

## SBSH All Hub Office Hours

5-1-24

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### Marketing Materials

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

### Eligible Small Business Served / Debarment & Suspension

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

### Sampling Expenses & Backup Documentation

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

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### NAICS Code

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

### Reporting Period – Due 4/24

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

### Obligated vs Expended

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

## SBSH All Hub Office Hours

#### Report Submission Date Extended to April 24

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

#### Reporting Template Locked vs. Unlocked Version

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

#### MEDC Logo Placement / Publicity

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

#### Lobbying Political Activity

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

#### ARPA Progress Report – Impacted Populations – Specify

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

#### Use of Funds – Direct Grants

- A small business that desires to use their direct grant allocation to send employees to receive a specific industry certification would be an allowable use of grant funds.

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

#### Categorizing Staff travel expenses for the Hub

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

#### Tribal Sovereignty & Sub-Grant Agreements

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

#### NAICS Codes

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

#### Positive Timekeeping

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

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#### Eligible Use of Funds for Direct Grants to Small Businesses

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

### Duplication of Direct Grants to Small Businesses

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

### Rent Expenses

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

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

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

### Salaried Employees

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

### Receiving TA or Support Services & a Direct Grant

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

### Direct Grants & BAF Grant Awards

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

### New Business Starts – Expanded Definition

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

### Direct Grant language

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

### Timekeeping

- A positive time keeping template will be shared and posted to the [MEDC's program webpage](#).

### Reporting Template & Obtaining an “Unlocked” Version

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

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#### SBSH Reporting Template

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

#### Reporting Sub-Grantee Data in the Template

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

#### Reporting on a cash vs. accrual basis

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

#### Reporting Names and other information about businesses served

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

#### Positive Timekeeping Tools

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

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#### SBSH Reporting Template

- The template will be available to all grantees to use for quarterly reporting and will be shared as soon as it is finalized.
- Eligible businesses who receive multiple services only need to be listed in the template one time, the template allows for multiple services to be accounted for.
- Several Hubs are utilizing technology / digital software to support data collection and reporting efforts. Hubs are encouraged to connect to their peers to identify options.
- Quarterly reporting is designed to provide a status update of where the Hub is with program implementation at that point in time.

#### Timekeeping

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

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#### SBSH Reporting Template

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

#### Timekeeping

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

#### Direct Grant Payments

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

#### Delineation of Service providers

- Hubs should reference the [Federal Guidance](#) on determining the Sub-Recipient / Contract relationship.

#### **SBSH All Hub Office Hours**

#### Budget Adjustments

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

#### Reporting timeline

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

#### Federal CDFA Number

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

#### Sub-Awards/Sub-Contracts

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

#### Obligation Deadline – Feb 1, 2026

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

#### Expenses that include non-eligible participants

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

#### Software

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

#### Food Expenses

- Food expenses will be allowable so long as they are reasonable, appropriate, necessary, and minimizes the cost to the federal award.
- Food expenses are only allowable at events where technical information is delivered and does not include events like mixers / networking events.
- Hubs will have to document food expenses in a manner that makes it possible for a third party to easily determine how the costs benefitted the businesses disproportionately impacted by COVID19 as well as the event the food was provided at, the purpose of the event, and that the expense was appropriate, necessary, and reasonable.



- Examples of reasonable food expenses include water, pop, and other non-alcoholic beverages, cookies, chips, other snacks boxed lunches, etc. all served to eligible businesses at an event or training where technical information was delivered.
- Examples of food expenses that may be considered ineligible include alcoholic beverages, food served at “entertainment” events or annual dinners or mixers.

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

### **§ 200.432 Conferences.**

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

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### Reporting Date Change

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

### Branding Materials and Collateral

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

### Reporting Guidelines & Template

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

### Reporting Requirements

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

*Quarterly Federal Report. The Quarterly Project and Expenditure Report is filed by the State on a quarterly basis and reports on projects, expenditures, contracts, and subawards over \$50,000. The reporting threshold is based on the total award amount allocated to the State by Treasury under the SLFRF program, not the funds received by the State as of the time of reporting. Each Quarterly Project and Expenditure Report will cover one calendar quarter and must be submitted to Treasury by the last day of the month following the end of the period covered. Quarterly Project and Expenditure Reports are not due concurrently with Annual Project and Expenditure Reports discussed below. Grantee's reporting due dates are listed in Section 2.5(d) of the Agreement.*

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

Within the budget line-items, where is the best place to account for a contractor that is working on "Strengthening the Hub"?

- Personnel seems most appropriate based on what was described.

Technology Integration to track Hub Reporting

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

Business Eligibility -- Certification

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

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Reporting for Sub Hub

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

**\*IMPORTANT NOTE ABOUT REPORTING DEADLINES:** Based on feedback provided by Hubs at the 2/28/24 Office Hours, MEDC will extend reporting deadlines to the 20<sup>th</sup> of the Month following the end

of reporting period. While the grant agreement reflects the deadlines listed above, the agreements also allow for modifications to these dates at the discretion of the Grant Manager.

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

DRAFT Data Points:

Financial Obligations

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

Small Business Economic Assistance - Required for Expenditure Category 2.31

Businesses Served (Cumulative)	
Businesses Served (Reporting Period)	

State & Programmatic Data Points (Small Business Metric)

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

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DRAFT Master Spreadsheet Fields:

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

Close Out Period

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

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

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

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

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

#### Single Audit Requirements

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

#### Charging Fees for Programming/Services Offered

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

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#### Interest Bearing Accounts

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

#### Reporting Requirements

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

#### Sampling & monitoring of Sub-grantees

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

## Obligated vs Expended

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

## Qualifying businesses as disproportionately impacted by COVID19

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

## Business eligibility – to receive services or grants

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

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## Positive Timekeeping

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

## Changes to Sub-grant Agreements (with third-parties)

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

## Eligible Expenses, as it pertains to direct grants to Small Businesses

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

#### Conflict of Interest

- MEDC is not requiring a specific Conflict of Interest form be used. Organizations may use their own template.
- Who needs to complete the conflict of interest?
  - Hubs, Hubs Contractors and Hubs subgrantees – not to the small businesses (beneficiary) level

#### Verifying businesses eligibility - Disproportionately Impacted by COVID-19

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

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

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

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#### Sub-Award / Sub-Grantee Agreement Template

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

#### Positive Timekeeping Guidance – Presented by Jonathon Ludko

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

- SEE SLIDES for more information

#### Sub-Grantees + Positive Timekeeping

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

#### Grant Funds Expended Deadline

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

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

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

#### Is a nonprofit entity eligible for a grant?

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

#### Eligible Expenses that may cross into “construction”

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

### **SBSH All Hub Office Hours**

**1-31-24**

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#### MEDC Program Updates

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

#### Key Milestone One Process

- Written instructions will follow
- Hubs will set up a user with access to the Salesforce Portal
- Once the Hub has access to the portal, you will click submit report for Milestones for Small Business Support Hubs. The Milestone Title and a Brief Description of the Project Status has been filed out for you. You do not need to make any updates to this section. You will check the certification box and upload two documents:



- Exhibit D-1 of your grant agreement
- Acknowledgement and Certification Form (Attached)
- Finally, select “submit”.
- MEDC will then process Key Milestone One and submit the disbursement request for payment. This is anticipated to take approximately 20-25 days. Funds will be released through SIGMA.

#### Eligible Use of Funds – Procurement

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

#### Use of Salesforce Portal

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

#### Grant Agreement / Federal Compliance Details

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

#### Reporting Requirements

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

#### Sub-Grantee Contracts

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