



City of San Diego
Community and Economic Development Department
Office of Small Business

FY 2004
CITY WIDE SMALL BUSINESS
ENHANCEMENT PROGRAM GRANT
GUIDELINES & APPLICATION

MUST BE RECEIVED AT CITY BY 4 P.M.

Thursday, July 24, 2003

Deliver to:

THE CITY OF SAN DIEGO
OFFICE OF SMALL BUSINESS
1250 SIXTH AVENUE, 10TH FLOOR, MS-810A
SAN DIEGO, CA 92101

For further information call 619-685-1390

**THE APPLICATION PLUS THE REQUIRED ATTACHMENTS MUST BE
COMPLETE AT THE TIME OF SUBMISSION.
NEW OR REVISED APPLICATION INFORMATION WILL NOT BE ACCEPTED
AFTER THE DEADLINE.**

**LATE APPLICATIONS WILL NOT BE ACCEPTED.
THERE WILL BE NO EXCEPTIONS.**

SMALL BUSINESS ENHANCEMENT PROGRAM GRANTS

Purpose

This grant program's particular focus is to support efforts by not-for-profit service providers that provide specialized technical assistance or other eligible services to small businesses citywide. It is expected that SBEP funds will be leveraged with other resources available to service providers to enhance the level of services. Grants are awarded by the Mayor's Small Business Advisory Board as required by City Council Policy 900-15.

Small Business Advisory Board

George P. Chandler, Jr. (Chair)
Dr. Badi Badiozamani
Kurt Chilcott
Scott C. Cummins
James A. Hill
Jesse Navarro
Judy Preston
Warren J. Simon
Richard Sims
Spencer C. Skeen
Chi Kim Tran

Community & Economic Development Department

Hank Cunningham

Economic Development Division Staff

Jeff Kavar
Janet Wood
Lynette Jones
Meredith Dibden Brown
Steve Bal

GUIDELINES

FUNDING ELIGIBILITY

To receive funding, an organization must meet the following eligibility requirements derived in part from Council Policy 900-15:

Not-for-profit status: Organizations must be able to demonstrate proof of not-for-profit tax-exempt status by the application deadline date.

Fiscal sponsors may not apply on behalf of a non-exempt applicant.

Demonstrated Benefit to Existing or Aspiring Entrepreneurs: The activities or services must be of benefit to entrepreneurs within the City of San Diego. The stated benefit must be able to be documented.

Track record: Organizations must demonstrate the ability to undertake the project or program for which funding is requested. If the organization has previously received funds from this source or any other City of San Diego funding source then successful outcomes in line with the funded scope(s) must be demonstrated.

Location: The activities to be funded must take place within the San Diego City limits. However, organizations whose services are oriented to a particular geographic area within the City of San Diego are not eligible. Ineligible organizations include but are not limited to: area-based community development corporations and sub-regional chambers of commerce.

Note: Organizations requesting Citywide SBEP funding may submit only one application under these guidelines and may not apply or receive funding from the Business Improvement District Council SBEP funds.

FUNDING LIMITATIONS

Expenditures are prohibited for the following:

1. Programs which have already been completed.
2. Activities occurring before October 1, 2003, or after September 30, 2004.
3. Capital outlay for improvements and/or construction of buildings or facilities, or capital outlay for purchase of equipment.
4. Religious or political activity.
5. Programs in facilities not accessible to the disabled.
6. Tuition assistance.
7. Hospitality or food costs.
8. Travel reimbursement or related expenses.
9. Trusts or endowment funds.
10. Replacement of deficit funds.
11. Job training or job placement activities.

FUNDING POLICIES

Council Policy 100-04: Every person or organization awarded a contract for use of grant funds under this program (Contractors), by the City of San Diego acknowledges and agrees that it is aware of and will comply with Council Policy 100-04, adopted by Resolution No. 282153 relating to the Federally mandated Americans with Disabilities Act (ADA). Contractors and subcontractors will be individually responsible for their own ADA program.

Equal Opportunity: Contractors must comply with Title VII of the Civil Rights Act of 1964, as amended; the California Fair Employment Practices Act; and any other applicable federal and state laws and regulations hereinafter enacted, as well those requirements addressed by the City of San Diego's Equal Opportunity Program, recorded with the City Clerk as Document RR-262633.

Drug-Free Work Place: Contractors are required to publish and post a statement on their policies for a drug-free work place and provide a drug education program for all employees.

REQUIREMENTS

Resolution: The organization must have a formal resolution of its board of directors to submit the application which states that the board understands and will comply with the terms and conditions of the contract. This resolution must be signed by both the board president and treasurer and is to include the following:

- The amount of the request for funding (not to exceed \$25,000).
- The goals and objectives for the contract period.
- Assurance that the resolution is made available to all board members.

Not-for-Profit Status & Articles of Incorporation: Copies of the IRS Determination letter, Certificate of Domestic Corporation, Federal IRS Form 990 are due with the application. Eligible educational institutions may submit other documentation to demonstrate eligibility.

Board of Directors List with Biographies: Please submit a current list and short biographies of your organization's Board of Directors. Biographies should be two to three sentences in length and may include information regarding academic credentials or professional expertise, ethnicity, gender and other information that describes how an individual's membership contributes to the organization's diversity and ability to meet its mission.

Staff Biographies: The applicant must submit a biography or resume of key staff members describing educational background, training and job experience particularly as it pertains to the proposal.

Insurance: Applicants must maintain: \$1,000,000 in combined single limit general liability and property damage insurance; \$1,000,000 in auto coverage; \$1,000,000 in workers compensation coverage; and provide the City with such evidence during the contract period, per City requirements. It is not necessary to have the insurance coverage at the time of application, but it is highly recommended to include the cost of insurance in the operating budget.

PROCEDURES

Failure to follow application instructions will negatively affect your rank.

Failure to submit all required materials will result in disqualification and there will be no appeal.

Technical Assistance: Staff is available to answer questions regarding the application.

Panel Process: An advisory panel, composed of up to three Small Business Advisory Board members will consider each applicant's current contractual performance (if applicable), the appropriateness of organizational goals and objectives, the organizational budget and how accurately it supports the goals and objectives, the quality of responses to the review criteria and any other material submitted in support of the proposal.

The panelists will evaluate all applications as a group during a meeting. Applications will be ranked according to the four-point system described below:

The rank of 4 designates an applicant as the highest priority for funding. Applications ranked "4" are considered to be "model" in stature, meeting all the review criteria to the highest degree possible.

The rank of 3 is considered good. Some improvements or development is needed.

The rank of 2 is considered marginally fundable. Funding, if available, may be awarded once all the "4" and "3" ranked applications are awarded funding. These applications have some merit, but do not meet the criteria in a strong or solid way.

The rank of 1 is not fundable under any circumstance; inappropriate for SBEP support, extremely marginal in quality, etc. This application would not receive funding even if the funding were available.

Rank recommendations will be mailed to applicants. The applicant may comment upon the rank recommendations through the appeal process.

Appeals Process: The applicant or a representative directly associated with the applicant may submit an appeal to the advisory panel for a re-evaluation only if the rank is based on a misstatement of factual information as contained in the application such that it negatively influenced the panel's evaluation of the applicant's request for funding.

Note: *Dissatisfaction with an award's denial or ranking is not sufficient ground for appeal
Even if an applicant meets the eligibility criteria there is no entitlement to funding.*

Agreement: Once funding for FY 2004 has been approved by the Small Business Advisory Board, an Agreement will be issued. The Agreement details how City money will be spent, and other requirements of the Citywide SBEP Grant Program. Should problems arise in fulfilling the Agreement or changes in the Agreement need to be arranged, the Office of Small Business staff must be consulted. The Applicant must provide the support materials for the Agreement within 60 calendar days of the Notice of Funding, or they will forfeit funding for FY 2004.

Reports: Organizations receiving FY 2003 SBEP Grant funding must have filed all required reports prior to processing their FY 2004 SBEP payments. Failure to comply with City contract and reporting requirements will negatively impact your rank. This may result in outright denial of funding or may cause the withholding of FY 2004 funding until all reports, financial disclosure documentation, or other evidence of contract compliance, is received.

Reimbursement: All funds are awarded on a cost reimbursable basis. Reimbursement requests may be submitted on a monthly basis or less frequently as arranged with staff. There can be *no payment in advance*. One thirteenth of the total award may be withheld until the Final Performance Report and any other required documents are submitted.

Performance Reports: The Performance Reports detail how program objectives as outlined in the Agreement were met and how they were measured. *Note: Previous year's Performance Reports will be taken into consideration during panel review.*

Financial Statements: All organizations receiving City money are required to submit financial statements for the organization's last completed fiscal year. If City funding is \$35,000 or more, financial statements must also be audited by an independent CPA. Estimated increased expenditures for such audits may be included in administrative costs for which City reimbursement is requested. Required financial reports for the last completed fiscal year must be submitted three months after the closing date of an organization's contractual period.

Acknowledgment of City Funding: A credit line must be included in any printed, visual or recorded matter that credits the City for its support. The following is an example of a credit line that might be utilized: "This project is funded in part by the City of San Diego's Small Business Enhancement Program."

APPLICATION - EXECUTIVE SUMMARY

An Executive Summary must be submitted with the application. Use the following information and directions to prepare the Executive Summary.

A **Mission Statement** or statement of purpose is described as follows:

- It is written in terms of "quality of life" or the conditions of life you hope to achieve for some group through your efforts.
- It provides a frame of reference for the entire planning process.
- It sets the future direction of an organization.
- It should be singular and specific.
- It is no more than 25-35 words in length.

A **Goal** is described as follows:

- It is a broad statement. It addresses general future accomplishments (long-range plans).
- It relates to an identified problem or need.
- It is written in terms of the outcomes of a project or service which you hope to achieve (how things should be).
- It is no more than 1-2 sentences in length.

An **Objective** is described as follows:

- They are a means to achieve an organization's goal.
- They explain the specifics of the methods to be used for the outcomes expected.
- They should be precise, concrete, clear and measurable (what you are going to accomplish, who will be served, how many people will be served and when they will receive the services)
- They should act as a standard by which results can be measured, monitored during the course of service, and eventually be evaluated.
- They should be one sentence in length.

Objectives are important because:

- They are the basis and primary selling point of your application.
- They reflect your program development skills.

Particular attention should be given to the following:

- ✓ The objective should be realistic so that your activities will fully support the achievement of the objective.
- ✓ Do not confuse the term 'objective' with 'procedures'.
- ✓ Procedures are not measurable; objectives are.

APPLICATION - REVIEW CRITERIA

The dispersal of City funds through the Citywide Small Business Enhancement Program enables not-for-profit organizations to provide assistance to aspiring or existing entrepreneurs. The following information must also be submitted with the application to help the panel in the review process. Succinct statements or simple, bullet-style outline formats are encouraged as they decrease panel fatigue and present your organization in a stronger way.

1. **Applicant Qualifications:** Describe your organization including its history and existing programs and services. Present evidence that your organization employs sound fiscal and managerial practices (attach financial statements). In terms of governance and management describe how board members engage in policy making and resource development (attach a roster and biographies of board of directors). Discuss the qualifications of key administrative staff and the involvement of qualified professionals in on-going programs (attach resumes of key personnel). Describe any awards or commendations your organization has received within the last year that speaks to the quality of your organization.
2. **Measurable Benefits to City of San Diego Entrepreneurs:** Please quantify and describe how your organization's programs will develop small business in San Diego and how this will enhance the economic status of the San Diego economy.
3. **Marketing:**
Publicity - Describe in detail the tools and strategies you will use to publicize your organization's program or project such as press releases, press packets, calendar listings, display ads, classified ads, feature stories or newsletters. Who will coordinate this effort and are they a staff member, pro bono consultant, or other volunteer?

Promotions - Describe in detail the number and types of promotional tools you will use including direct mail, brochures, posters and banners, telemarketing, What quantities of the above items will be distributed or displayed, who will you target to receive them and how will the distribution process be implemented?

Sponsorships (Optional Question) - Describe in detail any sponsorship strategies you will use to market your organization. What corporate sponsors - will you target? What assets and benefits make your organization an attractive investment? What tangible and intangible benefits do you hope to receive from your corporate sponsor(s)?

Marketing Plan Time Line - Please provide a time line of key activities..

4. **Partnerships:** The City encourages organizations to develop mutually beneficial partnerships and to work cooperatively. Explain how your organization will cooperate with other organizations in providing or planning the delivery of programs. Specify the type and extent of cooperation that is planned: personnel, technical, facilities, marketing, and other.

APPLICATION BUDGET - TERMS AND DEFINITIONS

The attached Budget worksheet must be complete and submitted with the application, executive summary and review criteria. For City of San Diego purposes FY2003 means July 1, 2002 through June 30, 2003 and FY2004 means July 1, 2003 through June 30, 2004. The following definitions will assist you in completing the worksheet.

REVENUE

A) Contributions

1. **Federal Government:** Cash support from grants or appropriations by federal agencies.
2. **State Government:** Cash support from grants or appropriations by state agencies.
3. **County:** Cash support from grants or appropriations by county.
- 4a **Other City of San Diego Allocations:** Indicate past allocations and this year's request for all Other City of San Diego cash support from grants or appropriations by City of San Diego agencies (i.e. CDBG, TOT, etc.).
- 4b. **This SBEP Request:** Indicate past allocations and this year's requested amount.
5. **Donations from Individuals:** Cash support from private individuals (i.e. donations from patrons, board members, etc.)
6. **Donations/Grants from Foundations:** Cash support from private, business or community foundations.
7. **Membership Dues:** Dues from customers who receive membership privileges.
8. **Fund Raising:** Include gross proceeds from benefits, or other special events
9. **Other:** Sponsorships, underwriting, other cities, or any other form of contribution not mentioned above.

B) Earned

10. **Fees:** Revenue generated from the performance of services such as, workshops, consultations, etc.
11. **Product Sales:** Revenue generated from the sale of materials or hard goods, such as t-shirts, advertising space in programs, parking, etc.
12. **Investment Income:** Dividends, interest and other income, **if and only if, utilized for operational support**, including endowment funds if used for operations.

13. **Other:** Other sources, if any, such as net revenue from bookstores, restaurants, facilities rental or other non-program related activities.

EXPENSES

A) Personnel

Include salaries, wages and benefits for employees.

15. **Wages:** This should include, but is not limited to executive directors, business managers, development staff, clerical, etc.
- 15a. **Benefits/Taxes:** Cost of dental, health insurance, 401(K), incentives, employer taxes, etc.
16. **Contractual Services:** Contract for service expenses such as consulting fees or other services provided to the organization by a subcontractor.

B) Operating

17. **Space Rental:** Rental of office space, etc.
18. **Utilities:** water, electricity, gas, phone, etc.
19. **Marketing:** Marketing, publicity and promotion, not including payments to staff or consultants
- 19a. **Support Materials:** Office supplies, printing and mailing of brochures, flyers or posters, postage, etc.
20. **Fund Raising Expenses:** Total cost of fund raising activities. Fund raising expenses should relate to fund raising events included in contributed revenue.
21. **Insurance:** premiums for City required insurance, etc.
22. **Other:** Be sure to attach a schedule if amount of this line exceeds 10% of total expenses. Include interest charges, liability insurance, miscellaneous administrative expenses not covered above and yearly acquisitions.

CITY OF SAN DIEGO
SMALL BUSINESS ENHANCEMENT PROGRAM GRANTS
FY2004 APPLICATION

APPLICANT ORGANIZATION:

Mailing Address:

_____ CA _____

Organization Address (if different from above):

_____ CA _____

Organization Telephone: _____ Fax: _____

Contact Person/Title: _____ E-mail: _____

Contact Person Telephone: _____ Fax: _____

Web Site: _____

Authorized Signatory name: _____ Title: _____

Closing Date of Applicant's Most Recently Completed Fiscal Year: ____/____/____

Years of Small Business Enhancement Activities by Organization: _____

Signature: _____ Date: _____

TOTAL CITYWIDE SBEP AMOUNT REQUESTED: \$ _____

FINANCIAL SUMMARY: Proposed FY04 Funding

Proposed Revenue

City SBEP \$ _____

City Other \$ _____

Other Government (County, State, Federal) \$ _____

Membership \$ _____

Other \$ _____

Total Revenue \$ _____

Proposed Expenses

Personnel Expenses \$ _____

Non-Personnel Expenses \$ _____

Total Expenses \$ _____

Projected Accumulated Surplus or [Deficit] \$ _____

EXECUTIVE SUMMARY (Attachment)

On a separate page, provide in outline form, a 25-35-word mission statement or statement of purpose, goals and objectives of your organization with regard to this program or project for FY 2004 using the format in the guidelines.

The list of objectives will become the terms of your agreement with the City should your proposal receive funding.

REVIEW CRITERIA RESPONSES (Attachment):

On a separate page provide responses to the review criteria contained in the guidelines using these headings.

- 1. Applicant Qualifications**
- 2. Measurable Benefits to City of San Diego Entrepreneurs**
- 3. Marketing:**
 - Publicity**
 - Promotions**
 - Sponsorships**
 - Marketing Plan Time Line**
- 4. Partnerships**

BUDGET

Complete and attach the Budget Worksheet. Use the budget definitions for guidance on classifying revenues and expenses.

If your organization receives an audit, does your Board of Directors receive and discuss the management letter from the audited report?

- Yes No

WORK FORCE REPORT

The attached City of San Diego Work Force Report must be completed and submitted with the application.

CONTRACT COMPLIANCE (Returning applicants only) Please indicate by checking the appropriate box below if your organization has or has not complied with City of San Diego Contract Requirements – financial and programmatic.

- In compliance with City of San Diego contract requirements for FY 2003.
 Not in compliance with City of San Diego contract requirements for FY 2003. Please explain.

BUDGET for Organization

| REVENUE | FY2003 | FY2004 Proposed excluding this year's SBEP request | FY2004 SBEP request |
|---|---------------|---|---------------------------------------|
| A. Contributed | | | |
| 1. Federal Government | | | |
| 2. State Government | | | |
| 3. County | | | |
| 4.a Other City of San Diego Allocations | | | |
| 4.b This SBEP Request | | | |
| 5. Donations from Individuals | | | |
| 6. Donations/Grants from Foundations | | | |
| 7. Membership Dues | | | |
| 8. Fund Raising | | | |
| 9. Other Donations or Contributions | | | |
| Subtotal Contributed: | | | |
| | | | |
| B. Earned | | | |
| 10. Fees | | | |
| 11. Product Sales | | | |
| 12. Investment (Interest) Income | | | |
| 13 Other | | | |
| Subtotal Earned: | | | |
| 14. TOTAL REVENUE: | | | |
| | | | |
| EXPENDITURES | | Proposed Expenditures excluding SBEP | Proposed SBEP Expenditures |
| A. Personnel | | | |
| 15. Wages | | | |
| 15a. Benefits/Taxes | | | |
| 16. Contractual Services | | | |
| Subtotal Personnel: | | | |
| | | | |
| B. Operating Expenses | | | |
| 17. Rent | | | |
| 18. Utilities | | | |
| 19. Marketing | | | |
| 19a. Support Materials | | | |
| 20. Fund Raising Expenses | | | |
| 21. Insurance | | | |
| 22. Other | | | |
| Subtotal Operating: | | | |
| 23. TOTAL EXPENSES: | | | |

APPLICATION CHECKLIST

PLEASE PACKAGE THE APPLICATION IN THE FOLLOWING ORDER

(1) ORIGINAL APPLICATION:

- Title Page - Application (Authorized Signature required)
- Application Checklist
- Executive Summary
- Review Criteria
- Budget
- Work Force Report (2 Pages)

ORIGINAL ATTACHMENTS:

A. Required Attachments

- List of Board of Directors and Short Bios
- Staff Biographies/Resume
- Resolution of the Board in support of this application
- Articles of Incorporation
- Not-for-Profit Tax-Exempt Status/Current IRS Form 990

B. Non-required Attachments

- Program information not included in other materials (no more than 2 pages)
- Current news clippings, critical reviews (no more than 2 pages, no older than 2 years)
- Programs/Brochures (no more than 2)

COPIES

Provide 4 complete copies of the above information in the same order with the same page numbering.

The following are due prior to the Contractual Agreement:

- Certificate of Good Standing from Secretary of State of California (**Certificate of Status, Domestic Corporation**) dated 2003
- Certificate(s) of Liability Insurance

**Failure to submit
all materials will result in
disqualification.**

PACKAGING DIRECTIONS

When completing the APPLICATION PACKET, please keep the following information in mind:

- ✦ Label each page with the organization name and page number.
- ✦ Three hole punch ALL pages
- ✦ Maintain a margin of at least .5". Always leave enough space to make the information legible.
- ✦ Do not hand write the application.
- ✦ Do not use a font smaller than a computer 10 font.
- ✦ Do not exceed the amount of space allowed.

Please submit the APPLICATION PACKET as follows:

1. One (1) **ORIGINAL SIGNED APPLICATION AND ATTACHMENTS**
2. Four (4) **COPIES OF THE APPLICATION, INCLUDING ALL ATTACHMENTS (copies version)** each in a separate envelope numbered from 1 to 4.
3. All **five (5)** envelopes must be labeled with the organization name and packaged containing the material indicated.

FOR ALL FIVE (5) APPLICATIONS

THREE HOLE PUNCH ALL PAGES

DO NOT STAPLE ANY PAGES
USE BINDER CLIPS

DO NOT BIND
USE FOLDERS or BINDERS

Submit to City of San Diego – OSB
by 4 p.m., July 24, 2003