the general criteria listed below. The maximum number of points an applicant may receive for each criterion group are shown to the right of the listing.

**A. Institutional Capability (total of 90 points).**

The following factors are considered under this criteria:

(1) Organizational structure, financial stability, and financial management systems (20).

(2) Personnel (30).

(3) Electronic communication or potential for same (20).

(4) Data collection and reporting capability (20).

**B. Past performance and history of performing technical assistance, especially to low and very-low income microentrepreneurs (20 points).**

**C. Management Plan for Proposed training and technical assistance, including outreach and delivery (total of 140 points).**

The following factors are considered under this criteria:

(1) Proposed training and technical assistance activities to low and very low income microentrepreneurs (30).

(2) Outreach and delivery plan (20).

(3) Proposed use of community partnerships and collaborations with State and local entities (30).

(4) The appropriateness of the proposed activity to the purposes of the Act (10).

(5) The perceived ability of the applicant to carry out the proposed activity as well as the clarity of the proposal and its attainability in terms of the milestones set. (30).

(6) Performance and outcome measurement tools (20).

The total number of points an applicant may achieve as a start-up organization is 250. As indicated above, applications will be reviewed for technical merit using the evaluation factors listed. Included in the evaluation processes will be qualitative and quantitative analyses of:

a. the applicant's management plan to provide training and technical assistance as described in this Program Announcement. SBA will analyze items including but not limited to the methods, materials, and counseling used to provide training & technical assistance. The evaluation will also include the outreach and delivery plan to identify and provide the assistance to the targeted recipients.

b. the applicants organizational structure, financial stability, financial management systems, personnel capacities, and electronic communication capabilities (or potential for same.) Additional analyses will be made regarding data collection capabilities, reporting capacities, and ability to account for performance of both the organization and the client.

c. the applicant's current activity and history of providing technical assistance to low and very-low income microentrepreneurs will be evaluated considering patterns of program growth, client success, outcomes of training, success in establishing new businesses, and success in arranging micro-level financing in instances where a client indicated financing as a goal.

d. the applicant's involvement in and ability to use community partnerships and collaboration with other entities will be analyzed. Collaborations will be analyzed in terms of any positive effects that such collaborations have had, or are anticipated to have on the applicant's

ability to serve low- and very-low income microentrepreneurs. Applicants will also be evaluated in terms of the types, number, and frequency of collaborations needed based on the experience level of the organization.

## IX. Option Year Funding

Applicants shall prepare application cover sheets (SF Form 424) and budgets for each of the 5 budget periods consisting of 12 months each. Applicants are advised that the performance period for specific awards made under this announcement may consist of one base year with up to 4 twelve-month option years. The project periods may consist of up to 5 twelve-month budget periods. Each additional twelve-month budget period beyond the original base year may be exercised at the discretion of the Government. Among the factors involved in deciding whether to exercise an option are the availability of funds, continuing program authorization, satisfactory performance of the applicant, and the determination that continued funding would be in the best interest of the Government.

After the initial grant, grant awards for the option years will be made in declining amounts, declining by 20 percent of the initial grant amount in each successive year.

## X. Preparing Your Budget

### INSTRUCTIONS FOR STANDARD FORM 424 (APPLICATION FOR FEDERAL ASSISTANCE)

Standard Form 424, Application of Federal Assistance, will be found beginning at page A-1 of this announcement. This guidance supplements that contained on the reverse side of the form.

Item 1. Self-explanatory

Item 2. Refer to instructions on reverse of form

Item 3. Refer to instructions on reverse of form

Item 4. Leave Blank

Item 5. Refer to instructions on reverse of form

Item 6. Refer to instructions on reverse of form

Item 7. Refer to instructions on reverse of form

Item 8. Enter: "new"

Item 9. Enter: "U.S. Small Business Administration"

Item 10. Enter: 59.049 Program for Investment for Microentrepreneurs (PRIME)

Item 11. Refer to instructions on reverse of form

Item 12. Refer to instructions on reverse of form



- Item 13. Refer to instructions on reverse of form
- Item 14. Refer to instructions on reverse of form
- Item 15. Refer to instructions on reverse of form
- Item 16. Enter: Check "b." This program is not covered by E.O. 12372.
- Item 17. Refer to instructions on reverse of form
- Item 18. Refer to instructions on reverse of form

#### INSTRUCTIONS FOR STANDARD FORM 424A (BUDGET INFORMATION)

Budget information is found on pages A-1 through A-11.

The budget is the applicant's estimate of the total cost of performing the project or activity for which grant support is requested. The budget is to be based upon the cost of performing the project, including Federal and private sources. All proposed costs reflected in the budget must be necessary to the project, reasonable and otherwise allowable under applicable cost principles and Agency policies. All costs must be justified and itemized by unit cost on the Budget Worksheets (p. A-3).

#### Section A—Budget Summary

Column (A): Enter "PRIME 01-1".

Column (B): Enter the Catalog of Federal Domestic Assistance Number 59.049.

#### Section B—Budget Categories

Amounts entered by budget category in this section are for summary purposes only. Itemization and justification of specific needs by budget category are to be shown under line 21, Section F.

Line 6.a.-6.h. The budget amounts must reflect the total requirements for funds regardless of the source of funds. All amounts entered in this section are to be expressed in terms of whole dollars only after completing the requirements of Section F.

Line 6.j. Indirect costs are those costs related to the project that are not included as direct costs in a. through h.

#### Section C—Non-Federal Resources

Refer to instructions on reverse of form.

#### Section D—Forecasted Cash Needs

Refer to instructions on reverse of form.

#### Section E—Budget Estimates of Federal Funds Needed for Balance of the Project

Refer to instructions on reverse of form.

#### Section F—Other Budget Information

Line 21, Direct Charges: Identify and explain all items or categories under Section B in accordance with the instructions set forth below. The itemization must reflect the total requirements for funding from Federal and non-Federal sources. In most instances, Line 21 does not provide sufficient space to reflect all of the necessary information. Budget Worksheets are enclosed for your convenience. You may use these worksheets for the detailed budget information listed below or a reasonable facsimile; BUT each budget line item pertinent to your submission MUST ALSO be completed on the application. Please show a complete breakdown of all cost elements summarized in Section B on a separate sheet. Do not list on Line 21 any items included in the indirect expenses entered on Line 22 below.

a. Personnel: List the name, title, salary and estimated amount of time for each employee who will be assigned to this project. Note that fees, expenses, and estimated amount of time for outside consultants should be included in f., Contractual. The estimated performance time for outside consultants is not to exceed 50 percent of the total amount of the Prime grant. Resumes of all personnel assigned to this effort must be included in the application.

b. Fringe Benefits: Leave blank if fringe benefits applicable to direct salaries and wages are treated as part of indirect costs in the indirect cost rate negotiation agreement. If your organization does not have a federally negotiated fringe benefit package, list each component included as a fringe benefit.

c. Travel: Reimbursement will be made based on incurred cost. Estimates should be based on knowledge of the geographical area of small business locations. Reimbursement to contractors or volunteers will not be made for time in travel to and from the client's location. Supporting data should include numbers of trips anticipated, costs per trip per person, destinations proposed, modes of transportation, and related subsistence expenses.

Line 22 Indirect Charges: (Attach Budget Worksheets or reasonable facsimile if sufficient space is not provided.)

Enter the indirect cost rate, date, and agency that issued rate.

If an indirect cost rate is not established, itemize elements and costs of overhead and G&A (General and Administrative) expense categories

relative to the performance of this project.

#### XI. Assembly And Mailing Instructions

1. Please indicate the following information on the front of your return envelope:

a. Your organization's name and return address including zip code in the upper left-hand corner of the return envelope.

b. Place the following notation in the lower left-hand corner of the sealed envelope.

THIS IS A SEALED OFFER. DO NOT OPEN. STAMP THE DATE AND TIME RECEIVED ON THE ENVELOPE. THIS PROPOSAL IS IN RESPONSE TO PROGRAM ANNOUNCEMENT NUMBER, \_\_\_\_\_, DUE \_\_\_\_\_, 2000, AT 4:00 P.M., EASTERN STANDARD TIME, AT THE U.S. SMALL BUSINESS ADMINISTRATION, OFFICE OF PROCUREMENT & GRANTS MANAGEMENT, 409 3RD STREET, SW, 5TH FLOOR, WASHINGTON, DC 20416, ATTENTION: MINA BOOKHARD.

2. Application. Please submit an original and 2 copies of the pages described below in items a and b. They are part of the Announcement and should be completed and submitted with an original and 2 copies of your proposal:

a. The Federal Assistance Application (Standard Form 424), including the cost and technical proposals, and related budgetary data.

b. Appendix B, Assurances and Certifications (with appropriate signature).

3. To facilitate review and processing of the proposals, your submission must be arranged, as follows, in two separately bound parts:

a. Part I: COST PROPOSAL—This part is to be comprised of the Application, the Budget Information, and the Assurances and Certifications. The material identified as Part I must be bound separately from the Technical Proposal. DO NOT include any technical information in Part I, The Cost Proposal.

b. Part II: TECHNICAL PROPOSAL—This part is comprised of the Program Narrative. The proposal should be completed with a table of contents and must be responsive to the evaluation criteria set forth on the pages 20-22. The Technical Proposal must be bound separately from Section I and must not exceed 50 pages, excluding exhibits and appendices. DO NOT include any cost information in Part II, The Technical Proposal.

4. Your application should be submitted in original and 2 copies to:

U.S. Small Business Administration, Office of Procurement and Grants Management, 409 Third Street, SW, 5th Floor, Washington, DC 20416, ATTN: Mina Bookhard.

## **XII. Late Submission, Revisions and Withdrawals**

1. Any Application received at the Office of Procurement and Grants Management after the exact time specified for receipt will not be considered unless it is received before award is made, AND:

a. It was sent by registered or certified U.S. mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);

b. It was sent by U.S. mail or hand-carried (including delivery by a commercial carrier) if it is determined by the Government that the late receipt was due primarily to Government mishandling after receipt at the Government installation;

c. It was sent by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays;

d. There is acceptable evidence to establish that it was received at OPGM and was under the Government's control prior to the time set for receipt of offers, and the Grants Management Officer determines that accepting the late offer would not unduly delay the grant review process; or

e. It is the only proposal received.

## **XIII. Unsuccessful Applicants**

After a decision has been reached and if your proposal is not successful, you will receive written notification. This written notice will be SBA's *final* response to this program announcement. SBA *will not* provide debriefing sessions if your proposal was not successful.

## **XIV. Cancellation**

SBA reserves the right to cancel this announcement in whole or in part at the Agency's discretion.

## **XV. Glossary of Terms**

- **ADMINISTRATION:** Means the U.S. Small Business Administration (SBA);
- **ADMINISTRATOR:** Means the Administrator of the Small Business Administration;
- **CAPACITY BUILDING SERVICES:** means services provided to an

organization or program that is, or is developing as, a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

- **COLLABORATIVE:** means two or more nonprofit entities that agree to act jointly as a qualified organization under this part;

- **DISADVANTAGED ENTREPRENEUR, or DISADVANTAGED**

**MICROENTREPRENEUR:** means the owner, majority owner, or developer of a microenterprise who is also—

1. A low-income person
2. A very low-income person; or
3. An entrepreneur who lacks

adequate access to capital or other resources essential for business success, or, is economically disadvantaged as determined by the Administrator.

- **EMERGING MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise development organization or program which has a microenterprise capacity building services component, but has had such a component for less than 4 years at the date of its application for a PRIME grant.

- **GRANTEE:** means a recipient of a grant under the Act.

- **GROUP:** has the same meaning as "collaborative" defined above.

- **INDIAN TRIBE:** means any Indian tribe, band, pueblo, nation, or other organized group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services the United States provides to Indians because of their status as Indians.

- **INDIAN TRIBE JURISDICTION:** means Indian country, as defined in 18 U.S.C. 1151, and any other lands, title to which is either held by the United States in trust for the benefit of any Indian tribe or individual or held by any tribe or individual subject to a restriction by the United States against alienation, and any land held by Alaska Native groups, regional corporations, and village corporations, as defined in or established under the Alaska Native Claims Settlement Act, public domain Indian allotments, and former Indian reservations in the State of Oklahoma.

- **INTERMEDIARY:** means a private, nonprofit entity that seeks to serve qualified microenterprise development organizations and programs;

- **LARGE MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise

development organization or program with 10 or more full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

- **LOCAL COMMUNITY:** means an identifiable area and population constituting a political subdivision of a state.

- **LOW-INCOME PERSON:** means a person having an income, adjusted for family size, of not more than—

- (1) for metropolitan areas, the greater of 80 percent of the median income; and
- (2) for non-metropolitan areas, the greater of—

- (a) 80 percent of the area median income; or

- (b) 80 percent of the statewide non-metropolitan area median income;

- **MICROENTREPRENEUR:** means the owner or developer of a microenterprise;

- **MICROENTERPRISE:** means a sole proprietorship, partnership, limited liability corporation or corporation that has fewer than 5 employees, including the owner, and generally lacks access to conventional loans, equity, or other banking services.

- **MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs.

- **QUALIFIED ORGANIZATION:** means an organization eligible for a PRIME grant that is—

- (1) a microenterprise development organization or program as defined above (or a group or collaborative thereof) that has demonstrated a record of delivering microenterprise services to disadvantaged microentrepreneurs;

- (2) an intermediary, as defined above;

- (3) a microenterprise development organization or program as defined above that is accountable to a local community, working with a State or local government or Indian tribe; or
- (4) an Indian tribe acting on its own, if the Indian tribe can certify that no private organization referred to in this definition exists within its jurisdiction.

- **SEVERE CONSTRAINTS ON AVAILABLE SOURCES OF MATCHING FUNDS:** means the documented inability of a qualified organization applying for a PRIME grant to raise matching funds or in-kind resources from non-Federal sources during the 2 years immediately prior to the date of its application because of a lack of or increased scarcity of monetary or in-

kind resources from potential non-Federal sources.

• **SMALL MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise development organization or program with less than 10 full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

• **TRAINING AND TECHNICAL ASSISTANCE:** means services and support provided to disadvantaged entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services.

• **VERY LOW INCOME PERSON:** means having an income adjusted for family size of not more than 150 percent of the poverty line (as defined in § 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that section).

#### **XVI. Paperwork Reduction Act (44 U.S.C. Ch. 35)**

The information being requested in this Program Announcement is needed to evaluate applicants and ensure that awards are made in furtherance of the PRIME program's objectives. The information will be used to grant awards to provide training and technical assistance to disadvantaged microentrepreneurs. Applicants' responses to the data collection requirements are necessary for them to receive a benefit under the Prime Program. The information provided by applicants will be kept confidential to the extent required by law. Applicants are not required to respond to the Program Announcement unless it displays a currently valid OMB number. SBA estimates it will take applicants 80 hours to respond.

#### **XVII. Privacy Act (5 U.S.C. § 552A)**

Any person can request to see or get copies of any personal information that SBA has in the requestor's file, when that file is retrieved by individual identifiers, such as name or social security number. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act (FOIA).

**Note:** Any person concerned with the collection, use and disclosure of information, under the Privacy Act may contact the Chief, Freedom of Information/Privacy Act Office,

U.S. Small Business Administration, Suite 5900, 409 Third Street, SW, Washington, DC 20416, for information about the Agency's procedures relating to the Privacy Act and FOIA.

DATE: \_\_\_\_\_

TO: Applicants

FROM: Office of Procurement and Grants Management (OPGM)

SUBJECT: Program Announcement No. PRIME 01-2, Program for Investment in Microenterprise Act, ("PRIME") to Provide Microenterprise Development Organizations (MDOs) Capacity Building Services.

The U.S. Small Business Administration plans to issue Federal grant awards to qualified organizations under PRIME to provide capacity building services to microenterprise development organizations and organizations interested in becoming microenterprise development organizations. These organizations include: Non-profit microenterprise development organizations or programs; intermediaries (as defined); other microenterprise development organizations or programs (as defined) that are accountable to a local community, working in conjunction with a State or local government or Indian tribe; or Indian tribes acting on their own, with proper certification that no other qualified organization exists within their jurisdiction.

You are invited to submit an application, an original and two (2) copies, in response to Program Announcement No. PRIME 01-2. You are required to bind the cost proposal and technical proposal separately. Prepare the technical and cost proposals in single-spaced, 12-pt. font format. The technical proposal must not to exceed 45 pages, excluding exhibits and appendices. The Government will not return proposals, but will retain them for a limited period of time.

The closing date for the program announcement is \_\_\_\_\_, 4 p.m., Eastern Standard Time. Address your applications/proposal to the U.S. Small Business Administration, Office of Procurement and Grants Management (OPGM), 409 3rd Street, SW, 5th Floor, Washington, DC 20416, Attention: Mina Bookhard, Agreement Officer. If hand carried, deliver the application/proposal to Mina Bookhard, or her designee, at the above address. Deliveries to other locations will be considered late if not received in OPGM at the U.S. Small Business Administration by 4 p.m. on \_\_\_\_\_. Please place the following notation in the lower left corner of the sealed envelope or package:

THIS IS A SEALED OFFER. DO NOT OPEN. STAMP THE DATE AND TIME RECEIVED ON THE ENVELOPE. THE

ENCLOSED APPLICATION IS IN RESPONSE TO PROGRAM ANNOUNCEMENT NUMBER PRIME 01-2, DUE \_\_\_\_\_ AT 4 P.M., EASTERN STANDARD TIME, AT SBA's OFFICE OF PROCUREMENT & GRANTS MANAGEMENT.

Applicants will be required to meet the standards for financial management systems as prescribed in the Office of Management and Budget's (OMB) Circular A-110, Subpart C, sections .21 through .28, and 13 CFR Part 143.

Questions concerning this program announcement should be directed to Warren Boyd at (202) 205-7534. Questions about budget or funding matters should be directed to Mina Bookhard, at (202) 205-7080.

Sincerely,

Sharon Gurley  
Director, Office of Procurement and Grants Management

OFFICE OF FINANCIAL ASSISTANCE  
PROGRAM ANNOUNCEMENT

PROGRAM FOR INVESTMENT IN  
MICROENTREPRENEURS ACT,  
("PRIME")

TO PROVIDE CAPACITY BUILDING  
SERVICES TO NEW, EMERGING, AND  
EXISTING MICROENTERPRISE  
DEVELOPMENT ORGANIZATIONS

FISCAL YEAR 2001

U.S. SMALL BUSINESS  
ADMINISTRATION

OFFICE OF FINANCIAL ASSISTANCE

OPENING DATE: \_\_\_\_\_

CLOSING DATE: \_\_\_\_\_

ANNOUNCEMENT NO: PRIME 01-

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## I. Legislation Purpose

The Program for Investment in Microentrepreneurs Act of 1999 (Pub. L. 106–102) became law on November 12, 1999. 15 U.S.C. 6901 *et seq.* (“PRIME” or “the Act”). The Act authorizes the Administrator of the U.S. Small Business Administration (SBA) to establish a microenterprise training and technical assistance program for disadvantaged microentrepreneurs and to provide training and capacity building grant program to microenterprise development organizations (MDOs). Additionally, the Act authorizes research and development of best practices for microenterprise development and technical assistance programs for disadvantaged entrepreneurs and other activities as the Administrator of SBA determines are consistent with the Act. PRIME has several purposes for which SBA will issue separate program announcements soliciting applications geared toward a particular legislative purpose. Program Announcements called for under the Act solicit, from eligible organizations, applications for grant funding to be used to carry out the purposes of the Act as follows:

Program Announcement No. PRIME 01–1 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and technical assistance programs for disadvantaged microentrepreneurs.

Program Announcement No. PRIME 01–2 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist them in developing microenterprise training and services.

Program Announcement No. PRIME 01–3 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of pursuing research and developing best practices in the field of microenterprise and technical assistance programs for disadvantaged microentrepreneurs.

PRIME 01–2 solicits proposals from qualified organizations wishing to obtain grant funding for the purpose of providing Training and Capacity Building. These PRIME grants will enable MDOs to improve, expand, and/

or enhance the number of MDOs providing training and technical assistance programs for disadvantaged microentrepreneurs.

SBA will use 15 percent of available PRIME funds for grants that provide Training and Capacity Building services. Grants awarded under this program announcement will be for a minimum of \$50,000 with no one grant exceeding \$250,000 or 10% of the total appropriated, whichever is less.

## II. Introduction

Congress recognized that many disadvantaged microentrepreneurs lack sufficient training and education to gain access to capital to establish and expand their own small businesses. It enacted PRIME to augment training and technical assistance under the Small Business Act and other legislation. PRIME grants to qualified MDOs will help meet more training and technical assistance needs for disadvantaged microentrepreneurs, thereby encouraging entrepreneurship and community development.

Many low income and very-low income entrepreneurs need training and technical assistance to start, operate, or expand their businesses. In order to achieve measurable success in the effort to providing direct training and technical assistance to low and very low income individuals, another goal of the PRIME Act is to expand and build the capacity of microenterprise development organizations (MDOs) to provide training and technical assistance to the microentrepreneur.

For every business started or microloan made, a number of entrepreneurs are preparing themselves for a business start. A generally accepted assumption in the microenterprise industry is that it takes approximately 10 microentrepreneurs for every microenterprise started or booked. The cost of training is substantial because those at the entry-level stage of development typically require the greatest amount of dedicated advice and guidance, over an extended period of time, to achieve the highest rates of success. Funding is scarce relative to the need. The microenterprise industry has found the technical assistance-funding gap to be a nationwide condition, particularly in the very-low income sector.

The Program for Investment in Microentrepreneurs (PRIME) authorizes SBA to make grants to “qualified organizations” to fund capacity building services to MDOs. The SBA will also make grants to provide training and technical assistance to low and very low income individuals, fund research and

development of “best practices” in microenterprise development and technical assistance programs, and to fund other undertakings consistent with these purposes. The program requires that grantees match a portion of the SBA’s funds with funds from other sources.

The PRIME grant program should be viewed as a system of tiers. Primary MDOs (PMDOs) are those principally involved in the provision of financial and/or technical assistance services to individual clients, entrepreneurs, and microbusiness owners. Secondary MDOs (SMDOs) are those primarily involved in the training and capacity building of PMDOs through professional development, organizational development, and/or coordination of funds and services within a specific geographic area. While there may be instances where PMDO and SMDO activity types overlap, the distinction between the two types of organizations lies in the major focus of their respective activity. Training and Capacity Building may be viewed as separate and distinct activities, or may be presented as a single, integrated package of services. Training is best described as a classroom or course of study approach and will generally involve coursework, seminars, and other types of professional development activities designed to address a larger audience. Capacity Building, which may include a training aspect, will involve organizational development, site visits, individualized strategic planning, and goal-setting specifically designed to assist a single MDO (but ideally transferable to other MDOs). Capacity Building may also include, as indicated above, the coordination of activities, funds, and information for MDO networks or geographically related groups. Organizations applying for funding under this Program Announcement, PRIME–01–2, should remain cognizant of the information provided above as they plan and apply for funding.

## III. Program Overview

1. *Project Name:* Program for Investment in Microentrepreneurs (PRIME).

2. *Purpose:* Provide Training and Capacity Building Services to MDOs, and organizations in the process of becoming MDOs, to enhance their ability to provide training and technical assistance to low, very-low income, and otherwise disadvantaged entrepreneurs.

3. *Federal Catalog Number:* 59.049

4. *Authority:* The Program for Investment in Microentrepreneurs Act

of 1999, "PRIME", Pub. L. 106-102, 15 U.S.C. § 6901 *et seq.*

**5. Funding Instrument:** Grant

**6. Funding:** Funding is subject to availability and the requirements enumerated under the Act.

**7. Funding Range:** Target award amounts will be a minimum of \$50,000. Award amounts may vary, depending upon availability of funds (and performance for option years); however, no single person may receive more than \$250,000 or 10 percent of the total funds made available for this program in a single fiscal year, whichever is less. In general, match is required, although SBA may reduce or eliminate the required match in certain circumstances (up to a program limit of 10 percent).

**8. Number of Awards:** SBA anticipates issuing multiple awards under this Announcement. The number may vary, based on the pool of qualified applicants and the amount of available funds. At least 15% of the funds available for grants under PRIME must be awarded under this Program Announcement.

**9. Targeted assistance:** A minimum of 50% of the funds available for grants under the PRIME Act must be used to benefit very low income persons (as defined in this document), including those residing on Indian reservations.

**10. Closing Time and Date for the Submission of Applications:** \_\_\_\_\_ at 4 p.m. Eastern Daylight Time.

**11. Project Starting Date:** \_\_\_\_\_ (estimated).

**12. Project Duration:** The period performance for this grant is one base year with 4 twelve-month options subject to availability of funds and continued program authorization. The total possible period of performance is 5 years. Each option year will constitute a separate budget period. The project recipient's satisfactory performance will be one of the key factors in determining the award of an option year. Failure to secure the required annual non-Federal contribution during any project year may jeopardize continued option year funding.

**13. Proposal Evaluation:** Applications will first be screened to determine if the applicant meets certain mandatory eligibility requirements. Applicants that do not document in their application that they meet these requirements will not be evaluated by SBA for participation in the Prime Program. In addition, applications that are incomplete, illegible, or unreadable, in whole or in part, will be deemed incomplete and will not be evaluated.

Eligible proposals will be scored by an Objective Review Committee (ORC) based on evaluation criteria stated in

this program announcement. The ORC will consist of SBA officials and may include Federal Officials from other agencies. Microenterprise Development Branch staff will review the ORC evaluations, the ORC's summary report on each applicant, and the applicant's proposals to determine the final scoring of award recipients. SBA may ask applicants for clarification on the technical and cost aspects of the proposals. Such clarifications must not be construed as a commitment to fund the proposed effort.

**14. Points of Contact:** Questions concerning the technical aspects of this Program Announcement should be directed to the Microenterprise Development Branch at (202) 205-7534. However, due to the competitive process, SBA will be unable to assist with answers to specific questions regarding individual proposals or requests for assistance in completing proposals.

Questions concerning budget or funding of this Grant should be directed to Mina Bookhard at (202) 205-6621.

**15. Award Notification:** All applicants will receive a written notification relative to selection of award recipients. This written notice will be SBA's *final* response to this Program Announcement. SBA will not provide debriefing sessions if your proposal was not successful.

**16. Cancellation:** SBA reserves the right to cancel this Program Announcement in whole or in part at the Agency's discretion.

#### IV. Eligible Applicants for This Grant

An organization will be considered eligible for funding for the purpose of providing training and capacity building services to MDOs, or organizations in the process of becoming MDOs, if it is:

1. A microenterprise development organization or program (or group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs, OR
2. An intermediary (as defined in this document) which has experience in delivering technical assistance to disadvantaged entrepreneurs, OR
3. A microenterprise development organization or program (as defined in this document) that is accountable to a local community, working in conjunction with a State or local government or Indian tribe, OR
4. An Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

An eligible applicant for a PRIME capacity building grant must provide documentation in its application demonstrating that it falls within one of the above categories of qualified organizations. Such documentation should include but is not limited to:

1. A copy of your organization's IRS tax-exempt certificate including the IRS code under which your organization is considered non-profit;

2. Certification by your Secretary of State that your organization is legally allowed to do business in the State and a copy of your organization's articles of incorporation and by-laws;

3. For category 4 in the preceding paragraph, written certification from a duly authorized person that no other qualified organization (*i.e.* private organization or program as defined in categories 1-3 above) exists within its jurisdiction; and

4. Financial statements for the past 3 years. If your organization has been in business for less than 3 years provide your year end financial statements for those years completed and a financial statement not less than 90 days old.

SBA will not evaluate applications that do not meet these requirements. SBA may not screen applicants for eligibility until after the Closing Date for application acceptance. SBA will attempt to notify applicants of ineligible proposals as soon as practicable. However, SBA is under no obligation to notify ineligible applicants before the Closing Date. SBA strongly urges all applicants to ensure all eligibility requirements are met and documented before sending an application to SBA.

#### V. Ineligible Applicants for This Grant

Regardless of the satisfactory submission of information called for in Paragraph IV, above, the following applicants will automatically be considered ineligible and their applications will not be evaluated:

1. Any organization with an unresolved audit by any Federal agency.
2. Any organization suspended or debarred from receiving grants from any Federal agency or otherwise excluded from Federal procurement or non-procurement programs.
3. Any organization which has defaulted on an obligation to the United States.

#### VI. General Information

##### 1. Definitions

Throughout this Program Announcement specific terminology may be used, as defined in the Act and the accompanying rule (13 CFR part 119) published on \_\_\_\_\_. The

definitions are contained in a glossary of terms located at the end of this document in Section XV.

## 2. Collaborative Applications

a. If you participate in a collaborative (as defined in this document), all entities who are party to the collaborative must separately meet the statutory and eligibility requirements in order to apply as a collaborative.

b. Applications from collaboratives must name the primary liaison with the Federal government and include a copy of the collaborative agreement outlining responsibilities of each partner organization. An authorized representative from each organization must sign the agreement. The primary liaison will be responsible for coordinating reporting and requests for funding.

## 3. Program Income

All program income as defined in OMB Circular A-110, and OMB A-122 must be reported on financial reports submitted to SBA and added to funds committed to the project by SBA and recipient organizations. Program income may only be used to further eligible program objectives.

## 4. Cost Principles

a. *General:* All costs approved for a successful applicant must meet the tests of necessity, reasonableness, allowability and allocability in accordance with the cost principles applicable to this award. All proposed costs are subject to pre-award audit. Grantees are responsible to ensure proper management and financial accountability of Federal funds to preclude future cost disallowances. Payment will be made by reimbursement or advance payments as described in the grant award document and applicable OMB Circulars.

b. *Carryover Policy:* The grantee may request approval to use unexpended funds in the next budget period. This is permissible if funds are to be used for a non-severable, non-recurring project or activity within the scope of the PRIME program. Non-severable means a project in its entirety that cannot be subdivided. The request for using unexpended funds in the next budget period must include the following:

- (1) SF 424, budget pages, and justification;
- (2) Explanation of why the funds were not expended during the period in which they were awarded; and
- (3) Evidence of match. The match requirement for funds carried over to the next budget period can be met by using any excess of matching funds

from the current budget period, new matching funds, or a combination of both.

The request must be made no later than 60 days before the end of the budget/project period or the de-obligation process will begin. Approved requests will require the issuance of a revised Notice of Award. Expenditures for funds carried over to the next budget period must be tracked separately.

## 5. Publications/Websites

Any publications or websites developed under this grant must be submitted to SBA for prior review and approval. SBA will have an unlimited license to use data and written materials generated under this grant award, whether or not the materials are copyrighted. Any publications resulting from this project must include the following acknowledgement of support, whether copyrighted or not, in legible, easily readable print:

This grant is partially funded by the U.S. Small Business Administration. SBA's funding is not an endorsement of any products, opinions, or services. All SBA funded programs are extended to the public on a nondiscriminatory basis.

The grant recipient may not use the U.S. Small Business Administration name or logo for the endorsement of any services, products, or merchandise under this award.

The SBA logo may appear on prominent webpages of Internet sites that are related to this project, but must appear with the above disclaimer in legible, easily readable print and acknowledgement of support in close physical proximity (within 2 inches) next to it.

## 6. Reports

### a. General Reporting

The selected grantees will be required to submit the reports as outlined below. Participants must agree to cooperate with SBA in the collection and retention of data required by this agency. Your ability to meet reporting requirements must be addressed in the Technical Proposal.

Payments may be withheld if reports are not submitted within the required time frame or if the quality of reports is considered inadequate.

### b. Performance Reports:

Quarterly performance reports, unless otherwise specified, must contain a summary of activity for the reporting period using the following format:

1. A comparison of actual accomplishments to the estimated milestones established in the proposal and/or subsequent grant agreement.

2. A discussion of accomplished milestones and reasons for slippage in those cases where milestones are not met. Where milestones were not met, a plan of action must be provided to overcome these slippages or a detailed statement of how the program will better serve MDOs, and organizations in the process of becoming MDOs, if the milestones are revised.

3. Evidence of the amount of funding expended to the benefit of very-low income program clients.

4. Information relating to actual financial expenditures of budgeted cost categories versus the estimated budget award, including an explanation of all cost overruns, if any, by budgeted cost category. Financial data furnished in this report is from a manager's standpoint and is in addition to that furnished in the financial reports cited below.

5. Other pertinent information, including any significant accomplishments or milestones of special significance that have been met.

6. Because SBA is interested in the actual outcome of capacity building services provided under the PRIME Program, Client MDO Progress Reports will be required as part of the quarterly performance reports. As such, grantees will be required to compile, maintain, and submit data regarding each client as follows:

A. At the start of the training relationship:

- Client identification information (location, urban, rural, tribal)
- Level of operating budget
- Total number of employees, excluding volunteers,
- Average number of employee hours used to provide training and technical assistance to disadvantaged entrepreneurs
- Average number of volunteer hours used per month for same purpose
- Number of clients served during each of two years prior to the start of the relationship and an indication of the number and percent of those clients that were low- or very-low income individuals
- The goal of the capacity building project or activity

B. Follow-up:

- Changes in the operating budget of the client
- Changes in human resource utilization patterns (employees and volunteers)
- Changes in the numbers and percentages of end-user client service data as called for above
- Status of training in terms of the stated goal.

Follow-up data should be collected on client MDOs on the six, twelve, and

eighteen-month anniversary of the beginning of the capacity building relationship. It is understood that new goals may be stated at the beginning of a new project or specific activity. This understanding is to be built into the grantee's reporting structure.

Quarterly reports will be due no later than:

- (a) January 15 for the period ending December 31;
- (b) April 15 for the period ending March 31;
- (c) July 15 for the period ending June 30; and
- (d) October 15 for the period ending September 30.

#### c. Financial Reports

1. Financial Status Report Forms must be submitted every quarter with the performance reports. Reports must include the SF 269, Financial Status Report, and the SF 272, Federal Cash Transactions Report.

2. The year-end report must include a cost breakdown of actual expenditures and costs incurred by line item. Participants will also be required to submit the SBA Form 2069, Detailed Actual Expenditures for Period Covered by Request, with the final Standard Form 269.

3. In addition, grantees will be required to submit audited annual financial statements, if available, or annual financial statements prepared by a licensed, independent public accountant, within 120 days of the end of the grantee's fiscal year period.

SBA may withhold payment of advances or reimbursements if reports are not received or are regarded as inadequate.

SBA may, at its discretion, reduce any reporting requirements to semi-annually as it deems appropriate. SBA will notify participants if it decides to take such action.

#### 7. Match Requirements

In general, funds awarded under the PRIME Program will require a non-Federal match of not less than 50% of each dollar awarded. Matching funds may come from fees, non-Federal grants, gifts, funds from loan sources, and in-kind resources. After the initial grant, grant awards for the following option years will be made in declining amounts, declining by 20% of the initial grant amount in each successive year.

*Exception:* In the case of an applicant with severe constraints on available sources of matching funds, SBA may reduce or eliminate the 50% match requirement on a case by case basis. Any reductions or eliminations must not exceed 10% of the aggregate of all

PRIME grant funds made available by SBA in any fiscal year.

Organizations seeking to receive a reduction or elimination of the matching fund requirement must include such a request (as a cover letter) with their proposal, and include justification and supporting documentation for their request. Submission of a request will not automatically guarantee that an exception, in whole or in part, will be granted. Rather, it will alert SBA to the applicant's desire to receive an exception.

#### 8. Fundraising Not Allowable Expense

Expenditures for fundraising activities are not allowable costs under this grant. Applicants must be able to raise matching funds without the assistance of grant funds. The applicant must demonstrate that it has adequate fundraising resources to obtain required non-Federal matching funds to perform the project.

#### 9. Subgrants

An organization selected to receive a grant under the PRIME Program may provide sub-grants to qualified small and emerging MDOs solely for the purpose of having them assist with Training and Capacity Building services to other MDOs. Applicants wishing to provide sub-grants as a part of their implementation plan should include detailed information regarding same in their Technical Proposal. An applicant that wants to make subgrants using PRIME grant funds must receive written approval from SBA prior to making subgrants. The applicant must identify the subgrantee(s) and describe in detail what the subgrantee(s) will do to help the grantee implement its proposal. An applicant must submit information to SBA demonstrating that, through the subgrantee(s), the grantee's program will:

- (1) Provide expanded services to the community,
- (2) Provide a method by which one or more previously unserved communities will gain access to the program, or
- (3) Provide other specific benefits to the clients, such as specialized training, expanded schedules of operation, or other benefits.

If an applicant has identified potential subgrantee(s) at the time it submits an application for a PRIME grant, the applicant must include the information requested in the paragraph above in the application. Otherwise, the applicant or grantee may submit the requested information at such time that approvals for subgrantee(s) are requested.

The total amount of money subgranted by the grantee must not exceed 50% of the amount of the PRIME grant. A maximum of 7.5% of the funds awarded may be used by the grantee for administrative expenses in connection with the making of subgrants.

#### 10. Subcontracts

Any and all subcontracts awarded under this grant must be approved by SBA in advance in writing and must not exceed 50% of the amount of the PRIME grant.

#### 11. Diversity

In making grants under this Program Announcement, SBA will ensure that grant recipients include both large and small microenterprise organizations, serving urban, rural and Indian tribal communities and diverse populations.

#### 12. Prohibition on Preferential Consideration of Certain SBA Program Participants

In making grants under this Program Announcement, SBA will not give preferential consideration to an applicant that is a participant in the program established under section 7(m) of the Small Business Act.

### VII. OMB Uniform Administrative Requirements and Cost Principles

The Prime Grant Notice of Award incorporates by reference all applicable OMB Circulars, including:

- 1. OMB Circular A-21, "Cost Principles for Educational Institutions," containing cost principles for educational institutions;
- 2. OMB Circular A-87 "Cost Principles for State, Local, and Indian Tribal Governments," containing cost principles for State, local governments, and federally recognized Indian tribal governments.
- 3. OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," containing administrative requirements;
- 4. OMB Circular A-122, "Cost Principles for Non-Profit Organizations," containing cost principles for non-profits; and
- 5. OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," concerning audits.

Current versions of OMB Circulars are available from the Office of Management and Budget's website. The address is: [www.whitehouse.gov/WH/EOP/OMB/html/circular.html](http://www.whitehouse.gov/WH/EOP/OMB/html/circular.html).



## VIII. Proposal Instructions and Evaluation Criteria

The technical and cost proposals must be bound separately. The technical proposal must be single-spaced and not exceed 45 pages, excluding exhibits and appendices. Prepare your proposal using the following outline.

### 1. APPLICATION FORMAT

#### A. Technical Proposal

##### *Section 1. Eligibility Requirements (not to exceed 5 pages)*

In this section the applicant must prove that it falls within one of the four categories of qualified organizations. (See Section IV)

Applicants are reminded to include documentation of the mandatory eligibility requirements in their technical narrative. Failure to provide the mandatory eligibility documentation will result in disqualification of the application, and the application will not be evaluated. In addition, incomplete or illegible (in whole or in part) applications will not be evaluated.

##### *Section 2. Applicant Experience (not to exceed 15 pages)*

Applicant experience includes information regarding current and past performance in providing training and capacity building services to new, emerging, and existing MDOs.

In this section, the applicant should discuss the items delineated below. To the extent possible, the applicant should provide internal statistical data to document its past experience and illustrate current activities.

1. An understanding of the microentrepreneur and MDO communities and the needs of disadvantaged entrepreneurs.
2. The applicant's existing and historical capacity building services to MDOs. This discussion should include a detailed description of the programmatic information as to the activities and services offered to MDOs with specific descriptions of the extent to which such services have improved the operations of client MDOs and assisted MDOs in reaching low and very low income individuals.
3. Provide a list of grants and or contracts similar in scope to the grant for which you are applying. Specifically provide the name of, if any, any Federal, or non-Federal, agency(ies) or private sector foundations or organizations providing funding, the grant or contract number, a short summary of services provided under each grant, and the period(s) of performance. Include in each summary the name and contact

information (phone number and E-mail address) of the person providing oversight on each grant or contract.

##### *Section 3. Institutional Capacity (not to exceed 5 pages)*

This section should include the following:

##### *1. Personnel Qualifications and Internal Structure*

- You must have, or exhibit the ability to obtain, personnel who are qualified to meet the goals of providing technical assistance under this grant. Provide resumes of personnel key to your organization's participation in the PRIME Program. The resumes should clearly present personnel's qualifications relative to this particular work. Special mention should be made of relevant experience. Personnel indicated must demonstrate knowledge of business development, business structures, business planning, marketing, business management, financial management, and training and counseling.

- Organizational chart for all proposed full-time and part-time project staff and the amount of time each will devote to the project. The Project Director must be a full time employee of the organization; however, the Project Director does not have to be dedicated solely to this activity. The Project Director (and other federally funded staff positions) must not engage in fundraising activities using Federal funds provided under this grant.

- A description of the role of subcontractors, subgrantees and/or outside consultants.
- A description of at least one staff or consultant function to handle on-going program data collection and electronic reporting to SBA.
- A description of whom will be responsible for financial record keeping on the receipt and expenditure of program funds.

##### *2. Data Collection and Maintenance Capacity*

- Describe your organization's current data collection and management system. If applying as a group or collaborative, describe how data management systems will be integrated for an inter-organizational uniform approach to data gathering and reporting, as well as how these capabilities will or will not be integrated for training MDOs.

- Provide your organization's computer capacities, if any, and the software used. Indicate whether or not your organization is connected to the Internet and, if not, delineate plans to become connected. The applicant

should indicate its level of willingness/capability to report data via the Internet as well as how funds received under this grant may help the applicant accomplish its electronic management, communication, and reporting goals.

- Describe your organization's internal systems of checks and balances in terms of financial, data collection, and reporting systems. If applying as a group or collaborative, also describe the plan for inter-organizational checks and balances in terms of those systems. Also indicate which member of the group or collaborative will be responsible for coordination and submission of data and reports, and how the collaborative will ensure that this responsibility will be fully implemented.

##### *Section 4. Program Narrative (not to exceed 15 pages)*

In this section, each applicant must describe the following:

1. Its management plan to provide capacity building and training services to MDOs. This plan should include but not be limited to long and short term training, counseling and technical assistance.

2. Its outreach and delivery plan. The plan should include, but not necessarily be limited to:

- A description of the types of client MDOs your organization plans to target including whether or not those client organizations serve very-low income populations
- A demonstration of the need for the planned services in terms of both the anticipated client base and the end user of the client MDOs' services;
- Strategies to be used for reaching your scheduling and delivery goals;
- Methods by which your organization will incorporate outside resources into the plan; and,
- A description of any planned or existing strategic alliances and partnerships with state and local entities (public or private) and how these alliances assist, or will assist, your organization in providing capacity building services to client MDOs.

##### *Section 6. Timeline/Milestones (not to exceed 5 pages)*

In this section the applicant must include a timeline with milestones covering the 12-month grant period. Milestones should clearly illustrate the applicant's goals for delivery of capacity building services in terms of the number and types of projected clients, projected activities, and projected use of funds.

##### *Section 7. Supporting Documentation*

In this section the applicant should provide any necessary documentation to

support its proposal, including but not limited to the following documents:

1. A statement signed by your Executive Director (or an equivalent duly authorized person), authorizing SBA to make inquiries to other Federal Agencies as to the performance capabilities of your organization.
2. A copy of your organization's IRS tax exempt certificate, including the IRS code under which your organization is considered non-profit.
3. Certification by your Secretary of State that your organization is legally allowed to do business in the State and a copy of your organization's articles of incorporation and by-laws.
4. A copy of your organization's financial statements for the last 3 years. If your organization has not been in business for 3 years, submit the most recent full-year financial statements and a copy of your organization's Year-to-Date balance sheet.
5. A summary of the training and technical assistance provided to date (limit to 3 pages).
6. Resumes and reference information for personnel key to the delivery of technical assistance services to date.
7. An organizational chart, if you are applying as a group, or plan to use sub-contractors, include a second organizational chart that shows how the members of the group will interact and collaborate and/or how the sub-contractors will fit into the work flow plan.

#### B. Cost Proposal

The cost proposal must include the application cover sheet, budget information, assurances and certifications. Additional information on how to organize the proposal is provided on page 21, "Preparing Your Budget." The applicant's Cost Proposal will be evaluated in terms of the quality and effectiveness of the proposed capacity building services and impact as identified in item 3 of the evaluation factors.

#### 2. Evaluation Factors

Capacity Building awards will be competed among a single pool of applicants. The Technical Proposal will be evaluated in terms of the following evaluation criteria. The maximum number of points available under each criterion will be as follows:

- (a) Institutional Capability (total of 90 points) The following factors will be considered under this criteria:
  - (1) Organizational structure, financial stability, and financial management systems (20)
  - (2) Personnel (30)
  - (3) Electronic communication or potential for same (20)

(4) Data collection and reporting capability (20)

(b) Past performance and history of providing capacity building services to Microenterprise Development Organizations (MDOs) (30)

(c) Management plan for proposed training and capacity building assistance, including outreach and delivery (total of 80 points)

The following factors will be considered under this criteria:

- (1) Proposed training and capacity building assistance to client MDOs and services to low- and very-low income microentrepreneurs (30)
- (2) Service plan and delivery (30)
- (3) Performance and outcome measurement tools (20)

The total number of points an organization may attain under this evaluation system is 200.

As indicated above, applications will be reviewed for technical merit using the evaluation factors listed. Included in the evaluation processes will be qualitative and quantitative analyses of:

- a. The applicant's organizational structure, financial stability, financial management systems, personnel capacity, and electronic communication capabilities (or potential for same). Additional evaluations will be made on the data collection capabilities, reporting capacities, and ability to account for performance.
- b. The applicant's history of providing capacity building services to MDOs, as an indication of the organization's understanding of the goals and purposes of capacity building, its historical effectiveness with the microenterprise development industry, and its ability to provide quality services to the targeted market. In addition, patterns of program growth, outcomes of training, types of services provided, delivery systems used, the number and types of clients served, and the successes realized within the client's organizational goals.
- c. The applicants projected impact on client MDOs, and on their ability to serve or improve services to low- and very-low income microentrepreneurs.
- d. The value of the proposed activity to the enhancement of the MDO community and the applicant's ability to attain the stated goals of the proposal. In addition, the transferability and replicability of the project will be considered.

#### IX. Option Year Funding

Applicants will prepare application cover sheets (SF Form 424) and budgets for each of the 5 budget periods consisting of 12 months each. Applicants are advised that the performance period for specific awards

made under this announcement may consist of one base year with up to 4 twelve-month option years. The project periods may consist of up to 5 twelve-month budget periods. Each additional twelve-month budget period beyond the original base year may be exercised at the discretion of the Government. Among the factors involved in deciding whether to exercise an option are the availability of funds, continuing program authorization, satisfactory performance of the applicant, and the determination that continued funding would be in the best interest of the Government.

After the initial grant, grant awards for the option years will be made in declining amounts, declining by 20 percent of the initial grant amount in each successive year

#### X. Preparing Your Budget

##### INSTRUCTIONS FOR STANDARD FORM 424 (APPLICATION FOR FEDERAL ASSISTANCE)

Standard Form 424, Application of Federal Assistance, will be found beginning at page A-1 of this announcement. This guidance supplements that contained on the reverse side of the form.

- Item 1. Self-explanatory
- Item 2. Refer to instructions on reverse of form
- Item 3. Refer to instructions on reverse of form
- Item 4. Leave Blank
- Item 5. Refer to instructions on reverse of form
- Item 6. Refer to instructions on reverse of form
- Item 7. Refer to instructions on reverse of form
- Item 8. Enter: "new"
- Item 9. Enter: "U.S. Small Business Administration"
- Item 10. Enter: 59.049 Program for Investment for Microentrepreneurs (PRIME)
- Item 11. Refer to instructions on reverse of form
- Item 12. Refer to instructions on reverse of form
- Item 13. Refer to instructions on reverse of form
- Item 14. Refer to instructions on reverse of form
- Item 15. Refer to instructions on reverse of form
- Item 16. Enter: Check "b." This program is not covered by E.O. 12372.
- Item 17. Refer to instructions on reverse of form
- Item 18. Refer to instructions on reverse of form

# **INSTRUCTIONS FOR STANDARD FORM 424A (BUDGET INFORMATION)**

Budget information is found on pages A-1 through A-11

The budget is the applicant's estimate of the total cost of performing the project or activity for which grant support is requested. The budget is to be based upon the cost of performing the project, including Federal and private sources. All proposed costs reflected in the budget must be necessary to the project, reasonable and otherwise allowable under applicable cost principles and Agency policies. All costs must be justified and itemized by unit cost on the Budget Worksheets (p. A-3).

Section A—Budget Summary  
Column (A): Enter "PRIME 01-2"  
Column (B): Enter the Catalog of Federal Domestic Assistance Number 59.049  
Section B—Budget Categories

Amounts entered by budget category in this section are for summary purposes only. Itemization and justification of specific needs by budget category are to be shown under line 21, Section F.

Line 6.a.-6.h. The budget amounts must reflect the total requirements for funds regardless of the source of funds. All amounts entered in this section are to be expressed in terms of whole dollars only after completing the requirements of Section F.

Line 6.j. Indirect costs are those costs related to the project that are not included as direct costs in a. through h.

## **Section C—Non-Federal Resources**

Refer to instructions on reverse of form.

## **Section D—Forecasted Cash Needs**

Refer to instructions on reverse of form.

## **Section E—Budget Estimates of Federal Funds Needed for Balance of the Project**

Refer to instructions on reverse of form.

## **Section F—Other Budget Information**

Line 21, Direct Charges: Identify and explain all items or categories under Section B in accordance with the instructions set forth below. The itemization must reflect the total requirements for funding from Federal and non-Federal sources. In most instances, Line 21 does not provide sufficient space to reflect all of the necessary information. Budget Worksheets are enclosed for your convenience. You may use these worksheets for the detailed budget information listed below or a reasonable

facsimile; but each budget line item pertinent to your submission MUST ALSO be completed on the application. Please show a complete breakdown of all cost elements summarized in Section B on a separate sheet. Do not list on Line 21 any items included in the indirect expenses entered on Line 22 below.

a. Personnel: List the name, title, salary and estimated amount of time for each employee who will be assigned to this project. Note that fees, expenses, and estimated amount of time for outside consultants should be included in f., Contractual. The estimated performance time for outside consultants is not to exceed 50% of the total amount of the grant. Resumes of all personnel assigned to this effort must be included in the application.

b. Fringe Benefits: Leave blank if fringe benefits applicable to direct salaries and wages are treated as part of indirect costs in the indirect cost rate negotiation agreement. If your organization does not have a federally negotiated fringe benefit package, list each component included as a fringe benefit.

c. Travel: Reimbursement will be made based on incurred cost. Estimates should be based on knowledge of the geographical area of small business locations. Reimbursement to contractors or volunteers will not be made for time in travel to and from the client's location. Supporting data should include numbers of trips anticipated, costs per trip per person, destinations proposed, modes of transportation, and related subsistence expenses.

Line 22 Indirect Charges:  
(Attach Budget Worksheets or reasonable facsimile if sufficient space is not provided.)

Enter the indirect cost rate, date, and agency that issued rate.

If an indirect cost rate is not established, itemize elements and costs of overhead and G&A (General and Administrative) expense categories relative to the performance of this project.

## **XI. Assembly and Mailing Instructions**

1. Please indicate the following information on the front of your return envelope:

a. Your organization's name and return address including zip code in the upper left-hand corner of the return envelope.

b. Place the following notation in the lower left-hand corner of the sealed envelope.

THIS IS A SEALED OFFER. DO NOT OPEN. STAMP THE DATE AND TIME RECEIVED ON THE ENVELOPE. THIS

PROPOSAL IS IN RESPONSE TO PROGRAM ANNOUNCEMENT NUMBER, \_\_\_\_\_ DUE, \_\_\_\_\_ 2000, AT 4:00 P.M., EASTERN STANDARD TIME, AT THE U.S. SMALL BUSINESS ADMINISTRATION, OFFICE OF PROCUREMENT & GRANTS MANAGEMENT, 409 3RD STREET, SW, 5TH FLOOR, WASHINGTON, DC 20416, ATTENTION: MINA BOOKHARD.

2. *Application.* Please submit an original and 2 copies of the pages described below in items a and b. They are part of the Announcement and should be completed and submitted with an original and 2 copies of your proposal:

a. The Federal Assistance Application (Standard Form 424), including the cost and technical proposals, and related budgetary data.

b. Appendix B, Assurances and Certifications (with appropriate signature).

3. To facilitate review and processing of the proposals, your submission must be arranged, as follows, in two separately bound parts:

a. Part I: COST PROPOSAL—This part is to be comprised of the Application, the Budget Information, and the Assurances and Certifications. The material identified as Part I must be bound separately from the Technical Proposal. DO NOT include any technical information in Part I, The Cost Proposal.

b. Part II: TECHNICAL PROPOSAL—This part is comprised of the Program Narrative. The proposal should be completed with a table of contents and must be responsive to the evaluation criteria set forth on pages 20-21. The Technical Proposal must be bound separately from Section I and must not exceed 45 pages. DO NOT include any cost information in Part II, The Technical Proposal.

4. Your application should be submitted in original and 2 copies to: U.S. Small Business Administration, Office of Procurement and Grants Management, 409 Third Street, SW, 5th Floor, Washington, DC 20416, ATTN: Mina Bookhard.

## **XII. Late Submission, Revisions and Withdrawals**

1. Any Application received at the Office of Procurement and Grants Management after the exact time specified for receipt will not be considered unless it is received before award is made, AND:

a. It was sent by registered or certified U.S. mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer

submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);

b. It was sent by U.S. mail or hand-carried (including delivery by a commercial carrier) if it is determined by the Government that the late receipt was due primarily to Government mishandling after receipt at the Government installation;

c. It was sent by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays;

d. There is acceptable evidence to establish that it was received at OPGM and was under the Government's control prior to the time set for receipt of offers, and the Grants Management Officer determines that accepting the late offer would not unduly delay the grant review process; or

e. It is the only proposal received.

### XIII. Unsuccessful Applicants

After a decision has been reached and if your proposal is not successful, you will receive written notification. This written notice will be SBA's *final* response to this program announcement. SBA *will not* provide debriefing sessions if your proposal was not successful.

### XIV. Cancellation

SBA reserves the right to cancel this announcement in whole or in part at the Agency's discretion.

### XV. Glossary of Terms

• **ADMINISTRATION:** Means the U.S. Small Business Administration (SBA);

• **ADMINISTRATOR:** Means the Administrator of the Small Business Administration;

• **CAPACITY BUILDING SERVICES:** means services provided to an organization or program that is, or is developing as, a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

• **COLLABORATIVE:** means two or more nonprofit entities that agree to act jointly as a qualified organization under this part;

• **DISADVANTAGED ENTREPRENEUR, or DISADVANTAGED**

**MICROENTREPRENEUR:** means the owner, majority owner, or developer of a microenterprise who is also—

1. A low-income person

2. A very low-income person; or

3. An entrepreneur who lacks adequate access to capital or other resources essential for business success, or, is economically disadvantaged as determined by the Administrator.

• **EMERGING MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise development organization or program which has a microenterprise capacity building services component, but has had such a component for less than 4 years at the date of its application for a PRIME grant.

• **GRANTEE:** means a recipient of a grant under the Act.

• **GROUP:** has the same meaning as "collaborative" defined above.

• **INDIAN TRIBE:** means any Indian tribe, band, pueblo, nation, or other organized group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services the United States provides to Indians because of their status as Indians.

• **INDIAN TRIBE JURISDICTION:** means Indian country, as defined in 18 U.S.C. § 1151, and any other lands, title to which is either held by the United States in trust for the benefit of any Indian tribe or individual or held by any tribe or individual subject to a restriction by the United States against alienation, and any land held by Alaska Native groups, regional corporations, and village corporations, as defined in or established under the Alaska Native Claims Settlement Act, public domain Indian allotments, and former Indian reservations in the State of Oklahoma.

• **INTERMEDIARY:** means a private, nonprofit entity that seeks to serve qualified microenterprise development organizations and programs;

• **LARGE MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise development organization or program with 10 or more full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

• **LOCAL COMMUNITY:** means an identifiable area and population constituting a political subdivision of a state.

• **LOW-INCOME PERSON:** means a person having an income, adjusted for family size, of not more than—

(1) for metropolitan areas, the greater of 80 percent of the median income; and

(2) for non-metropolitan areas, the greater of—

(a) 80 percent of the area median income; or

(b) 80 percent of the statewide non-metropolitan area median income;

• **MICROENTREPRENEUR:** means the owner or developer of a microenterprise;

• **MICROENTERPRISE:** means a sole proprietorship, partnership, limited liability corporation or corporation that has fewer than 5 employees, including the owner, and generally lacks access to conventional loans, equity, or other banking services.

• **MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs.

• **QUALIFIED ORGANIZATION:** means an organization eligible for a PRIME grant that is—

1. a microenterprise development organization or program as defined above (or a group or collaborative thereof) that has demonstrated a record of delivering microenterprise services to disadvantaged microentrepreneurs;

2. an intermediary, as defined above;

3. a microenterprise development organization or program as defined above that is accountable to a local community, working with a State or local government or Indian tribe; or

4. an Indian tribe acting on its own, if the Indian tribe can certify that no private organization referred to in this definition exists within its jurisdiction.

• **SEVERE CONSTRAINTS ON AVAILABLE SOURCES OF MATCHING FUNDS:** means the documented inability of a qualified organization applying for a PRIME grant to raise matching funds or in-kind resources from non-Federal sources during the 2 years immediately prior to the date of its application because of a lack of or increased scarcity of monetary or in-kind resources from potential non-Federal sources.

• **SMALL MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise development organization or program with less than 10 full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

• **TRAINING AND TECHNICAL ASSISTANCE:** means services and support provided to disadvantaged entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management,

financial management skills, and assistance for the purpose of accessing financial services.

• **VERY LOW INCOME PERSON:** means having an income adjusted for family size of not more than 150 percent of the poverty line (as defined in 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that section).

#### **XVI. Paperwork Reduction Act (44 U.S.C. Ch. 35)**

The information being requested in this Program Announcement is needed to evaluate applicants and ensure that awards are made in furtherance of the PRIME program's objectives. The information will be used to grant awards to provide training and technical assistance to disadvantaged microentrepreneurs. Applicants' responses to the data collection requirements are necessary for them to receive a benefit under the Prime Program. The information provided by applicants will be kept confidential to the extent required by law. Applicants are not required to respond to the Program Announcement unless it displays a currently valid OMB number. SBA estimates it will take applicants 80 hours to respond.

#### **XVII. Privacy Act (5 U.S.C. 552a)**

Any person can request to see or get copies of any personal information that SBA has in the requestor's file, when that file is retrieved by individual identifiers, such as name or social security number. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act (FOIA).

**Note:** Any person concerned with the collection, use and disclosure of information, under the Privacy Act may contact the Chief, Freedom of Information/Privacy Act Office, U.S. Small Business Administration, Suite 5900, 409 Third Street, SW, Washington, DC 20416, for information about the Agency's procedures relating to the Privacy Act and FOIA.

DATE: \_\_\_\_\_  
TO: Applicants  
FROM: Office of Procurement and Grants Management (OPGM)  
SUBJECT: Program Announcement No. PRIME 01-3, Program for Investment in Microenterprise Act, ("PRIME") for Research and Development of Best Practices in the Field Microenterprise and Technical Assistance to Disadvantaged Entrepreneurs.  
The U.S. Small Business Administration plans to issue Federal

grants awards to qualified organizations under PRIME to provide research and development in the field of microenterprise and technical assistance programs to disadvantaged entrepreneurs. These organizations include: non-profit microenterprise development organizations or programs; intermediaries (as defined); other microenterprise development organizations or programs (as defined) that are accountable to a local community, working in conjunction with a State or local government or Indian tribe; or Indian tribes acting on their own, with proper certification that no other qualified organization exists within their jurisdiction.

You are invited to submit an application, an original and two (2) copies, in response to Program Announcement No. PRIME 01-3. You are required to bind the cost proposal and technical proposal separately. Prepare the technical and cost proposals in single-spaced 12-pt. font format, not to exceed 45 pages including exhibits and appendices. The Government will not return proposals, but will retain them for a limited period of time. The closing date for the program announcement is \_\_\_\_\_, 4:00 P.M., Eastern Standard Time. Address your applications/proposal to the U.S. Small Business Administration, Office of Procurement & Grants Management (OPGM), 409 3rd Street, SW, 5th Floor, Washington, DC 20416, Attention: Mina Bookhard, Agreement Officer. If hand carried, deliver the application/proposal to Mina Bookhard, or her designee, at the above address. Deliveries to other locations will be considered late if not received in OPGM at the U.S. Small Business Administration by 4:00 p.m. on \_\_\_\_\_. Please place the following notation in the lower left corner of the sealed envelope or package:

THIS IS A SEALED OFFER. DO NOT OPEN. STAMP THE DATE AND TIME RECEIVED ON THE ENVELOPE. THE ENCLOSED APPLICATION IS IN RESPONSE TO PROGRAM ANNOUNCEMENT NUMBER PRIME 01-3, DUE \_\_\_\_\_ AT 4:00 P.M., Eastern Standard Time, AT SBA's OFFICE OF PROCUREMENT & GRANTS MANAGEMENT.

Applicants will be required to meet the standards for financial management systems as prescribed in the Office of Management and Budget's (OMB) Circular A-110, Subpart C, sections .21 through .28, and 13 C.F.R. Part 143.

Questions concerning this program announcement should be directed to Warren Boyd at (202) 205-7534. Questions about budget or funding

matters should be directed to Mina Bookhard, at (202) 205-7080.

Sincerely,  
Sharon Gurley,  
*Director, Office of Procurement and Grants Management*

OFFICE OF FINANCIAL ASSISTANCE  
PROGRAM ANNOUNCEMENT

*PROGRAM FOR INVESTMENT IN MICROENTREPRENEURS ACT, ("PRIME")*

TO RESEARCH AND DEVELOP BEST PRACTICES IN THE FIELD OF MICROENTERPRISE AND TECHNICAL ASSISTANCE PROGRAMS TO DISADVANTAGED ENTREPRENEURS

*FISCAL YEAR 2001*

U.S. SMALL BUSINESS  
ADMINISTRATION

OFFICE OF FINANCIAL ASSISTANCE

OPENING DATE: \_\_\_\_\_

CLOSING DATE: \_\_\_\_\_

ANNOUNCEMENT NO: PRIME 01-3

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#### **I. Legislation Purpose**

The Program for Investment in Microentrepreneurs Act of 1999 (P.L. 106-102) became law on November 12, 1999. 15 U.S.C. 6901 *et seq.* ("PRIME" or "the Act"). The Act authorizes the Administrator of the U.S. Small Business Administration (SBA) to establish a microenterprise training and technical assistance program for disadvantaged microentrepreneurs and

to provide training and capacity building grant program to microenterprise development organizations (MDOs). Additionally, the Act authorizes research and development of best practices for microenterprise development and technical assistance programs for disadvantaged entrepreneurs and other activities as the Administrator of SBA determines are consistent with the Act.

PRIME has several purposes for which SBA will issue separate program announcements soliciting applications geared toward a particular legislative purpose.

Program Announcements called for under the Act solicit, from eligible organizations, applications for grant funding to be used to carry out the purposes of the Act as follows:

Program Announcement No. PRIME 01–1 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and technical assistance programs for disadvantaged microentrepreneurs.

Program Announcement No. PRIME 01–2 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist them in developing microenterprise training and services.

Program Announcement No. PRIME 01–3 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of pursuing research and developing best practices in the field of microenterprise and technical assistance programs for disadvantaged microentrepreneurs.

The purpose of this Program Announcement No. PRIME 01–3, is to solicit applications from eligible organizations wishing to obtain grant funding for the purpose of conducting research development of microenterprise development best practices. Specifically, PRIME–01–3 solicits proposals from qualified organizations wishing to obtain grant funding for the purpose of researching and developing best practices in the field of microenterprise and technical assistance programs for disadvantaged microentrepreneurs. Grants will be awarded subject to the availability of funds. And, no single entity will receive a grant in excess of \$250,000 or 10% of the total amount appropriated, whichever is less.

## II. Introduction

Congress recognized that many disadvantaged microentrepreneurs lack sufficient training and education to gain access to capital to establish and expand their own small businesses. It enacted PRIME to augment training and technical assistance under the Small Business Act and other legislation, and to foster research and development of best practices in microenterprise and technical assistance to disadvantaged microentrepreneurs to further advance programs to the disadvantaged microentrepreneurs and further advance the microenterprise industry.

Many low income and very-low income entrepreneurs need training and technical assistance to start, operate, or expand their businesses. In order to achieve measurable success in the effort to providing direct training and technical assistance to low and very low income individuals, PRIME will award grants for the research and development of best practices in the delivery of services to disadvantaged microentrepreneurs.

For every business started or microloan made, a number of entrepreneurs are preparing themselves for business start. A generally accepted assumption in the microenterprise industry is that it takes approximately 10 potential microentrepreneurs for every microenterprise started or microloan booked. The cost of training is substantial because those at the entry-level stage of development typically require the greatest amount of dedicated advice and guidance, over an extended period of time, to achieve the highest rates of success. Funding is scarce relative to the need. The microenterprise industry has found the technical assistance-funding gap to be a nationwide condition, particularly in the very low-income sector.

The Program for Investment in Microentrepreneurs (PRIME) authorizes SBA to make grants to fund research and development of “best practices.” The microenterprise development industry has reached a stage of development that can produce, and will benefit from, substantive research that captures the best practices in this area. The program requires that grantees match a portion of the SBA’s funds with funds from other sources.

## III. Program Overview

1. *Project Name:* Program for Investment in Microentrepreneurs (PRIME).

2. *Purpose:* Aid in researching and developing best practices in the field of microenterprise and technical assistance

programs for disadvantaged microentrepreneurs.

3. *Federal Catalog Number:* 59.049.

4. *Authority:* The Program for Investment in Microentrepreneurs Act of 1999, “PRIME”, P.L.106–102, 15 U.S.C. § 6901 *et seq.*

5. *Funding Instrument:* Grant.

6. *Funding:* Funding is subject to the availability of funds and the requirements enumerated under the Act.

7. *Funding Range:* Award amounts may vary, depending upon availability of funds (and performance for option years); however, no single person may receive more than \$250,000 or ten (10) percent of the total funds made available for this program in a single fiscal year, whichever is less. In general, match is required, although SBA may reduce or eliminate the required match in certain circumstances (up to a program limit of 10 percent).

8. *Number of Awards:* SBA anticipates issuing multiple awards under this Announcement. The number may vary, based on the needs of the pool of qualified applicants received and the amount of available funds.

9. *Targeted assistance:* A minimum of 50% of the funds available for grants under the PRIME Act must be used to benefit very low income persons (as defined in this document), including those residing on Indian reservations.

10. *Closing Time and Date for the Submission of Applications:*

\_\_\_\_\_ at 4:00 P.M. Eastern Daylight Time.

11. *Project Starting Date:* \_\_\_\_\_ (estimated).

12. *Project Duration:* The period performance for this grant is one base year with four (4) twelve-month options subject to availability of funds and continued program authorization. The total possible period of performance is five years. Each option year will constitute a separate budget period. The project recipient’s satisfactory performance will be one of the key factors in determining the award of an option year. Failure to secure the required annual non-Federal contribution during any project year may jeopardize continued option year funding.

13. *Proposal Evaluation:* Applications will first be screened to determine if the applicant meets certain mandatory eligibility requirements. Applicants that do not document in their application that they meet these requirements will not be evaluated by SBA for participation in the Prime Program. In addition, applications that are incomplete, illegible, or unreadable, in whole or in part, will be deemed incomplete and will not be evaluated.

Eligible proposals will be scored by an Objective Review Committee (ORC) based on evaluation criteria stated in this program announcement. The ORC will consist of SBA officials and may include Federal Officials from other agencies. Microenterprise Development Branch staff will review the ORC evaluations, the ORC's summary report on each applicant, and the applicant's proposals to determine the final scoring of award recipients. SBA may ask applicants for clarification on the technical and cost aspects of the proposals. Such clarifications must not be construed as a commitment to fund the proposed effort.

14. *Points of Contact:* Questions concerning the technical aspects of this Program Announcement should be directed to the Microenterprise Development Branch at (202) 205-7534. However, due to the competitive process, SBA will be unable to assist with answers to specific questions regarding individual proposals or requests for assistance in completing proposals. Questions concerning budget or funding of this Grant should be directed to Mina Bookhard at (202) 205-6621.

15. *Award Notification:* All applicants will receive a written notification relative to selection of award recipients. This written notice will be SBA's *final* response to this program announcement. SBA will not provide debriefing sessions if your proposal was not successful.

16. *Cancellation:* SBA reserves the right to cancel this Program Announcement in whole or in part at the Agency's discretion.

#### IV. Eligible Applicants for This Grant

An organization will be considered eligible for funding for research and development of best practices in the field of microenterprise and technical assistance programs for disadvantaged microentrepreneurs if it meets the following eligibility criteria:

1. A microenterprise development organization or program (or group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs, OR
2. An intermediary (as defined in this document) which has experience in delivering technical assistance to disadvantaged entrepreneurs, OR
3. A microenterprise development organization or program (as defined in this document) that is accountable to a local community, working in conjunction with a State or local government or Indian tribe, OR

4. An Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

An eligible applicant for the PRIME research and development grant must provide documentation in its application that it falls within one of the above categories of qualified organizations. Such documentation should include but is not limited to:

1. A copy of your organization's IRS tax-exempt certificate including the IRS code under which your organization is considered non-profit;
2. Certification by your Secretary of State that your organization is legally allowed to do business in the State and a copy of your organization's articles of incorporation and by-laws;
3. For category 4 in the preceding paragraph, written certification from a duly authorized person that no other qualified organization (i.e. private organization or program as defined in categories 1-3 above) exists within its jurisdiction; and
4. Financial statements for the past 3 years. If your organization has been in business for less than 3 years provide your year end financial statements for those years completed and a financial statement not less than 90 days old.

SBA will not evaluate applications that do not meet these requirements. SBA may not screen applicants for eligibility until after the Closing Date for application acceptance. SBA will attempt to notify applicants of ineligible proposals as soon as practicable. However, SBA is under no obligation to notify ineligible applicants before the Closing Date for the acceptance of applications under this Program Announcement. SBA strongly urges all applicants to ensure all eligibility requirements are met and documented before sending an application to SBA.

#### V. Ineligible Applicants for This Grant

The following applicants will automatically be considered ineligible and their applications will not be evaluated:

1. Any organization with an unresolved audit by any Federal agency.
2. Any organization suspended or debarred from receiving grants from any Federal agency or is otherwise excluded from Federal non-procurement or procurement programs.
3. Any organization which has defaulted on an obligation to the United States.

#### VI. General Information

##### 1. Definitions

Throughout this program announcement specific terminology may be used, as defined in the Act and the accompanying rule (13 CFR part 119) published on \_\_\_\_\_. The definitions are contained in a glossary of terms located at the end of this document in Section XV.

##### 2. Collaborative Applications

a. If you participate in a collaborative (as defined in this document), all entities who are party to the collaborative must separately meet the statutory requirements and eligibility requirements in order to apply as a collaborative.

b. Applications from collaboratives must name the primary liaison with the Federal government, and include a copy of the collaborative agreement outlining responsibilities of each partner organization. An authorized signature from each organization must appear on the agreement. The primary liaison will be responsible for coordinated reporting and requests for funding.

##### 3. Program Income

All program income as defined in OMB Circular A-110, and OMB A-122 shall be reported on financial reports submitted to SBA and added to funds committed to the project by SBA and recipient organizations. Program income may only be used to further eligible program objectives.

##### 4. Cost Principles

a. *General:* All costs approved for a successful applicant must meet the tests of necessity, reasonableness, allowability and allocability in accordance with the cost principles applicable to this award. All proposed costs are subject to pre-award audit. Grantees are responsible to ensure proper management and financial accountability of Federal funds to preclude future cost disallowances. Payment will be made by reimbursement or advance payments as described in the grant award document and applicable OMB Circulars.

b. *Carryover Policy:* The grantee may request approval to use unexpended funds in the next budget period. This is permissible if funds are to be used for a non-severable, non-recurring project or activity within the scope of the PRIME program. Non-severable means a project in its entirety that cannot be subdivided.

The request for using unexpended funds in the next budget period must include the following:



(1) SF 424, budget pages, and justification;

(2) Explanation of why the funds were not expended during the period in which they were awarded; and

(3) Evidence of match. The match requirement for funds carried over to the next budget period can be met by using any excess of matching funds from the current budget period, new matching funds, or a combination of both.

The request must be made no later than 60 days before the end of the budget/project period or the de-obligation process will begin. Approved requests will require the issuance of a revised Notice of Award. Expenditures for funds carried over to the next budget period must be tracked separately.

#### 5. Publications/Websites

Any publications or websites developed under this grant must be submitted to SBA for prior review and approval. SBA will have an unlimited license to use data and written materials generated under this grant award, whether or not the materials are copyrighted. Any publications resulting from this project must include the following acknowledgement of support, whether copyrighted or not, in legible, easily readable print:

This grant is partially funded by the U.S. Small Business Administration. SBA's funding is not an endorsement of any products, opinions, or services. All SBA funded programs are extended to the public on a nondiscriminatory basis.

The grant recipient may not use the U.S. Small Business Administration name or logo for the endorsement of any services, products, or merchandise under this award.

The SBA logo may appear on prominent webpages of Internet sites that are related to this project, but must appear with the above disclaimer in legible, easily readable print and acknowledgement of support in close physical proximity (within 2 inches) next to it.

#### 6. Reports

##### a. General Reporting

The selected grantees will be required to submit the reports as outlined below. Participants must agree to cooperate with SBA in the collection and retention of data required by this agency. Your ability to meet reporting requirements must be addressed in the Technical Proposal.

Payments may be withheld if reports are not submitted within the required time frame or if the quality of reports is considered inadequate.

##### b. Performance Reports

Quarterly performance reports, unless otherwise specified, must contain a summary of activity for the reporting period using the following format:

1. A comparison of actual accomplishments to the estimated milestones established in the proposal and/or subsequent grant agreement.

2. A discussion of accomplished milestones and reasons for slippage in those cases where milestones are not met. Where milestones were not met, a plan of action must be provided to overcome these slippages or a detailed statement of how the project will be improved if the milestones are revised.

3. Information relating to actual financial expenditures of budgeted cost categories versus the estimated budget award, including an explanation of all cost overruns, if any, by budgeted cost category. Financial data furnished in this report is from a manager's standpoint and is in addition to that furnished in the financial reports cited below.

4. Any other pertinent information, including any significant accomplishments or met milestones of special significance. The report should include items which may be determined appropriate by SBA after acceptance of the grant proposal but which cannot be pre-determined due to the undetermined special purpose of the grant at the writing of this document.

Quarterly reports will be due no later than:

(a) January 31 for the period ending December 31,

b) April 31 for the period ending March 31,

(c) July 31 for the period ending June 30, and

(d) October 31 for the period ending September 30.

##### c. Financial Reports

1. Financial Status Report Forms must be submitted every quarter with the performance reports. Reports must include the SF 269, Financial Status Report, and the SF 272, Federal Cash Transactions Report.

2. The year-end report must include a cost breakdown of actual expenditures and costs incurred by line item. Participants will also be required to submit the SBA Form 2069, Detailed Actual Expenditures for Period Covered by Request, with the final SF 269.

3. In addition, grantees will be required to submit audited annual financial statements, if available, or annual financial statements prepared by a licensed, independent public accountant, within 120 days of the end of the grantee's fiscal year period.

SBA may withhold payment of advances or reimbursements if reports are not received or are regarded as inadequate.

SBA may, at its discretion, reduce reporting requirements to semi-annually as it deems appropriate. SBA will notify participants if it decides to take such action.

#### 7. Match Requirements

In general, funds awarded under the PRIME Program will require a non-Federal match of not less than 50% of each dollar awarded. Matching funds may come from fees, non-Federal grants, gifts, funds from loan sources, and in-kind resources. After the initial grant, grant awards for the following option years will be made in declining amounts, declining by 20% of the initial grant amount in each successive year.

*Exception:* In the case of an applicant with severe constraints on available sources of matching funds, SBA may reduce or eliminate the 50% match requirement on a case by case basis. Any reductions or eliminations must not exceed 10% of the aggregate of all PRIME grant funds made available by SBA in any fiscal year.

Organizations seeking to receive a reduction or elimination of the matching fund requirement must include such a request (as a cover letter) with their proposal, and include justification and supporting documentation for their request. Submission of a request will not automatically guarantee that an exception, in whole or in part, will be granted. Rather, it will alert SBA to the applicant's desire to receive an exception.

#### 8. Fundraising Not Allowable Expense

Expenditures for fundraising activities are not allowable costs under this grant. Applicants must be able to raise matching funds without the assistance of grant funds. The applicant must demonstrate that it has adequate community based fundraising resources to obtain required non-Federal matching funds to perform the project.

#### 9. Subgrants

An organization selected to receive a grant under the PRIME Program may provide sub-grants to qualified small and emerging microenterprise development organizations. Applicants wishing to provide sub-grants as a part of their implementation plan should include detailed information regarding same in their Technical Proposal. An applicant that wants to make subgrants using PRIME grant funds must receive written approval from SBA prior to

making subgrants. The applicant must identify the subgrantee(s) and describe in detail what the subgrantee(s) will do to help the grantee implement its proposal.

An applicant must submit information to SBA demonstrating that the subgrantee(s) will:

- (1) Further the goals of the grantee's research and development project, or
- (2) Provide necessary services to the grantee that grantee otherwise would not be able to obtain.

If an applicant has identified potential subgrantee(s) at the time it submits an application for a PRIME grant, the applicant must include the information requested in the paragraph above in the application. Otherwise, the applicant or grantee may submit the requested information at such time that approvals for subgrantee(s) are requested.

The total amount of monies subgranted by the grantee must not exceed 50% of the total amount of the PRIME grant. A maximum of 7.5% of the funds awarded may be used by the grantee for administrative expenses in connection with the making of subgrants.

#### 10. Subcontracts

Any and all subcontracts awarded under this grant must be approved by SBA in advance and in writing and must not exceed 50% of the total amount of the PRIME grant.

#### 11. Diversity

In making grants under this Program Announcement, SBA will ensure that grant recipients include both large and small microenterprise organizations, serving urban, rural and Indian tribal communities serving diverse populations.

#### 12. Prohibition on Preferential Consideration of Certain SBA Program Participants

In making grants under this Program Announcement, SBA will not give preferential consideration to an applicant that is a participant in the program established under section 7(m) of the Small Business Act.

### VII. OMB Uniform Administrative Requirements And Cost Principles

The Prime Grant Notice of Award incorporates by reference all applicable OMB Circulars, including:

1. OMB Circular A-21, "Cost Principles for Educational Institutions," containing cost principles for educational institutions;
2. OMB Circular A-87 "Cost Principles for State, Local, and Indian Tribal Governments," containing cost

principles for State, local governments, and federally recognized Indian tribal governments.

3. OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," containing administrative requirements;

4. OMB Circular A-122, "Cost Principles for Non-Profit Organizations," containing cost principles for non-profits; and

5. OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," concerning audits.

Current versions of OMB Circulars are available from the Office of Management and Budget's website. The address is: [www.whitehouse.gov/WH/EOP/OMB/html/circular.html](http://www.whitehouse.gov/WH/EOP/OMB/html/circular.html).

### VIII. Proposal Instructions and Evaluation Criteria

The technical and cost proposals must be bound separately. The technical proposal must be single-spaced and not exceed 45 pages, excluding exhibits and appendices. Prepare your proposal using the following outline.

#### 1. Application Format

##### A. Technical Proposal

##### *Section 1. Eligibility Requirements (not to exceed 5 pages)*

In this section the applicant must prove that it falls within one of the four categories of qualified organizations. (See Section IV) Applicants are reminded to include documentation of the mandatory eligibility requirements in their technical narrative. Failure to provide the mandatory eligibility documentation will result in disqualification of the application, and the application will not be evaluated. In addition, incomplete or illegible (in whole or in part) applications will not be evaluated.

##### *Section 2. Applicant Experience (not to exceed 15 pages)*

Applicant experience includes information regarding current and past performance in conducting research and development activities particularly as such activities relate to the improvement of technical assistance to disadvantaged entrepreneurs (as defined in this document). Previous work in the development of best practices in the field of microenterprise development should be noted in discussions of experience.

In this section, the applicant should discuss the items delineated below. To the extent possible, the applicant should

provide internal statistical data to document its past experience and illustrate current activities.

1. Illustrate an understanding of the microenterprise industry, the microentrepreneurial community, the perceived needs of disadvantaged entrepreneurs.

2. Enumerate and summarize your organization's current and historical research and development activity as it relates to microenterprise development and provision of technical assistance (particularly to disadvantaged entrepreneurs).

3. Provide a list of grants and or contracts similar in scope to the grant for which you are applying. Specifically provide the name, if any, of any Federal or non-Federal, agency (ies) or private sector foundations or organizations providing funding, the grant or contract number, a short summary of services provided under each grant, and the period(s) of performance. Include in each summary the name and contact information (phone number and E-mail address) of the person providing oversight on each grant or contract. Also include abstracts of research and development activities conducted during the past five years, particularly in the field of microenterprise development and/or training and technical assistance to disadvantaged entrepreneurs. The abstracts should clearly illustrate the nature and scope of the research conducted. (Limit to 8 pages)

##### *Section 3. Institutional Capacity (not to exceed 5 pages)*

This section should include the following:

##### *1. Personnel Qualifications and Internal Structure*

- Applicants must have, or demonstrate the ability to obtain, personnel who are qualified to meet the goals of providing research and development under this grant. Provide resumes of personnel key to your organization's participation in the PRIME Program. The resumes should clearly present personnel's qualifications relative to this particular work. Special mention should be made of relevant experience. Personnel indicated must demonstrate knowledge of research and development methodologies and strategies particularly as they relate to microenterprise development issues.

- Provide an organizational chart for all proposed full-time and part-time project staff and the amount of time each will devote to the project. The Project Director should be a full time

employee; however, the Project Director does not have to be dedicated solely to this activity. The project director (and other federally funded staff positions) must not engage in fundraising activities using Federal funds provided under this grant.

- A description of the role of subcontractors, subgrantees and/or outside consultants, that may be called upon to provide assistance with the completion of activity to be funded under this grant.

- Delineate how the organization will manage data collection and electronic reporting to SBA and the position of the person within the organization that will be responsible for financial record keeping pertaining to the receipt and expenditure of PRIME program funding.

## 2. Data Collection and Statistical Information Tracking

- Describe your organizations current data collection and management systems. If applying as a group or collaborative, describe how data management systems will be integrated for an inter-organizational uniform approach to data gathering for reporting as well as production of a final product.

- Describe your organization's computer capacities, if any, and the software used. Indicate whether or not your organization is connected to the Internet and, if not, delineate plans to become connected. The applicant should indicate its level of willingness/capability to report data via the Internet.

- Describe your organization's internal systems of checks and balances in terms of financial, data collection, and reporting systems. If applying as a group or collaborative, also describe the plan for inter-organizational checks and balances in terms of those systems. Also indicate which member of the group or collaborative will be responsible for coordination and submission of data and reports, and how the collaborative will ensure that this responsibility will be fully implemented.

## Section 4. Program Narrative (not to exceed 15 pages)

Research and Development projects are sought in several areas of microenterprise industry development. In a broad sense, several projects are suggested below. However, proposals for projects not suggested, but inside the scope of the goals of the Act, will be accepted for consideration. In general, research should concentrate on the forward movement of the disadvantaged microenterprise development industry. The research should also focus on the development, replicability, and transferability to disadvantaged

microenterprise development service providers. The underlying theme of any activities should be how the final product will enhance provision of microenterprise services to disadvantaged entrepreneurs.

Each applicant must provide the following:

1. A research proposal indicating the thesis, method(s) scope, duration, and implementation plans (if appropriate) for the final product.

2. A discussion of how the proposed research will aid in the development of best practices and what enhancements are anticipated, as a result of the proposed activity, to the delivery of microenterprise services to disadvantaged microentrepreneurs.

While not limiting the scope of proposals, SBA is interested in developing several products for general use by industry participants as follows, to meet the ultimate goal of enhancing delivery of services to disadvantaged microentrepreneurs:

- A generally accepted baseline for minimum performance as a microenterprise development organization (MDO) and a standardized method by which neophyte, or under-performing, organizations can meet that baseline performance.

- A generally accepted glossary of terms for use in the domestic microenterprise industry which should be broad based enough to avoid succinct standardization, but specific enough to provide clarity of purpose and a common language within which industry participants can communicate.

- A start-up kit for organizations considering entry into the microenterprise development field.

- A case study oriented "best practices" training manual for use by industry participants.

- Comparative studies of service delivery issues in terms of geography, population density, economic stratification, gender, or other relevant issues.

## Section 5. Timeline/Milestones (not to exceed 5 pages)

In this section the applicant must include a timeline with milestones covering the 12-month grant period. Milestones should clearly illustrate the applicant's goals for completion of the proposed project and the projected use of funds.

## Section 6. Supporting Documentation

In this section the applicant should provide any necessary documentation to support its proposal, including but not limited to the following documents:

1. A statement signed by your Executive Director (or an equivalent duly authorized person), authorizing SBA to make inquiries to other Federal Agencies as to the performance capabilities of your organization.

2. A copy of your organization's IRS tax exempt certificate including the IRS code under which your organization is considered non-profit.

3. Certification by your Secretary of State that your organization is legally allowed to do business in the State and a copy of your organization's articles of incorporation and by-laws.

4. A copy of your organization's financial statements for the last 3 years.

5. Resumes and reference information for personnel key to the delivery of technical assistance services to date.

6. An organizational chart, if you are applying as a group, or plan to use subcontractors, include a second organizational chart that shows how the members of the group will interact and collaborate and/or how the subcontractors will fit into the work flow plan.

## B. Cost Proposal

The cost proposal must include the application cover sheet (SF 424), budget information, and assurances and certifications. Additional information on how to organize the proposal is provided on page 20, "Preparing Your Budget."

## 2. Evaluation Factors

Applications will generally be reviewed for technical merit as follows:

1. SBA will evaluate organizational structure, financial stability, financial management systems, personnel capacity, and electronic communication capabilities (or potential for same). Additional evaluations will be made on the data collection capabilities, reporting capacities, and ability to account for performance.

2. SBA will evaluate how the research potentially will enhance microenterprise oriented technical assistance services to disadvantaged entrepreneurs. Applicants must show the method(s), scope, duration, and implementation plans of the proposed research.

3. SBA will evaluate the applicant's plan of action incorporating original and secondary research. Applicants must show impact on improved access to microenterprise development services for disadvantaged entrepreneurs, and the expected replication/transferability of the finished product to the field.

Research and development awards will be competed from a single pool of applicants. Specifically, areas of

evaluation and the maximum number of points attainable under each are as follows:

A. Institutional Capability (total of 90 points)

The following factors are considered under this criteria:

(1) Organizational structure, financial stability, and financial management systems (20)

(2) Personnel (30)

(3) Electronic communication or potential for same (20)

(4) Data collection and reporting capability (20)

B. Past performance and history of conducting similar research and development, especially related to disadvantaged microentrepreneurs (20 points)

C. Management Plan for Proposed Research and Development including transferability and replication (total of 110 points)

The following factors are considered under this criteria:

(1) Proposal's potential for enhancement of microenterprise oriented technical assistance to disadvantaged entrepreneurs (30)

(2) Methods and scope of research (20)

(3) Plan of action incorporating original and secondary research (30)

(4) Transferability and replication of the finished product (30)

The total number of points an applicant may attain under this evaluation system is 220.

## IX. Option Year Funding

Applicants shall prepare application cover sheets (SF Form 424) and budgets for each of the 5 budget periods consisting of 12 months each.

Applicants are advised that the performance period for specific awards made under this announcement may consist of one base year with up to 4 twelve-month option years. The project periods may consist of up to 5 twelve-month budget periods. Each additional twelve-month budget period beyond the original base year may be exercised at the discretion of the Government. Among the factors involved in deciding whether to exercise an option are the availability of funds, continuing program authorization, satisfactory performance of the applicant, and the determination that continued funding would be in the best interest of the Government.

After the initial grant, grant awards for the option years will be made in declining amounts, declining by 20 percent of the initial grant amount in each successive year.

## X. Preparing Your Budget

### INSTRUCTIONS FOR STANDARD FORM 424 (APPLICATION FOR FEDERAL ASSISTANCE)

Standard Form 424, Application of Federal Assistance, will be found beginning at page A-1 of this announcement. This guidance supplements that contained on the reverse side of the form.

Item 1. Self-explanatory

Item 2. Refer to instructions on reverse of form

Item 3. Refer to instructions on reverse of form

Item 4. Leave Blank

Item 5. Refer to instructions on reverse of form

Item 6. Refer to instructions on reverse of form

Item 7. Refer to instructions on reverse of form

Item 8. Enter: "new"

Item 9. Enter: "U.S. Small Business Administration"

Item 10. Enter: 59.049 Program for Investment for Microentrepreneurs (PRIME)

Item 11. Refer to instructions on reverse of form

Item 12. Refer to instructions on reverse of form

Item 13. Refer to instructions on reverse of form

Item 14. Refer to instructions on reverse of form

Item 15. Refer to instructions on reverse of form

Item 16. Enter: Check "b." This program is not covered by E.O. 12372.

Item 17. Refer to instructions on reverse of form

Item 18. Refer to instructions on reverse of form

### INSTRUCTIONS FOR STANDARD FORM 424A (BUDGET INFORMATION)

Budget information is found on pages A-1 through A-11

The budget is the applicant's estimate of the total cost of performing the project or activity for which grant support is requested. The budget is to be based upon the cost of performing the project, including Federal and private sources. All proposed costs reflected in the budget must be necessary to the project, reasonable and otherwise allowable under applicable cost principles and Agency policies. All costs must be justified and itemized by unit cost on the Budget Worksheets (p. A-3).

#### Section A—Budget Summary

Column (A): Enter "PRIME 01-3"

Column (B): Enter the Catalog of Federal Domestic Assistance Number 59.049

#### Section B—Budget Categories

Amounts entered by budget category in this section are for summary purposes only. Itemization and justification of specific needs by budget category are to be shown under line 21, Section F.

Line 6.a.–6.h. The budget amounts must reflect the total requirements for funds regardless of the source of funds. All amounts entered in this section are to be expressed in terms of whole dollars only after completing the requirements of Section F.

Line 6.j. Indirect costs are those costs related to the project that are not included as direct costs in a. through h.

#### Section C—Non-Federal Resources

Refer to instructions on reverse of form.

#### Section D—Forecasted Cash Needs

Refer to instructions on reverse of form.

#### Section E—Budget Estimates of Federal Funds Needed for Balance of the Project

Refer to instructions on reverse of form.

#### Section F—Other Budget Information

Line 21, Direct Charges: Identify and explain all items or categories under Section B in accordance with the instructions set forth below. The itemization must reflect the total requirements for funding from Federal and non-Federal sources. In most instances, Line 21 does not provide sufficient space to reflect all of the necessary information. Budget Worksheets are enclosed for your convenience. You may use these worksheets for the detailed budget information listed below or a reasonable facsimile; BUT each budget line item pertinent to your submission MUST ALSO be completed on the application. Please show a complete breakdown of all cost elements summarized in Section B on a separate sheet. Do not list on Line 21 any items included in the indirect expenses entered on Line 22 below.

a. Personnel: List the name, title, salary and estimated amount of time for each employee who will be assigned to this project. Note that fees, expenses, and estimated amount of time for outside consultants should be included in f., Contractual. The estimated performance time for outside consultants is not to exceed 50 percent of the total amount of the PRIME grant. Resumes of all personnel assigned to this effort must be included in the application.

b. Fringe Benefits: Leave blank if fringe benefits applicable to direct salaries and wages are treated as part of indirect costs in the indirect cost rate negotiation agreement. If your organization does not have a federally negotiated fringe benefit package, list each component included as a fringe benefit.

c. Travel: Reimbursement will be made based on incurred cost. Estimates should be based on knowledge of the geographical area of small business locations. Reimbursement to contractors or volunteers will not be made for time in travel to and from the client's location. Supporting data should include numbers of trips anticipated, costs per trip per person, destinations proposed, modes of transportation, and related subsistence expenses.

Line 22 Indirect Charges:  
(Attach Budget Worksheets or reasonable facsimile if sufficient space is not provided.)

Enter the indirect cost rate, date, and agency that issued rate.

If an indirect cost rate is not established, itemize elements and costs of overhead and G&A (General and Administrative) expense categories relative to the performance of this project.

#### **XI. Assembly and Mailing Instructions**

1. Please indicate the following information on the front of your return envelope:

a. Your organization's name and return address including zip code in the upper left-hand corner of the return envelope.

b. Place the following notation in the lower left-hand corner of the sealed envelope.

THIS IS A SEALED OFFER. DO NOT OPEN. STAMP THE DATE AND TIME RECEIVED ON THE ENVELOPE. THIS PROPOSAL IS IN RESPONSE TO PROGRAM ANNOUNCEMENT NUMBER, \_\_\_\_\_ DUE \_\_\_\_\_, 2000, AT 4:00 P.M., EASTERN STANDARD TIME, AT THE U.S. SMALL BUSINESS ADMINISTRATION, OFFICE OF PROCUREMENT & GRANTS MANAGEMENT, 409 3RD STREET, SW, 5TH FLOOR, WASHINGTON, DC 20416, ATTENTION: MINA BOOKHARD.

2. *Application.* Please submit an original and 2 copies of the pages described below in items a and b. They are part of the Announcement and should be completed and submitted with an original and 2 copies of your proposal:

a. The Federal Assistance Application (Standard Form 424), including the cost

and technical proposals, and related budgetary data.

b. Appendix B, Assurances and Certifications (with appropriate signature).

3. To facilitate review and processing of the proposals, your submission must be arranged, as follows, in two separately bound parts:

a. Part I: COST PROPOSAL—This part is to be comprised of the Application, the Budget Information, and the Assurances and Certifications. The material identified as Part I must be bound separately from the Technical Proposal. DO NOT include any technical information in Part I, The Cost Proposal.

b. Part II: TECHNICAL PROPOSAL—This part is comprised of the Program Narrative. The proposal should be completed with a table of contents and must be responsive to the evaluation criteria set forth on the pages 19–20. The Technical Proposal must be bound separately from Section I and must not exceed 45 pages. DO NOT include any cost information in Part II, The Technical Proposal.

4. Your application should be submitted in original and 2 copies to: U.S. Small Business Administration, Office of Procurement and Grants Management, 409 Third Street, SW, 5th Floor, Washington, DC 20416, ATTN: Mina Bookhard.

#### **XII. Late Submission, Revisions and Withdrawals**

1. Any Application received at the Office of Procurement and Grants Management after the exact time specified for receipt will not be considered unless it is received before award is made, AND:

a. It was sent by registered or certified U.S. mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);

b. It was sent by U.S. mail or hand-carried (including delivery by a commercial carrier) if it is determined by the Government that the late receipt was due primarily to Government mishandling after receipt at the Government installation;

c. It was sent by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays;

d. There is acceptable evidence to establish that it was received at OPGM and was under the Government's control prior to the time set for receipt of offers, and the Grants Management Officer determines that accepting the late offer would not unduly delay the grant review process; or

e. It is the only proposal received.

#### **XIII. Unsuccessful Applicants**

After a decision has been reached and if your proposal is not successful, you will receive written notification. This written notice will be SBA's *final* response to this program announcement. SBA *will not* provide debriefing sessions if your proposal was not successful.

#### **XIV. Cancellation**

SBA reserves the right to cancel this announcement in whole or in part at the Agency's discretion.

#### **XV. Glossary of Terms**

- **ADMINISTRATION:** Means the U.S. Small Business Administration (SBA);

- **ADMINISTRATOR:** Means the Administrator of the Small Business Administration;

- **CAPACITY BUILDING SERVICES:** means services provided to an organization or program that is, or is developing as, a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

- **COLLABORATIVE:** means two or more nonprofit entities that agree to act jointly as a qualified organization under this part;

- **DISADVANTAGED ENTREPRENEUR, or DISADVANTAGED MICROENTREPRENEUR:** means the owner, majority owner, or developer of a microenterprise who is also—

1. a low-income person
2. a very low-income person; or
3. an entrepreneur who lacks adequate access to capital or other resources essential for business success, or, is economically disadvantaged as determined by the Administrator.

- **EMERGING MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise development organization or program which has a microenterprise capacity building services component, but has had such a component for less than 4 years at the date of its application for a PRIME grant.

- **GRANTEE:** means a recipient of a grant under the Act.

- **GROUP:** has the same meaning as "collaborative" defined above.

• **INDIAN TRIBE:** means any Indian tribe, band, pueblo, nation, or other organized group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services the United States provides to Indians because of their status as Indians.

• **INDIAN TRIBE JURISDICTION:** means Indian country, as defined in 18 U.S.C. 1151, and any other lands, title to which is either held by the United States in trust for the benefit of any Indian tribe or individual or held by any tribe or individual subject to a restriction by the United States against alienation, and any land held by Alaska Native groups, regional corporations, and village corporations, as defined in or established under the Alaska Native Claims Settlement Act, public domain Indian allotments, and former Indian reservations in the State of Oklahoma.

• **INTERMEDIARY:** means a private, nonprofit entity that seeks to serve qualified microenterprise development organizations and programs;

• **LARGE MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise development organization or program with 10 or more full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

• **LOCAL COMMUNITY:** means an identifiable area and population constituting a political subdivision of a state.

• **LOW-INCOME PERSON:** means a person having an income, adjusted for family size, of not more than—

(1) for metropolitan areas, the greater of 80 percent of the median income; and  
(2) for non-metropolitan areas, the greater of—

(a) 80 percent of the area median income; or

(b) 80 percent of the statewide non-metropolitan area median income;

• **MICROENTREPRENEUR:** means the owner or developer of a microenterprise;

• **MICROENTERPRISE:** means a sole proprietorship, partnership, limited liability corporation or corporation that has fewer than 5 employees, including

the owner, and generally lacks access to conventional loans, equity, or other banking services.

• **MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs.

• **QUALIFIED ORGANIZATION:** means an organization eligible for a PRIME grant that is—

1. A microenterprise development organization or program as defined above (or a group or collaborative thereof) that has demonstrated a record of delivering microenterprise services to disadvantaged microentrepreneurs;

2. An intermediary, as defined above;

3. A microenterprise development organization or program as defined above that is accountable to a local community, working with a State or local government or Indian tribe; or

4. An Indian tribe acting on its own, if the Indian tribe can certify that no private organization referred to in this definition exists within its jurisdiction.

• **SEVERE CONSTRAINTS ON AVAILABLE SOURCES OF MATCHING FUNDS:** means the documented inability of a qualified organization applying for a PRIME grant to raise matching funds or in-kind resources from non-Federal sources during the 2 years immediately prior to the date of its application because of a lack of or increased scarcity of monetary or in-kind resources from potential non-Federal sources.

• **SMALL MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM:** means a microenterprise development organization or program with less than 10 full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

• **TRAINING AND TECHNICAL ASSISTANCE:** means services and support provided to disadvantaged entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and

assistance for the purpose of accessing financial services.

• **VERY LOW INCOME PERSON:** means having an income adjusted for family size of not more than 150 percent of the poverty line (as defined in § 673(2) of the Community Services Block Grant Act (42 U.S.C. § 9902(2), including any revision required by that section).

## **XVI. Paperwork Reduction Act (44 U.S.C. Ch. 35)**

The information being requested in this Program Announcement is needed to evaluate applicants and ensure that awards are made in furtherance of the PRIME program's objectives. The information will be used to grant awards to provide training and technical assistance to disadvantaged microentrepreneurs. Applicants' responses to the data collection requirements are necessary for them to receive a benefit under the Prime Program. The information provided by applicants will be kept confidential to the extent required by law. Applicants are not required to respond to the Program Announcement unless it displays a currently valid OMB number. SBA estimates it will take applicants 80 hours to respond.

## **XVII. Privacy Act (5 U.S.C. 552a)**

Any person can request to see or get copies of any personal information that SBA has in the requestor's file, when that file is retrieved by individual identifiers, such as name or social security number. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act (FOIA).

**Note:** Any person concerned with the collection, use and disclosure of information, under the Privacy Act may contact the Chief, Freedom of Information/Privacy Act Office, U.S. Small Business Administration, Suite 5900, 409 Third Street, SW, Washington, DC 20416, for information about the Agency's procedures relating to the Privacy Act and FOIA.

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