



City of San Diego
City Planning and Community Investment Department
Office of Small Business

FY 2007
CITY WIDE SMALL BUSINESS
ENHANCEMENT PROGRAM GRANT
GUIDELINES & APPLICATION

MUST BE RECEIVED AT CITY BY 5 P.M.

Thursday, July 20, 2006

Deliver to:

THE CITY OF SAN DIEGO
OFFICE OF SMALL BUSINESS
600 B Street, 4TH FLOOR, MS-904
SAN DIEGO, CA 92101

For further information call 619-533-5305

**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

Richard G. Sims (Chair)
Auday Arabo
Faith Bautista
Kurt Chilcott
Scott C. Cummins
Ruben R. Garcia, Ph.D
Judy Preston
Warren J. Simon
Spencer C. Skeen
Chi K. Tran

City Planning & Community Investment Department

William Anderson

Economic Development Division Staff

Scott Kessler
Meredith Dibden Brown
Alissa Gabriel
Steve Bal

GUIDELINES

FUNDING ELIGIBILITY

Applying organizations must meet the following eligibility requirements derived in part from Council Policy 900-15: **Fiscal sponsors may not apply on behalf of an ineligible applicant.**

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

California Corporation or Organization: Organizations must be able to demonstrate that the organization is a registered California entity headquartered in the County of San Diego with services/programs provided through an office located in the City of San Diego.

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 and are not to be included in the proposed SBEP budget:

1. Programs which have already been completed or with activities occurring before October 1, 2006, or after September 30, 2007.
2. Capital outlay for improvements and/or construction of buildings or facilities, or capital outlay for purchase of equipment.
3. Religious or political activity.
4. Programs in facilities not accessible to the disabled.
5. Tuition assistance payments or reimbursements.
6. Hospitality, food or beverage costs.
7. Travel/mileage reimbursement or related expenses for staff or consultants.
8. Trusts or endowment funds.
9. Replacement of deficit funds.
10. Job training or job placement activities.
11. Indirect Cost Recovery.
12. Penalties, fines or late payment charges.
13. Gifts or donations.

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

Not-for-Profit Status & Articles of Incorporation: Copies of most recent Federal IRS Form 990 and the IRS Determination letter are due with the application. A Certificate of Good Standing from the Secretary of State (Certificate of Status, Domestic Corporation) shall be due, if funding is awarded, prior to execution of the contractual agreement. Eligible educational institutions may submit other documentation to demonstrate eligibility.

Board of Directors List: Please submit a current list of your organization's Board of Directors. Include the board members' business names and addresses or relevant professional qualifications.

Staffing Plan: Please submit a list of all employee positions and job descriptions for all positions that will be funded in part or in whole by this grant.

Insurance: Applicants must maintain: \$2,000,000 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 score.

Failure to submit all required materials will result in disqualification.

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 scored according to the four-point system described below:

The score of 4 means the application is considered to be "model" in stature, meeting all the review criteria to the highest degree possible.

The score of 3 is considered good. Some improvement or development is needed.

The score of 2 is considered marginal. These applications have some merit, but do not meet the criteria in a strong or solid way.

The score 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.

Even if an applicant meets the eligibility criteria there is no entitlement to funding.

Agreement: Once funding for FY 2007 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 2007.

Resolutions: If funding is awarded the organization must have a formal resolution of its board of directors which states that the board understands and will comply with the terms and conditions of the Agreement. This resolution must be signed by the board president or designated officer and is to include the following:

- Funding amount.
- The goals and objectives for the contract period.
- Assurance that the resolution is made available to all board members.

Reimbursement: All funds are awarded on a cost reimbursable basis. All items submitted for reimbursement must include proof of payment of the expenses. Reimbursement requests may be submitted on a monthly basis or less frequently as arranged with staff. There can be *no payment in advance*. Organizations receiving FY 2006 SBEP Grant funding or other City funding must have filed all required reports prior to processing of FY 2007 SBEP payments. Final payment may be withheld until all required reporting documents are submitted.

Performance Reports: Performance reports that detail how program objectives as outlined in the Agreement were met and how they were measured will be required no less frequently than quarterly. *Note: Previous year's performance reports will be taken into consideration during panel review and lack of reporting will negatively impact your score.*

Financial Statements: All organizations receiving City money are required to submit financial statements for the organization's last completed fiscal year no later than 90 days after the end of that fiscal year. . If City funding is \$35,000 or more, these financial statements must be audited by an independent CPA. The pro-rated cost of producing the financial statements (and audit report as applicable) may be included in administrative costs for which City reimbursement is requested.

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 - ATTACHMENTS AND FORMS

EXECUTIVE SUMMARY (Attachment)

Please describe the proposed program or project by articulating a Mission Statement, Goal and Objectives.

A **Mission Statement** or statement of purpose (no more than 25-35 words in length).

A **Goal**, 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.
- It is no more than 1-2 sentences in length.

Objectives, 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.

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

REVIEW CRITERIA RESPONSES (Attachment):

Provide the following information using these headings.

1. **Applicant Qualifications:** Describe your organization's history of programs and services. You may attach a copy of your organization's overall budget to illustrate. Include a description of recent successes and achievements 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 and Outreach:** Identify your target market and the time line for marketing and outreach activities.
4. **Leveraging Resources-** Describe in detail the additional resources, both monetary and in-kind, that will augment the funds requested from the City and how those funds or in-kind resources will enhance the program or project.

5. **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.

BUDGET

Please complete the attached Financial Summary portion of the Application. For City of San Diego purposes FY2006 means July 1, 2005 through June 30, 2006 and FY2007 means July 1, 2006 through June 30, 2007. The following definitions will assist you in completing the worksheet.

Personnel: Include salaries, wages, taxes, and benefits for employees. If requesting reimbursement for these expenses the organization must be able to document specific expenses and proof of payment.

Wages: should include, but is not limited to executive directors, business managers, development staff, clerical, etc.

Taxes: Employer taxes, etc.

Benefits: Cost of dental, health insurance, 401(K), incentives, etc.

Contractual Services: Contract for service expenses such as consulting fees or other services provided to the organization by a subcontractor.

Space Rental: Rental of office space, etc.

Utilities: water, electricity, gas, phone, etc.

Marketing: Marketing, publicity and promotion, not including payments to staff or consultants.

Support Materials: Office supplies, printing and mailing of brochures, flyers or posters, postage, etc.

Insurance: premiums for City required insurance, etc.

Other: Attach a schedule of expenses. Include miscellaneous expenses not covered above, etc.

Indirect recovery of costs is not permitted.

CPA REVIEW/AUDIT (Please answer the following questions)

Does your organization receive an audit?

Yes No

Does your Board of Directors receive and discuss the management letter from the audited report?

Yes No

CONTRACT COMPLIANCE (Returning applicants only)

Please indicate 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 2006.

Not in compliance with City of San Diego contract requirements for FY 2006. Please explain.

WORK FORCE REPORT (Attachment)

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

CITY OF SAN DIEGO

SMALL BUSINESS ENHANCEMENT PROGRAM GRANTS

FY2007 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: For This Proposed FY2007 Project only

Proposed Revenue	This SBEP Request	Other Funding *
	\$ _____	\$ _____

* Please list separately any net revenue to be earned from this 2007 project activities such as fees, product sales, or investment income generated

Proposed Expenses		
Personnel Expenses	\$ _____	\$ _____
Consultant/Contractual Expenses	\$ _____	\$ _____
Space Rental	\$ _____	\$ _____
Utilities	\$ _____	\$ _____
Marketing	\$ _____	\$ _____
Support Materials	\$ _____	\$ _____
Insurance	\$ _____	\$ _____
Other	\$ _____	\$ _____
Total Expenses	\$ _____	\$ _____

APPLICATION CHECKLIST

PLEASE PACKAGE THE APPLICATION IN THE FOLLOWING ORDER

FAILURE TO SUBMIT ALL MATERIALS WILL RESULT IN DISQUALIFICATION

ONE 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
- Staffing Plan
- Articles of Incorporation
- Not-for-Profit Tax-Exempt Status
- Current IRS Form 990
- Proof of Local Office location(s)

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 2006
- Board Resolution
- Evidence of all Required Insurance

PACKAGING DIRECTIONS

When completing the packets please keep the following information in mind:

- ◆ Label each page with the organization name and page number.
- ◆ Three-hole punch ALL pages.
- ◆ Use binder clips – do not staple or bind any pages.
- ◆ Maintain a margin of at least .5". Always leave enough space to make the information legible.
- ◆ Type the application – do not hand write.
- ◆ Use a font size of 10 point or larger.
- ◆ Keep within the amount of space allowed.

Please submit the APPLICATION PACKET as follows:

1. One (1) ORIGINAL SIGNED APPLICATION AND ATTACHMENTS
2. Four (4) SEPARATE COPIES OF THE SIGNED APPLICATION, INCLUDING ALL ATTACHMENTS

Submit to City of San Diego – OSB
600 B Street, 4th Floor
San Diego, CA 92101
by 5 p.m., July 20, 2006