The City of SAN DIEGO

RFQ Frequently Asked Questions

A topic-by-topic guide to common questions about the Request for Qualifications (RFQ) phase. Click a topic below to jump straight to its questions.

Need more help?

Email the CDBG Program at CDBG@sandiego.gov. Program guides and attachments are posted at https://www.sandiego.gov/cdbg/apps. Answers are taken from the ED Grants FAQ page (https://edgrants-int.my.site.com/ApplicantLogin4, FAQs tab). Always check the current Handbook, because dates and requirements can change each year.

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1. Eligibility and Organization Types

Who can apply and which track to choose.

Does it matter whether an organization is a 501(c)(3)or (c)(4)?

Answer: No.

FAQ ID: KA-0236

Are for-profit businesses able to apply or is the application process open only to nonprofits?

Answer: The Regular Organizations Track is open to for-profit organizations, particularly social enterprises that target LMI clients and communities. The Small/Emerging Organizations Track is open to nonprofit organizations only.

FAQ ID: KA-0241

Can the local chapter in San Diego of a national organization qualify as a small/emerging organization?

Answer: If the local chapter is part of the national organization's tax return, operating under the umbrella 501(c)(3) tax exemption, then the local chapter would NOT qualify as a small/emerging nonprofit. However, the local chapter would be welcome to apply using the national organization's tax return and audited financial statements to qualify under the Regular Organizations NOFA RFQ. The local chapter in San Diego would then submit its proposed project budget in response to the RFP based upon its local revenue.

FAQ ID: KA-0285

Have there been organizations that have applied for CDBG funds on behalf of another organization in the process of obtaining its nonprofit status?

Answer: No. The practice of one organization submitting an RFQ/RFP response on behalf of another organization is not permitted under the City's CDBG RFQ/RFP process. The expectation is that the organization submitting the RFQ response and deemed qualified intends to submit an RFP response for projects to be carried out directly by that qualified organization to meet the appropriate CDBG National Objective. RFQ responses submitted by fiscal agents on behalf of a newly established nonprofit organization are not permitted.

FAQ ID: KA-0218

What's the definition of a small/emerging nonprofit organization?

Answer: A small/emerging nonprofit organization is defined as an entity generating less than $500,000 in revenue/income annually.

FAQ ID: KA-0225

There are two NOFAs. Which one can I apply for?

Answer: That ultimately depends on the size and status of your organization. Established organizations of any type with annual income/revenue in excess of $500,000 should apply via the Regular Organizations Track. Small/emerging nonprofit organizations, which are defined as those generating less than $500,000 in revenue/income a year should apply for the Small/Emerging Organizations Track, which is limited exclusively to them. Please keep in mind that your organization must choose which track/NOFA to pursue ahead of time, as switching tracks will not be allowed once an RFQ response has been submitted.

FAQ ID: KA-0227

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2. Small/Emerging Organizations Track

Requirements and the USD capacity building program.

Does a small/emerging organization RFQ applicant need to submit both its most recent tax return and audited financial statements?

Answer: Organizations applying via the Small/Emerging Organizations Track need only to submit their most recent tax return to document that they had $500,000 or less in revenue/income in the calendar year completed prior to submission of their RFQ response. The tax return must cover the calendar year prior to the calendar year in which the RFQ response is submitted.

> Organizations applying via the Regular Organizations Track need to only submit audited financial statements with an end date no earlier than June 30th of the calendar year prior to the calendar year in which the RFQ response is submitted.

FAQ ID: KA-0281

If an organization has audited financial statements (with an end date no earlier than June 30th of the calendar year prior to the calendar year in which the RFQ response is submitted) but had $500,000 or less in revenue/income as stated in its tax return for the prior calendar year, can that organization still apply via the Small/Emerging Organizations Track?

Answer: No. The organization will need to submit its RFQ response under the Regular Organizations Track.

FAQ ID: KA-0282

Does an organization applying via the Small/Emerging Organizations Track of the RFQ have to have a cash balance of at least $12,500 to be qualified?

Answer: No. Small/emerging organizations are not required to submit audited financial statements from which the cash balance figure is taken. Such organizations, if awarded CDBG funds, are allocated a preset amount of $50,000 to implement a Public Services project and prepare audited financial statements.

FAQ ID: KA-0283

Can an organization that already has audited financial statements still apply via the Small/Emerging Organizations Track?

Answer: The Small/Emerging Organizations Track is currently not available.

FAQ ID: KA-0234

If an organization has audited financial statements, can it still apply via the Small/Emerging Organizations Track?

Answer: The Small/Emerging Organizations Track is currently not available.

FAQ ID: KA-0232

If applying via the Small/Emerging Organizations Track, does an organization have to comply with the certifications? If so, how long does that take?

Answer: Yes. The certifications are mandatory regardless of track and entail your organization understanding and agreeing to comply with the certifications. Agreement is indicated by marking checkboxes in the RFQ application.

FAQ ID: KA-0239

If an organization will be applying via the Small/Emerging Organizations Track, can its project proposal be related to microenterprise assistance or does it have to be for public services?

Answer: The Small/Emerging Organizations Track will fund only Public Services projects.

FAQ ID: KA-0245

What are the RFQ requirements for a small/emerging organization?

Answer: Small/emerging organizations must provide a 2017 tax return in lieu of audited financial statements and also letters of reference. Their total revenue/income for FY 2017 cannot exceed $500,000, and they must commit to attending the 6-month University of San Diego nonprofit capacity building program.

FAQ ID: KA-0226

If our organization is not chosen to participate in the RFP process, can its personnel still attend the USD capacity building program?

Answer: No. An organization must be deemed 'qualified' via the RFQ process (Capacity Building Track), successfully submit a Public Services project proposal during the RFP phase, and be allocated CDBG funding by the City Council to attend the nonprofit capacity building program. However, participation in the separate Nonprofit Academy hosted jointly by the City of San Diego and USD on an annual basis is not dependent on receipt of CDBG funding.

FAQ ID: KA-0237

Does the USD capacity building course have a fee?

Answer: CDBG will cover the USD nonprofit capacity building program fee and will be free of charge to CDBG subrecipients.

FAQ ID: KA-0240

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3. Audits and Financial Statements

What financial documents are accepted.

In lieu of audited financial statements, will the City accept internally prepared, compiled, or reviewed financial statements from organizations seeking to be RFQ qualified?

Answer: No. Only audited financial statements prepared in accordance with generally accepted accounting principles (GAAP) with an opinion in the Auditor's Report will be accepted.

In addition, if applicable to the organization, the Single Audit or Program-Specific Audit must be prepared in accordance with 2 CFR 200, Subpart F.

FAQ ID: KA-0284

Is the $1,000,000 or more in federal funds expended for the purposes of triggering Single Audit requirements over the course of the organization's existence or just the previous fiscal year?

Answer: The total amount of federal funds expended within the same audit period determines whether or not the $1,000,000 threshold has been crossed for that audit period.

FAQ ID: KA-0243

Is an audit required per program? Or just for programs that have expended $1,000,000 or more?

Answer: An organization expending federal funds but not to the point of triggering Single Audit requirements may elect to conduct a Program-Specific Audit.

FAQ ID: KA-0244

My organization does not need to have a Single Audit but ED Grants is requiring me to attach one before it can submit its RFQ response. What should be done?

Answer: The organization can simply write and upload a short note in PDF explaining that it does not meet the $750,000 or more threshold in federal funding expenditures to be required to have and submit a Single Audit.

FAQ ID: KA-0251

What is the definition of an Auditor?

Answer: Auditor means an auditor who is a public accountant or a Federal, State, local government, or Indian tribe audit organization, which meets the general standards specified for external auditors in generally accepted government auditing standards (GAGAS). The term auditor does not include internal auditors of nonprofit organizations.

FAQ ID: KA-0316

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4. Maximum Funding Request Threshold

How your funding limit is calculated.

How is the Maximum Funding Request Threshold determined?

Answer: It is determined by the cash balance from Audited Financial Statements multiplied by four.

FAQ ID: KA-0228

When determining the Maximum Funding Request Threshold, is there a period of time the City requires applicants to have maintained the 'cash on hand' balance? In other words, does the 'cash on hand' balance need to be 'seasoned' or have been held in an account for a certain length of time?

Answer: No. The calculation of an organization's Maximum Funding Request Threshold will be determined solely by multiplying fourfold the Audited Financial Statement Cash Balance (as listed in the submitted Audited Financial Statements or Single Audit document). Organizations will not be required to submit additional cash balance documentation for the RFP process. Please note that the Audited Financial Statements or Single Audit document required as part of the RFQ submittal must represent the most current completed fiscal year.

FAQ ID: KA-0221

If the City bases the 'Maximum Funding Request Threshold' on the audited financial statements of year X, what if an organization has more cash (project related) in year Y?

Answer: The 'Maximum Funding Request Threshold' is strictly based on your organization's cash balance as reported in its audited financial statements submitted as part of the RFQ response.

FAQ ID: KA-0238

In regards to the three-month cash recommendation, do I need to have that much money in the bank when I submit the RFQ response?

Answer: The three-month cash recommendation is a rule of thumb as the CDBG program works on a reimbursement basis. Therefore, your organization should have a three-month cash balance in reserve. While the City won't be checking to see how much cash is in reserve for your organization, it is something to be mindful of.

FAQ ID: KA-0231

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5. Partnerships and Fiscal Sponsorship

Applying with partner organizations.

Does the City allow a group of organizations to apply as one team for CDBG funding?

Answer: Certain program categories allow for partnerships. The applicant, serving as the lead, may partner with other organizations to administer the program. Partner organizations are classified as one of four types: (1) nonprofit, CDBG-funded (a.k.a. "partner subrecipient"); (2) nonprofit, not CDBG-funded; (3) for-profit, CDBG-funded (a.k.a. "contractor" or "consultant"); (4) for-profit, not CDBG-funded. Partner subrecipients to be funded by CDBG in whole or in part must have been "qualified" through the CDBG RFQ process or by City staff prior to agreement execution. Therefore, the City strongly encourages applicants who are considering partnerships to coordinate with their potential partner organizations to respond to the CDBG RFQ as appropriate. The lead organization must have been "qualified" through the CDBG RFQ process.

FAQ ID: KA-0280

Does the CDBG Program permit fiscal sponsorship for organizations that cannot qualify on their own to receive CDBG funding?

Answer: No. The City's CDBG Program does not allow fiscal sponsorships.

However, the CDBG Program does permit partnerships, which are different from fiscal sponsorships for the following reasons:

A partner organization (a.k.a. partner subrecipient), whether acting as the senior/lead partner or one of the junior partners, must meet the same standards and be deemed "qualified" by the City as if it were applying for CDBG funding on its own. (Usually, a fiscal sponsor is needed because the organization being sponsored cannot qualify on its own.)

The senior/lead partner organization must use at least 51 percent of the total proposed staff and administrative budget. (Usually, a fiscal sponsor passes 100 percent of its award amount to the organization being sponsored.)

FAQ ID: KA-0286

Are there restrictions in terms of partnerships and using CDBG funds to implement project proposals through partners? If so, do partners have to be vetted through the RFQ process?

Answer: Partnerships will be treated on a case-by-case basis. The City strongly prefers partners to have been vetted through the RFQ process.

FAQ ID: KA-0242

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6. Submission Requirements

Attachments, registrations, and common disqualifiers.

My organization is currently receiving CDBG funds. Does my organization need to submit an RFQ response again at this time for future funding opportunities?

Answer: Yes. If your organization plans on responding to the future funding consideration, your organization must submit an RFQ response at this time to be requalified. Current CDBG funding subrecipients are not prequalified.

FAQ ID: KA-0219

Are separate RFQ submittals required if the organization plans to submit multiple proposals during the RFP process?

Answer: No. Only one RFQ submittal is required per organization, regardless of the number of proposals planned to be submitted by the organization later during the RFP process. The RFQ submittal is related to the qualifications of the 'organization.' Please note that, within this context, organization refers to each separate and independent entity that has its own unique DUNS number.

FAQ ID: KA-0224

What are the common RFQ disqualifiers?

Answer: The common disqualifiers include the following: Incomplete or incorrect Audit Certificate of Compliance Form; Correct single or program-specific audit, when required, was not submitted or did not meet all requirements; Audited financial statements were not submitted or did not meet all requirements; Weaknesses in internal controls and/or procurement method; Maximum Funding Request Threshold did not meet minimum allocations required by Council Policy 700-02; Sam.gov registration not active; State of California and/or federal debarment; and Wrong attachments in ED Grants or wrong RFQ track/NOFA selected.

FAQ ID: KA-0223

Can the City provide descriptions of the RFQ attachment items?

Answer: Descriptions of all RFQ attachment items may be found in the CDBG RFQ Handbook. Please note these may change from year to year. Some of the more key ones are as follows:

Organization Chart (Entire Organization): Include a general organization chart covering your entire organization. If your organization has multiple locations nationwide or worldwide, include a chart for the San Diego office along with a high-level one for the entire organization.

Organization Chart (Each Division/Section to Administer CDBG Projects/Activities): Include the organization charts for the divisions or sections in your organization that will be responsible for implementing the CDBG-funded project, including programmatic and fiscal staff.

Organization's Federal Tax Determination Letter: Applicable to nonprofit organizations only. Must show the organization’s status as a nonprofit.

Organization's State Tax Determination Letter: Applicable to nonprofit organizations only. Must show the organization’s status as a nonprofit.

Single or Program-Specific Audit (if applicable): The end date of your organization's Single or Program-Specific Audit must be no earlier than June 30th of the calendar year prior to the calendar year in which the RFQ response is submitted. It must have been submitted to the Federal Audit Clearinghouse (FAC) website. If applicable, CDBG should be listed.

Federal Audit Clearinghouse (www.harvester.census.gov/facweb/) Screenshot: Attach a screenshot from the Federal Audit Clearinghouse (FAC) website showing the Single Audit or Program-Specific Audit you have attached to this RFQ response has been submitted to the FAC.

Audited Financial Statements: The end date must be no earlier than June 30th of the calendar year prior to the calendar year in which the RFQ response is submitted.

System for Award Management (www.sam.gov) Screenshot: Attach a screenshot from www.sam.gov showing: (1) your organization's registration is currently 'Active' and (2) the expiration date of the 'Active' status.

FAQ ID: KA-0250

Our organization currently does not make purchases above $150,000. Therefore, it does not have procurement-specific policies in place. Is our organization still required to have a procurement process in place for purchases above $150,000 even though the likelihood of such large purchases for us is low?

Answer: Yes. A procurement process will need to be in place should the organization be funded, and the written procedures will be reviewed prior to contract execution. The specific procurement methods to be followed for all purchases made using federal funds are detailed in 2 CFR 200.320.

FAQ ID: KA-0229

Does my organization need to be active on www.sam.gov?

Answer: Yes, your organization's registration of its DUNS number in https://www.sam.gov must be 'Active' at the time the RFQ application is submitted. In the event that your entity's registration expires after the submittal of the RFQ application, it must be renewed before proceeding with the RFP application. A DUNS number is required by the federal government, and your organization may obtain a DUNS number by calling 1-866-705-5711 or by registering for a DUNS number via http://fedgov.dnb.com/webform. After your organization obtains its DUNS number, it must then register that number with the System for Award Management (https://www.sam.gov).

FAQ ID: KA-0230

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7. ED Grants Help

Using the online system and getting assistance.

Why does an organization have to register a Secondary Representative in ED Grants?

Answer: The Primary Representative in ED Grants is not just the 'lead' on the project. This individual must be able to legally bind the organization with regards to negotiations, agreements, payment requests, etc. and may or may not be involved in the day-to-day management of the project. The Secondary Representative is generally a grant writer, project manager, data-entry staff, etc. Based on experience, organizations that do not register a Secondary Representative tend to ask for it later.

FAQ ID: KA-0246

Why does ED Grants say my organization's EIN and DUNS numbers are already in the system when our organization has not yet been registered successfully?

Answer: Previous, but incomplete, attempts to register your organization in ED Grants will result in your organization's EIN and DUNS numbers being 'remembered' by the system, which will prevent you from successfully completing the registration process at a later time. Email CDBG@sandiego.gov to clear previous attempts to register your organization from the system. Subsequently, make sure to complete your organization's registration in one sitting using Google Chrome as the browser. In addition, do not use your browser's 'Back' button when registering, to avoid technical difficulties.

FAQ ID: KA-0247

How do I find and open a saved RFQ response that my organization has not yet submitted to the City?

Answer: After loggin into ED Grants, click on the 'Applications' tab along the top and then on the 'View RFQ Applications' link found along the left side of the screen. Click on the corresponding eyeball icon in the saved 'Actions' column to open the RFQ response. Click on the 'Edit' button to continue working on the RFQ response.

FAQ ID: KA-0248

How do I set up a technical assistance appointment to get help during the RFQ phase?

Answer: Email CDBG@sandiego.gov to set up an appointment. Available appointment slots may be viewed at http://www.sandiego.gov/cdbg/apps and clicking on the link to the CDBG RFQ Handbook.

FAQ ID: KA-0249

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