



**CALIFORNIA OFFICE OF THE
SMALL BUSINESS ADVOCATE**

California Office of Small Business Advocate

Governor Gavin Newsom's Office of Business and Economic Development

2012/21 Capital Infusion Program

A grant program for federally awarded Small Business Development Centers (SBDC)

Program Announcement

Opportunity Number: CACIP2020

Total Program Funding: \$3,000,000

Released:

July 13, 2020

Proposals due:

By 11:59:59 PM PST on August 14, 2020

Proposals submitted after the stipulated deadline will be rejected without being evaluated with no exceptions. Please make every effort to submit at least 48 hours in advance in case you experience technical difficulties.

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About the Program

Overview

The California Small Business Technical Assistance Expansion Program (SB TAEP or Program) was created in 2018 to expand the capacity of federal small business technical assistance programs in California. The Program was enacted in Government Code Section 12100.60-12100.69. The California Office of Small Business Advocate (CalOSBA) at the Governor's Office of Business and Economic Development (GO-Biz) is charged with implementing and administering the Program.

For the 2020/21 fiscal year, the state budget includes \$20 million General Fund to establish programs (CIP and TAEP) to provide funding to augment existing small business services such as free or low-cost one-on-one consulting and low-cost training. Of that amount, \$3 million is provided each year, for the next five years for Small Business Development Centers' local cash match funding.

Purpose and Background

The purpose of this grant is to help small businesses and entrepreneurs navigate the financing landscape and successfully access the funding they need to operate and/or expand their businesses. Challenges in accessing capital remain a barrier to growth for the state's small business base. Funding for the program is made available through the State of California, and the CalOSBA at GO-Biz is responsible for administration of the grant.

This grant announcement (Announcement) is to invite proposals from a Small Business Development Center (SBDC) Network Lead Center in the State of California to assist small businesses and entrepreneurs to obtain access to capital to fund business consulting services. Applications from Lead Centers should include subcenter funding proposals and be submitted as one consolidated application per SBDC region. Only applications that are submitted by SBDC Lead Centers will be considered for funding.

SBDC grantees should leverage their state funding to draw down SBA funds and work in conjunction with other resource partners such as CA iHub partners, SCORE, Women's Business Centers, Veteran Business Outreach Centers, Procurement Technical Assistance Centers, minority business programs and institutions of higher education, private organizations, chambers of commerce, trade and industry groups and associations that are committed to the growth and success of small business.

Definitions

Definitions that pertain to this Program Announcement are provided below.

- “Applicant” means a Lead Center or subcenter in the Small Business Development Center Network.
- “Capital infusion” means the acquisition of funding for business operations and growth, including SBA loans¹; non-SBA loans; government grants, reimbursements, and tax credits; nontraditional lending; and non-owner equity investment. Owner equity is excluded from the Program.
- “Capital infusion business consulting” Includes SBDC personnel or third-party individuals hired to provide consulting to businesses on credit readiness, planning for growth, growth acceleration, applying for a loan and obtaining equity investments. Consulting includes all work with a client, whether a startup or existing business, that may lead to a loan or equity event. This includes client-specific credit consulting, financial education and related consulting subject matter, such as marketing, job creation and use of technology as long as the consulting scope of work is connected to an overall capital infusion goal. So long as the client is making steady improvements in their business that would make the client more bankable/investable, all consulting for these clients is allowable for reimbursement.
- “Capital infusion milestone” means loan or equity events that have occurred as part of the Program, which are fully documented and verifiable with the participating lender or investor. Documentation must identify the client names and the lender/investor names. **Capital infusion milestones must be reported in the quarter when verification was provided by the client (as opposed to when the funds were generated).**² Acceptable forms of milestone documentation include:
 - An official loan agreement or investment agreement.
 - A document directly originating from the lender or investor attesting to the commitment of funds or completed loan or investment. For venture capital infusion milestones, a screen shot of an online third-party data source, such as Socaltech or Crunchbase, that identifies the total venture capital investment.³
 - For crowdfunding capital infusion milestones, a screen shot that identifies the total amount generated from a crowdfunding campaign.
- “Center” means a Lead Center or subcenter in the SBDC Network.

¹ GO-Biz will accept the entirety of a 504 Loan capital infusion milestone when accomplished through the Program. GO-Biz understands that a minimum 10% of the loan package is comprised of owner investment, however, since the investment is included as part of the total credit memorandum, GO-Biz will count the entirety of the 504 milestone as applicable to the Program.

² Milestones that are verified beyond 60 days of the grant year will not be allowed. Milestones generated in one grant year cannot be counted in a subsequent grant year. If a milestone is generated in the fourth quarter, it may be reported in that quarter if verification is provided up to 60 days after the specified grant year. If verification is provided after the annual report is submitted, a revised report template must be submitted to GO-Biz.

³ When conducting program reviews, GO-Biz will directly contact the business owner to verify venture capital infusion milestones.

Webinar – Application Tutorial

Friday, July 17, 2020 from 2:00 PM to 2:30 PM. Note: This webinar is in tandem with the small business technical assistance pre-bid webinar. Only SBDC Leads will remain on the webinar beginning at 2:00 PM PST.

[Click Here for the Zoom Webinar Registration](#)

Dates and Deadlines

July 13, 2020	Program Announcement Release
July 17, 2020	Webinar – Application Tutorial at 2:00 PM PST
August 14, 2020	SBDC grant application deadline (must submit online by 11:59:59 PM PST)
August 17 – September 1, 2020	Proposal Review
September 9, 2020	Grant awards announced
October 1, 2020	Grant program begins
September 30, 2021	Grant program ends

Award Information

Funding

GO-Biz expects to issue \$3 million in grant awards in 2020-21. Grant awards will be distributed to the five (5) regional SBDC Networks that operate in California based on a pro rata state population share, as used by the U.S. Small Business Administration. For the 2020-21 fiscal year, the population share distribution is as follows:

Region	Population Share (%)	Funding Amount
Northern CA	33.63%	\$1,008,900
Central CA	11.68%	\$350,400
Los Angeles	29.01%	\$870,300
Orange County/Inland Empire	17.31%	\$519,300
San Diego/Imperial Valley	8.37%	\$251,100

Applicants may submit a proposal for an amount up to the set award amount for their respective region.

Period of Performance

Awards will be made for a one-year period of performance. The grant will fund allowable services over a twelve-month period, from October 1, 2020 through September 30, 2021.

Funding Information

Funds provided under the Program must be used solely for the purposes stipulated in this Announcement and subsequently in the Agreement between GO-Biz and the Lead Center. All costs incurred under the Program must meet the tests of reasonableness, allowability and allocability in accordance with the Program's allowable costs and grant agreement terms. Indirect costs may not be claimed as part of the proposal budget.

Funding Instrument

The funding instrument is a grant agreement. The Lead Center may subcontract funds to participating subcenters and entities that have formal agreements with the Lead Center to provide consulting services.

Matching Requirement

Awards require a 1:1 match of SBA funds. For each grantee, the spenddown of the GO-Biz grant and SBA funds must reflect a cumulative 1:1 ratio at the end of the second quarter (mid-year) and the fourth quarter (year-end).

Lead Centers will be required to complete a Certification of SBA Cash Match. This certification consists of a separate form that requires authorized representatives from the Lead Center and fiscal host to certify the total amount of SBA cash match dollars that all grantees from the region will spend to carry out the Program. This amount will be equal to the total grant award for the region.

If the GO-Biz grant amount changes as a result of a budget amendment, a revised Certification of SBA Cash Match will be prepared and attached to the amendment for concurrent signature.

Eligible Applicants

Applications may only be submitted by SBDC Lead Centers as one consolidated application per SBDC region.

Technical Proposal Evaluation

GO-Biz will review the applications and assess the proposal's approach to delivery of services and accompanying milestones. GO-Biz may ask Applicants for clarification of the technical aspects of their proposals.

GO-Biz Oversight

GO-Biz has the right to conduct a programmatic and financial review of any grant recipient. The review will consist of a remote evaluation by GO-Biz staff of a center's third-party verification of capital infusion milestones. Lead Directors will work with selected grantees in their region to collect and submit electronic copies of milestones to GO-Biz. GO-Biz will inform Lead Directors by email about the selection of centers in their region and email instructions no later than thirty (30) days before the program review.

If an applicant ceases to operate as a Lead Center for the U.S. Small Business Administration, the state is obligated to compensate the Lead Center only for all allowable and unavoidable expenses reasonably incurred by the Lead Center incurred in the performance of its work under the agreement as of the effective date of the Terminating Event. In addition, if a Lead Center has received notification by the U.S. Small Business Administration that its cooperative agreement is scheduled for termination or that its operations are placed under a probationary status, the Lead Center must notify GO-BIZ within 48 hours.

Award Requirements

Application Instructions and Submission

All applications, with required attachments, must be submitted electronically using the CalOSBA online application portal, which can be accessed at grants.business.ca.gov. Users of the portal will first need to create an account. Applications submitted via email or facsimile will not be reviewed or scored. A CalOSBA [online application guide can be viewed here](#).

All applications must be submitted by the deadline and the online application portal will automatically close once the application deadline has passed. There are no exceptions or extensions of this deadline. Any technology challenges or inability of an applicant to submit an application by the deadline for any reason shall not be grounds for an extension of the deadline. Applicants are encouraged to submit their application before the deadline in the event technical assistance is required. For help applying, please send an email to sbtaep@gobiz.ca.gov with the subject line: Technical Assistance Grant Online Help.

CalOSBA's determination as to eligibility for grant funding, or the amount of grant funding awarded, is not subject to appeal. CalOSBA reserves the ability to modify applicant budgets if included costs are deemed ineligible. A Center and its fiscal host will be required to be in compliance with the Drug-Free Workplace Certification and Nondiscrimination Compliance Statement as required by state law.

Required/Supporting Documents

All applicants must upload the following documents to their application:

- Certification of SBA Cash Match – [download this form here](#)
- STD.204 Payee Data Record Form – download this form at <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>
- STD.21 Drug-Free Workplace Certification – download this form at <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std021.pdf>

Invoicing and Reporting Requirements

The Program requires awardees to submit quarterly invoices, a mid-year report, and an annual report on Program outcomes resulting from the grant award. Invoices and reports will be submitted electronically through the Small Business Grantee Portal. Significant deviations from the original milestones must be addressed by the awardee through an action plan. Milestones will be set by the Applicant. Reports are only required in the second and fourth quarters. Also, the Annual Report has been combined with the fourth quarter report. Details are below.

Lead Centers will receive separate email instructions for the Grantee Portal, including log-in/password information, and tips on how to navigate the portal. A mandatory webinar training will be held no later than January 15, 2021.

The reports or portion thereof provided by SBDCs may be made public.

GO-Biz may withhold payment if reports are not received or are deemed inadequate. Failure to report in a timely manner may also be weighed against future applications for grant funding from GO-Biz.

GO-Biz reserves the right to audit information submitted in a performance report by requesting additional documentation, performing on-site visits, contacting clients served, or verifying other information as necessary to verify the information contained in the performance report.

Quarterly Invoices

Quarterly invoices must be submitted by the Lead Center. Required information includes business consultant names, hourly consulting rates, and the number of hours worked. For every grantee, the spenddown of the GO-Biz grant and SBA funds must reflect a cumulative, year-to-date 1:1 ratio at the end of the second quarter (mid-year) and the fourth quarter (year-end). Invoicing amounts must exactly match the center's records. Invoice totals must not be rounded.

The Lead Center must submit to CalOSBA an electronic version of the quarterly invoices for all grantees in their region within 45 days after completion of the quarter. If the 45th calendar day occurs on a weekend or U.S. Federal/State holiday, the report should be submitted the first working day after the weekend or U.S. Federal/State holiday.

Mid-Year Report

The mid-year report identifies the capital infusion milestones and number of clients consulted in the first and second quarters.⁴ If a grantee fails to meet 50% of their annual goals by the end of the second quarter, they must include an underperformance narrative that explains why the goals were not met and provide an action plan for improvement. **Capital infusion milestones must be recorded in the quarter when verification was provided (as opposed to when the funds were generated).**

Annual Report

An annual report will be required from each Lead Center that summarizes grantee efforts to deliver capital infusion services in the region. The annual report is due within 60 days after the close of the grant period and must be submitted electronically using the Small Business Grantee Portal. Failure to submit this report accurately and in a timely manner could jeopardize future funding.

The annual report will contain the following information from each center.

- A. Capital infusion milestones and number of clients consulted in each quarter (quarters 1-4), **Capital infusion milestones must be reported in the quarter when verification was provided by the client (as opposed to when the funds were generated).**⁵

⁴ Every consulting hour paid for by state funds must be tagged with a Funding Source as "State." Any milestone event that occurs during the course of work done by the business consultant under the GO-Biz capital infusion grant must also be tagged with a Funding Source as "State." This includes business consulting funded by the GO-Biz grant or the SBA-match funding made available through the GO-Biz grant.

⁵ Milestones generated in one grant year cannot be counted in a subsequent grant year. If a milestone is generated in the fourth quarter, it may be reported in that quarter if verification is provided up to 60 days after the specified grant year. If verification is provided after the annual report is submitted, a revised report template must be submitted to GO-Biz. Milestones that are verified beyond 60 days of the grant year will not be allowed.

- B. Statement about performance, including successes and challenges associated with the Program. This section must also identify and explain any year-end underperformance in meeting capital infusion and clients consulted goals or underspent grant funds for each of the centers in the region.
- C. Brief discussion of access to capital services that were provided (one paragraph) in the region.

Reporting Consulting Activity and Milestones in NeoSerra

Every consulting hour paid for by state funds must be tagged with a Funding Source as “State.”

Any milestone event that occurs during the course of work done by the business consultant under the GO-Biz capital infusion grant must also be tagged with a Funding Source as “State.” This includes business consulting funded by the GO-Biz grant or the SBA-match funding made available through the GO-Biz grant.

During program reviews, grantees may be asked to show how many state-funded consulting hours and SBA-funded consulting hours were provided to an individual client during the course of the grant period to verify an appropriate spend down of match funding.

Proposal Questions

This section provides the application questions

Proposed Scope of Work

Please describe your activities as they pertain to the items below.

1. Geographic area of service
2. Describe the Center's current and proposed approach to providing capital infusion services.
3. Describe the Center's outreach strategy and how the Center complements and leverages partner relationships.
4. Describe the Center's screening process and how consulting services are rendered.

Metrics

Proposed metrics for the 2020-21 grant period, which commences October 1, 2020 and ends September 30, 2021. Metrics should include all milestone outcomes that can be directly attributed to the GO-Biz Capital Infusion Program from both the state and SBA match consulting hours.

2020/21 Proposed Metrics	
Total Dollar Amount of Loans	\$
Total Dollar Amount of Equity (to include private investments)	\$
Total Dollar Amount of Additional Funds Raised (non-dilutive funding, grants, etc.)	\$
Total Unique Clients Consulted	\$

California Public Records Act

By submitting an application, Applicant acknowledges that GO-Biz is subject to the California Public Records Act (PRA) (Government Code section 6250 et. seq.). Consequently, materials submitted by an Applicant to GO-Biz may be subject to a PRA request. In such an event, GO-Biz will notify the Applicant, as soon as practicable, that a PRA request for the Applicant's information has been received, but not less than five (5) business days prior to the release of the requested information to allow the Applicant to seek an injunction. GO-Biz will work in good faith with the Applicant to protect the information to the extent an exemption is provided by law, including but not limited to notes, drafts, proprietary information, financial information and trade secret information. GO-Biz will also apply the "balancing test" as provided for under Government Code section 6255 to the extent applicable.