



DIVERSE BUSINESS ASSISTANCE GRANT PROGRAM QUESTIONS AND ANSWERS

December 23, 2021

Program Summary

The Diverse Business Assistance Program provides funding to chambers and non-profit organizations that assist small businesses owned by individuals from communities that have in the past lacked access to capital or are in underbanked areas, a group of business owners that have been disproportionately impacted by the COVID-19 pandemic.

The State intends to award \$37.5 million in grants through this program. Funding is provided by the Federal American Rescue Plan Act of 2021. Additional details are available on the [Program website](#).

Prior to contacting DOA please consult the Grant Announcement, Grant Application and this Question-and-Answer document available on the [Program Website](#).

U.S. Department of the Treasury American Rescue Plan Act guidance can be found [here](#).

FOR ALL QUESTIONS RELATED TO ALLOWABLE EXPENSES

DOA will execute grant agreements with successful applicants only after DOA determines that planned expenses included in an application are reasonably consistent with guidance from the US Department of Treasury for use of State and Local Fiscal Recovery Funds under the American Rescue Plan Act requirements, and Program provisions. DOA's execution of grant agreements, however, is not dispositive as to whether any particular cost meets the criteria. Applicants retain responsibility for demonstrating eligibility of expenses and are required to hold DOA harmless for any audit disallowance related to the eligibility of costs, including repayment of ineligible amounts.

FOR ALL QUESTIONS RELATED TO APPLICANT ELIGIBILITY

DOA will not respond to inquiries regarding an applicant's specific eligibility. Each applicant is required to determine its eligibility based on program requirements provided in the Grant Announcement. However, DOA will accept and answer questions seeking clarification of eligibility requirements. DOA will determine applicant eligibility only as a routine matter during the application review process after the application deadline has passed. Applicants should carefully review "Section 4. Eligibility Requirements" of the Grant Announcement prior to applying.

1. Do Chambers of Commerce apply for the funds to distribute in their respective communities? Or do individual business owners apply for funds?? I have minority owned businesses within my area that are struggling and are asking about the program. Please let me know what we should do.

Response: This program is intended for chamber and non-profit organizations who provide services to individual businesses rather than for small businesses themselves. Please see the eligibility requirements listed in section 4 of the grant announcement which is available here: [Diverse Business Assistance Grant Announcement 11292021.pdf \(wi.gov\)](#)

2. Is this grant for only chambers of commerce and non-profit or for small businesses?

Response: See response to previous question. This grant is intended to provide funding to chambers and non-profits.

3. I'm unclear if ONLY Ethnic Chambers of Commerce are eligible; OR if nonprofit organizations with explicit missions to provide business assistance, who predominantly serve Black and Brown businesses would be eligible.

Response: Applicants need not be an ethnic or diverse chamber to be eligible; other chamber organizations or non-profits are also eligible if they meet the eligibility requirements listed in section 4 of the grant announcement. The grant announcement has been clarified to reflect this.

4. If a nonprofit has a pending DOA application, are there any restrictions on how much funding (how many grants or \$ amount limits) for an applicant agency?

Response: A pending application in another ARPA-funded program administered by DOA does not limit or prohibit an application in this program, however the Department reserves the right to negotiate, limit, or amend award in accordance with objectives of the program and available funding; and if an applicant receives grants from multiple programs, they will need to ensure that the services provided through grants are not duplicative.

5. I am wondering if the entrepreneurs are required to hold an LLC to be accepted for this grant? In the press release it mentions supporting diverse business and "communities". Wondering if entrepreneurs who do not hold LLC's like real estate agents are able to apply?

Response: Please carefully review the eligibility requirements under section 4 of the grant announcement listed here: [Diverse Business Assistance Grant Announcement 11292021.pdf \(wi.gov\)](#)

6. Will ethnic diverse businesses be required to apply for the Diverse Business Assistance Program grant via diverse chambers and non-profit organizations? If so, why?

Response: The Diverse Business Assistance program is intended to provide funding to chamber and non-profit organizations who provide services to Diverse Businesses (as that term is defined in the grant announcement). This program is not intended to provide funding directly to businesses themselves.

7. Will diverse chambers and non-profit organizations be providing funding to ethnic diverse small businesses the Diverse Business Assistance Grant Program? My concern is that ethnic diverse

businesses will be offered various technical support and business plan assistance and my company is in need of funding support currently. COVID-19 has negatively impacted my company and service offerings.

Response: See the response to question 6. DOA is also administering a Diverse Business Investment grant program that will make grants to CDFIs to provide forgivable loans or grants to small businesses.

8. Can you provide additional definition regarding how the DOA will determine ethnic/diverse businesses for the Diverse Business Assistance Grant program? I represent a Chamber of Commerce in Waupaca, WI. Will the DOA consider rural status as historically underbanked?

Response: Yes, rural status could serve as the basis for demonstrating that a chamber organization serves business owners that have been underbanked. An eligible chamber or non-profit does not need to serve a particular ethnic community, it just needs to demonstrate that it serves businesses with owners from communities who face barriers to capital.

9. The purpose of this grant is stated on the DOA website as assistance for "small businesses owned by individuals from historically underserved populations who have been disproportionately impacted by the COVID-19 pandemic." To clarify, is the term "historically underserved populations" referring to specific geographic regions/neighborhoods that have not been historically invested in OR is the term referring to specific populations of identities such as BIPOC and women business owners?

Response: The grant announcement has been clarified to indicate that the purpose of this grant program is to provide assistance to chamber organizations and non-profits that serve businesses with owners that face barriers to capital. In a particular case, those barriers could correspond to, but need not correspond to, minority, gender, or LGBTQIA-owned status, or may include a variety of reasons like geography, rural status, or other reasons. Grant applicants will need to demonstrate how their organization serves these businesses.

10. Can a 501 C 3 organization that is not a chamber apply?

Response: Yes, if the organization meets the eligibility requirements in section 4 of the grant announcement.

11. My main question is whether this is exclusively for Chambers of Commerce or open to other nonprofits which provide technical assistance to diverse businesses? And what scale is preferred in terms of geography or number of businesses served?

Response: The grant program is open to all that meet the eligibility requirements listed in the grant announcement under section 4, including non-profits. There is no program preference to the size of the service delivery area (geographic area) served by an applicant.

12. Our Chamber of Commerce probably doesn't fall under "ethnic based" Chamber; however, we have numerous ethnic owned businesses in our area that were extremely affected negatively by Covid and the riots from 2019. We want to help those businesses with this grant money. I worry we will not be considered because we aren't identified as "ethnic based". Can you elaborate on this?

Response: An eligible chamber or non-profit does not need to be “ethnic-based” or serve a particular ethnic group, the chamber just needs to demonstrate that it serves businesses with owners from communities who face barriers to capital.

13. For the definition of Ethnic and Diverse Businesses: 1) Does this mean only for-profit businesses, or could this include Non-profit orgs Led/Controlled by Diverse individuals or serving Diverse communities? We are an eligible 501c3 that provides small business TA to both for-profit and non-profit organization clients. 2) For a business that may have multiple owners, is it sufficient for 51% or more of ownership to be with eligible Diverse individuals?

Response: 1) Only non-profit organizations are eligible to apply for funding under this announcement, but an eligible non-profit organization may serve for-profit businesses. 2) The particular ethnicity of your leadership is not relevant to the grant application; however, demonstrating that your organization is led by members of the community it serves will be taken into consideration when evaluating its ability to provide culturally competent services.

14. Budget - question about level of detail required. If we propose something like \$100,000 in consultant costs, is it helpful to describe the parts (for example, \$30,000 Accounting, \$30,000 Legal, \$40,000 Marketing services)? If we describe in this level of detail, will we be required to only spend in those precise amounts, or would there be flexibility to adjust the levels of different consultant services based on needs of clients identified later in 2022 or 2023? Also, is it needed or helpful to identify the specific consultant individuals or firms we intend to work with? For example, "Accounting Firm A - \$10,000, Accounting Firm B - \$20,000".

Response: The level of budget detail provided is up to the applicant, excessive detail is not required. However, once details are provided to the program, substantive changes to any approved funding amounts must be approved by DOA for successful grantees.

15. Is there a maximum amount of funding that each Chamber may request?

Response: There is not a defined maximum amount that can be requested under this announcement; however, this is a competitive application process, and the program intends to make multiple awards in order to provide the most impact.

16. Is there a maximum amount of funding that can be awarded?

Response: Please see the response to question #15.

17. Can you please review how much funding has been allocated specifically for the Diverse Business Assistance program? Is there a maximum per award?

Response: The total funding available for the program is \$37.5 million dollars, the program does not have a maximum award identified for the program; however, this is a competitive application process, and the program intends to make multiple awards.

18. Is there a template or example proposal for us to use as a reference?

Response: There is not a sample proposal for the program, but there is a convenience copy of the application here: [CONVENIENCE COPY Diverse Business Assistance Grant - Application.pdf \(wi.gov\)](#) which can assist applicants in determining what information will be required in order to submit an application.

19. What data or metrics will be Chamber's be expected to deliver and report on (i.e. number of businesses served, programs held, impressions made)?

Response: Successful applicants will be required to report on the number of businesses served as well as provide names and addresses of businesses or entrepreneurs assisted. Organizations will also be required to report on specifics of any grant or forgivable loan programs they provide through the program.

20. Are fiscally sponsored organizations eligible to apply?

Response: Fiscally sponsored organizations that meet all of the eligibility requirements would be eligible to apply for funding.

21. Our non-profit helps people to start businesses and wealth building enterprises. Is that a qualifying activity?

Response: Technical assistance to individuals seeking to start a business is an eligible activity under the program. The program has insufficient information on what "wealth building enterprises" are to provide guidance on that aspect of the question.

22. Define "technical assistance services" please.

Response: Technical assistance services refers to the provision of supportive services to small and micro business owners to aid the creation or ongoing support of a business operation, it could also include financial assistance in the form of a grant or forgivable loan program. This is not an exhaustive list and applicants should be specific in their response to question 2.1.3 of the application which can be viewed here: [CONVENIENCE COPY Diverse Business Assistance Grant - Application.pdf \(wi.gov\)](#)

23. If the grant is to be used for supporting its members not the organization itself, how can organization use the fund itself? Is the grant to be directly expenses to some of its members? If that is true, our budget has to be keyed into each member's budget?

Response: Organizations should use the funds to support and provide business-centered technical assistance to members of their specific organizations. Funds can be used by the organization to support those efforts, which would likely include salaries and benefits of staff performing said functions. If the organization chooses to make grants to member businesses, that too is allowable under the grant program.

24. Can an ethnically owned business apply to another ethnic based Chamber for help?

Response: When this program has made awards to successful applicants, eligible businesses should then be able to access assistance through the funded organizations.

25. Would a Chamber organization be permitted to use 1099 Contract employees to perform duties of the grant? Would you list that as Salary or Contract Services on the budget?

Response: Yes, contracted arrangements with other businesses should be listed as contracts.

26. Will Chambers be notified if they are not awarded a grant?

Response: Yes, all applicants will be notified in writing when funding decisions are made.

27. Is there an "appeals" process?

Response: There is no right to a formal appeal under this program; however, if you believe your application was disqualified in error, please let the program administrators know.

28. Can you define ethnic and diverse for the purpose of this application? Black, female, LGBTQ, Hispanic?

Response: Diverse business is defined in the grant announcement as one that is owned by a member of a community that has in the past been denied access to capital or has been underbanked. The program will rely on the applicant to demonstrate how the businesses it serves have faced such challenges to accessing capital (e.g., in a particular case, those barriers could correspond to, but need not correspond to, minority, gender, or LGBTQIA-owned status, or may include a variety of reasons like being in rural or economically disadvantaged areas, being veteran-owned, or other reasons).

29. For statewide organizations, the application has in Section 1 a question to list which counties in the organization operates. Would this grant need to be directed to services in specific counties or could it be listed as statewide service?

Response: It is acceptable to list statewide, however as much detail about the primary locations of service that can be identified is appreciated.

30. Can a non-profit be referenced in other applications even if the non-profit submits its own request?

Response: It is not intended for an organization to receive multiple awards through this announcement.

31. Please advise as to how we should list expenses already occurred this year?

Response: Individuals could identify the dates of service for already completed activities within the eligibility period by stating March 2021 through Present or through the end of the grant period, whichever the applicant prefers.

32. My question pertains to the payments and budgets by Chambers and Business Organization. Our Business Organization uses an Association Management firm to manage the Organization. The Association Management firm assigns members of their team to work on our contract 100% of their time and the Organization pays the Management Firm a monthly fee which covers 100% of the

salaries of those employees designated to work on our account. We do not pay salaries directly to individuals but to a firm to pay them. This has saved our organization on taxes and other pieces. For this grant program, would you prefer that we categorize those as Contract Services or Salaries? Is there any preferential treatment given to Business Organizations who have staff and pay salaries directly? Will we be penalized for having a higher Contract Services budget if we are required to report that way?

In addition, we have an existing travel policy for staff expenses. What are the state and local travel restrictions for staff that need to be accounted for in budget as eligible expenses?

Finally, can professional services fees like accounting to administer the grant, be included as an eligible expense? What are general operations that can be paid for?

Response: Salaries paid to the management company should be identified as contract services. The higher contract services versus salaries should not impact the application. The reference to state and local travel restrictions refers to allowable reimbursement rates for lodging and mileage. State Policy can be found at <https://dpm.wi.gov/Documents/BCER/Compensation/PocketTravelGuide.pdf>. A list of eligible expenses can be found in section 7 of the grant announcement.

33. In reviewing the webinar information and application materials, I'm hoping you can please help clarify eligibility criteria for applicant? Do you need to be an Ethnic and Diverse Chamber organization or if we are a nonprofit (and meet all other eligibility requirements), would we still be able to submit a proposal?

Response: No, you do not need to be an Ethnic and Diverse Chamber to be eligible for this grant program. Non-profits meeting the eligibility criteria are also able to submit proposals. The grant announcement has been clarified to clarify this.

34. I had signed up for this grant I was wondering if you received it? And when would I find out if I received it.

Response: The deadline to apply for funding under this grant announcement is January 21, 2022, at 2:00 PM CST. The program will not notify applicants when their application has been submitted, there are specific instructions in the application instructions on how to receive a confirmation email when the grant is successfully submitted to the program. Please review those instructions here: [Diverse Business Assistance Application Instructions.pdf \(wi.gov\)](#). The program hopes to have funding decision for the program sometime in February of 2022.