



SAINT PAUL MINNESOTA

LOCAL Fund: Worker Ownership

Fiscal Year 2023

Grant Request for Proposal (RFP)

City of Saint Paul
Office of Financial Empowerment
700 City Hall
15 West Kellogg Boulevard
Saint Paul, MN 55102
651-266-9824
ofe@ci.stpaul.mn.us

8/4/2023

Part 1: Overview

1.1 General Information

- **Announcement Title:** Local Fund: Worker Ownership
- **Program Website:** <https://www.stpaul.gov/departments/financial-empowerment/office-financial-empowerment-request-proposals>

Application Deadline: September 1, 2023

All applications must be received no later than 4:30 p.m. Central Time on the deadline. Late applications will not be accepted. It is the applicant’s sole responsibility to allow sufficient time to address all potential delays. The City will not be responsible for delays caused by mail, delivery, computer, or technology problems.

1.2 Program Description

The City of Saint Paul is seeking a partnership with a qualified economic development organization to serve as a program administrator for the Local Fund: Worker Ownership program (Worker Ownership). The aim of the Worker Ownership program is to assist Saint Paul small businesses facing financial hardship due to the enduring negative economic impacts of the pandemic.

Please note, this Request for Proposal (RFP) is not an application for small businesses, as the program administrator selected through the RFP will select small businesses to receive financial support and technical assistance through the Worker Ownership program.

This project is being supported, in whole or in part, by federal award number SLFRP1612 awarded to City of Saint Paul by the U.S. Department of the Treasury.

1.3 Funding and Project Dates

Funding

Applications for funding will be reviewed and final selection made through a merit-based review process. The award will be distributed to the program administrator as a subrecipient agreement, a federal designation recognizing the passthrough of federal funds.

Funding	Estimate
Estimated Total Funds to be Awarded	\$1.25 million
Estimated Number of Awards	1
Estimated Award Ceiling (Maximum)	\$1.25 million
Estimated Award Minimum	\$1.25 million

Program Dates

Contracts for this project are estimated to start **November 1, 2023**, and end **September 30, 2026**. If selected, you may only incur eligible expenditures when the subrecipient agreement is fully executed and the subaward has reached its effective date.

Beneficiary payments (grant and emergency financial hardship assistance payments made to small businesses) must be obligated by the program administrator by 12/31/2024 and spent by beneficiaries by 9/30/2026.

1.4 Questions and Answers

Should applicants have questions about the application process, please contact Linda Garrett-Johnson at ofe@ci.stpaul.mn.us or 651-266-9824. To ensure the proper and fair evaluation of all applications, answers by City personnel will be limited to the technical information about forms and eligibility requirements and will not include advice on the scope of an individual applicant project or the content of their proposal.

Please note, once an RFP is posted, contacting other City leadership, personnel, or council members outside of this merit-based review process to discuss your application can be grounds for removal of your organization from consideration for funding.

Frequently asked questions will be posted on <https://www.stpaul.gov/departments/financial-empowerment/office-financial-empowerment-request-proposals>.

Part 2: Program Details

2.1 Project Scope

The City of Saint Paul is seeking a partnership with a qualified organization to serve as a program administrator for the Local Fund: Worker Ownership. Qualified applicants will be organizations with demonstrated experience and knowledge of cooperative business models. The program administrator will provide eligible small business owners with financial awards, business planning support and technical assistance to facilitate a startup or transition to a worker ownership model. The program will increase the number of worker-owned businesses in the City of Saint Paul by alleviating start-up and expansion costs and mitigating financial hardship for eligible small businesses.

The selected program administrator must use grant funds to serve Saint Paul small businesses which are either located within Qualified Census Tracts or who meet the Small Business Administration (SBA) definition of a disadvantaged business.

Project Goals

As part of a Citywide strategy to build institutional commitment to worker ownership, the City created the Local Fund: Worker Ownership Program. The aim of the Worker Ownership program is to assist Saint Paul small businesses facing financial hardship due to the enduring negative economic impacts of the pandemic. The struggles and uncertainty of COVID-19 is driving otherwise successful small businesses to consider closing their doors or actually close their doors. An approach is needed that allows businesses to expand ownership with their employees, keep the doors open, and avoid layoffs. The program will focus on the worker ownership model as an approach to mitigate the enduring economic impacts of the pandemic on small businesses. Research has shown cooperative business models have proven to be an effective tool for creating and maintaining sustainable, dignified jobs; generating wealth; improving the quality of life of workers; and promoting community and local economic development, particularly for people who lack access to business ownership or even sustainable work options.¹

The Worker Ownership program model goals are defined below, and align to the following research-based principles recognized by the ARPA federal grant program as best practice:

- Build community-led coalitions: the business development efforts will be led by workers and community members themselves.

¹ <https://resources.uwcc.wisc.edu/Worker/BetterJobs.pdf>

- Accessing affordable financial services: Grants and emergency hardship assistance will increase access to capital for small business owners which may be leveraged for financing from other institutions.
- Creating economic opportunity: The ARPA model recognizes that increasing the number of businesses within a community offers stable, high-quality employment and wages. Research has shown that cooperative business models have longer term employment and are more stable during economic downturns.

Equity Priority

It is the aim of the City of Saint Paul to ensure equity in the subrecipient award selection. Subrecipient Grant programs must identify how the grant serves diverse populations, especially populations experiencing disproportionate inequities and/or disparities. This project addresses equity by providing technical assistance to businesses setting up worker ownership models which improve the economic wellbeing of participants and promote local economic development in targeted areas.

2.2 Eligible Applicant Organizations

The City of Saint Paul is seeking a partnership with a qualified economic development organization to serve as a program administrator for a Worker Ownership program. The program administrator must meet the following criteria to be eligible:

- Hold an active business license with the State of Minnesota
- Business is classified as 501(c)(3) by the Internal Revenue Services
- Business has prior experience providing resources and support to small businesses located in Saint Paul
- Hold a federal Unique Entity Identifier (UEI) with SAM.gov, and have registration in good standing

2.3 Eligible and Ineligible Expenses

Eligible Expenses

All expenses billed to the grant must be attributable to the project. Allowable costs include:

- Salaries and Fringe: Staff salaries and fringe directly associated with program implementation.
- Travel: Staff mileage for local travel to meetings and educational events
- Equipment: Itemized costs of items over \$5,000 needed by the applicant specifically to administer technical assistance and aid.
- Supplies: Cost of programmatic materials required to offer trainings and financial award.

- Contractual Services: Expenses of contracted business and legal experts supporting the technical assistance and training provided to small businesses enrolled in the program.
- Financial Awards (beneficiary payments) made to small businesses in the following forms:
 - Modest stipends to cover the cost of participants attendance during training sessions
 - Emergency financial hardship assistance provided to cover small business revenue loss due to the pandemic
 - Business grants designed to aid in the expansion or launch of new business ventures.
- Up to 10% of the program administrator's grant costs, excluding beneficiary payments, can be applied to administrative or indirect costs.
- Office and space costs directly linked to program personnel or trainings such as employee phones, or office and training space.

Ineligible Expenses

- Expenses that are not directly related to the grant funded project
- Taxes, except sales tax on goods and services
- Purchase of vehicles
- Construction loan financing costs are ineligible except for financial interests incurred through an unrelated qualifying financial institution paid during construction only
- Purchasing real property or engaging in real estate development
- Any costs associated with the construction of new facilities or structures
- Lobbying
- Any costs for criminal and civil proceedings or legal counsel associated with preparing financing are ineligible
- Costs associated with actions to oppose or support City or Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") projects or developments (e.g., issue-focused campaigns or actions)
- Engaging in fundraising activities, either directly or by supporting another individual's or entity's fundraising efforts
- Participating in legal action (including appeals) against the City or HRA, whether as a named party in the legal action or to assist or participate in another party's or parties' pursuit of legal action against the City or HRA

- Making payments of interest charges, fines, penalties, late fees, damages, and other settlements
- Making contributions or donations (e.g., charitable, or political)
- Purchasing food, beverages and entertainment or tips provided in connection with any goods or services
- Purchasing promotional items, including gifts and souvenirs
- Compensating board members for their time or participation
- Paying for undefined line items, such as “miscellaneous” and “special projects” unless prior written approval is obtained by the City’s Grants Management staff
- Staff time associated with ineligible activities is also not eligible for reimbursement

2.4 Eligible Projects and Activities

The program administrator will be responsible for implementing a program model designed to support small businesses currently seeking to start or expand a worker owned business or looking for technical and financial support to start or transition to an employee owned cooperative.

Employee-owned cooperatives can take many forms. For this program, the City of Saint Paul is recognizing the following legal structures to guide both the technical assistance and decisions for grants:

- An LLC governed primarily by a contract between all of the members of the business, called the Operating Agreement, which agree to adopt cooperative principles and "one member, one vote" and profit distributions based on labor-contributions, OR
- A small business registered under MN Chapter 308a or b, taxed under subchapter T, OR
- An additional definition of Worker Ownership model established by the program administrator with prior written approval from the City of Saint Paul.

The program model must include the following minimum elements in provided support for small business owners:

- 1. Outreach and Identification of Small Business Participants:** The program administrator must conduct outreach and engagement to identify small businesses that would be interested in transition to a Worker Ownership Model. This work may also include pipeline development for businesses enrolled in the program.
- 2. Technical Assistance and Trainings:** The program administrator will offer business assistance through a variety of training opportunities.

- *Worker Ownership Model:* Small businesses will be provided with technical assistance to transfer or establish a cooperative business structure.
- *Business Planning:* Small businesses will have access to support for business plan development.
- *Technical Assistance:* Providing technical assistance for general small businesses needs such as:
 - General support for tax guidelines for operating as a business
 - Support securing a UEI on Sam.gov (required before the release of financial award to small businesses through loss revenue assistance or grant)
 - Revenue modeling and business prospect development

3. Financial Awards For Small Businesses:

Small businesses can become eligible for emergency financial hardship assistance or startup/expansion grants.

- *Business expansion or start up grants of up to \$500,000:* Small businesses located within qualified census tracts and disadvantaged businesses as defined by SBA can apply for a startup or expansion grant. (Please note, small businesses not located within a QTC cannot receive grants, they can only receive emergency financial hardship assistance). A worker ownership agreement of at least 51% of employees to move towards co-op ownership must be executed before release of financial award. These businesses must have completed any required technical assistance criteria and have a majority employee commitment to transfer ownership on file. The program administrator will define the required criteria for small businesses to become eligible for a grant within the application narrative and work plan but must include the required submission of a business plan or comprehensive budget specific to the new business venture. The grant should be directed towards the specific costs of preparing for a new business opportunity:
 - Working capital: Examples include purchase of equipment or supplies required to advance a business opportunity, costs of state business license or permits, rent for new or expanded office space, or working capital to cover payroll until payment on new contracts is received.
 - Construction: Awards can be made for some rehabilitation of commercial properties to prepare for a new business opportunity. Examples include modifying lighting, plumbing, electrical for new business activity, or storefront improvements and facades. Please note, allowable costs are strictly limited to renovation of an existing property. Any construction of new facilities or structures is not permissible. Renovation is considered a

structural change to the foundation, roof, floor, or exterior or load-bearing walls of a facility, or an extension to an existing facility to achieve the following: increase the floor area; and/or change function and purpose of an existing building, structure, or facility. The Program Administrator will be responsible for ensuring all capital compliance requirements are met.

- *Emergency Financial Hardship Assistance \$300,000*: Financial support for revenue loss will be paid as emergency aid to worker cooperatives who have been in existence for at least two years who are in financial distress. The aid should be designed to help address the impact of lost revenue through short, one-time assistance for business operating costs such as rent, utilities, or payroll. Proof of financial need will be required to be submitted and maintained on file.
- *Stipends*: For micro business owners (10 employees or less) located within qualified census tracts, small financial payments can be made to help cover the costs of attendance in trainings, or mentoring sessions including modest recognition of the financial impact of time spent in the training (example, small financial payment to help address attendees parking, childcare, or transportation costs).

4. Project Coordination:

Applicant organizations can request staffing to address the coordination of the program's management requirements. Staffing costs can be requested for the following project coordination activities:

- Development of Beneficiary screening policies
- Conducting and maintaining records of eligibility documentation for small business participants
- Implementing required outcome tracking and project reporting

Additional details on eligible costs are provided in Section 2.3 and 5.2. Applicants will be required to outline a general description of their proposed project in the application narrative.

Small Business (Beneficiary) Eligibility Requirements

The program administrator will identify businesses for participation in the program. The eligibility criteria for small business participation in the program must align to ARPA and City guidance, and at minimum include:

- Established business with business operations located within the City of Saint Paul
- Meets the U.S. Small Business Administrations (SBA) definition of a small business, defined as:

- Have no more than 500 employees, or if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates, and
- Are a small business concern, at the time of enrollment, as defined in section 3 of the Small Business Act which includes, among other requirements:
 - That the business is independently owned and operated and is not dominant in its field of operation
 - Small business must be organized for profit
 - A business concern may be in the legal form of an individual proprietorship, partnership, limited liability company, corporation, joint venture, association, trust or cooperative, except that where the form is a joint venture there can be no more than 49 percent participation by foreign business entities in the joint venture.
 - Further definitions: <https://www.sba.gov/business-guide/launch-your-business/choose-business-structure#section-header-1>
- Documented Financial Need:
 - Business location within a [Qualified Census Tract](#) or alternatively disproportionately impacted business located in other areas of St. Paul who meets the SBA definition of a disadvantaged business
 - Or
 - Facing financial hardship, as evidenced by:
 - Decreased revenue or gross receipts
 - Incapacity to weather financial hardship
 - Challenges covering payroll, rent or mortgage or other operating costs
 - Financial insecurity
 - Increased costs

2.5 Program Administrator (Subrecipient) Management Responsibilities

Awards will be distributed to the selected program administrator as a subrecipient agreement, a federal designation recognizing the award is being made through the passthrough of federal funds. Should an applicant receive an award, a subrecipient agreement will be issued for signature by the applicant's Authorized Organization Representative. All applicants are expected to understand the terms and conditions for accepting a subaward with the City of Saint Paul.

No work on subrecipient grant activities can begin until a fully executed subrecipient agreement is in place between the City and the subrecipient applicant that has been

selected. Once the subrecipient agreement is signed, the subrecipient is expected to comply with all conditions of the subrecipient grant agreement.

Program Administrator (Subrecipient) Payments

The program administrator will submit quarterly invoices and be paid via costs-based reimbursement.

Program Administrator (Subrecipient) Monitoring

It is the policy of the City of Saint Paul to monitor progress on all subawards by requiring subrecipients to submit quarterly progress reports until all funds of the subaward have been expended and all of the terms in the subrecipient agreement have been met.

Payments to subrecipients for costs incurred will not be made until verification of timely and accurate progress reports are submitted and approved.

The quarterly program reports requirements will be detailed at time of award, and will include at minimum:

- The number of small businesses served
- Progress on performance targets for the activities defined in the work plan
- Outcome/Impact of the work, as defined in the work plan
- Technical assistance session attendance
- Number of project grants and amounts

Audit Requirements

All organizations expending more than \$750,000 in federal funds must also comply with the Single Audit Requirements defined in Uniform Guidance as required by subpart E. All subaward recipients that meet this threshold will be required to submit to the City for review a copy of their audit each year of the contract performance period.

Worker Owned Business Financial Award Requirements (Beneficiary Payments)

The program administrator will be required to create and maintain policies for making financial awards to the small businesses (beneficiaries) upon award. The definition of a beneficiary is the individual business receiving the assistance. These policies must include a defined eligibility criteria and must follow the documentation process required for all beneficiary payments made with ARPA grant funds.

- **Eligibility documentation:** Must be collected and reviewed prior to payment, and at minimum include:
 - A copy of a business license,
 - Documentation confirming business location within the City of Saint Paul,
 - Financial need:

- Tax statement confirming loss of revenue, or gross receipts
 - Financial statements providing evidence of financial hardship such as challenges covering payroll, rent or mortgage or other operating costs
 - Increased costs evidenced through business prior and current operating cost comparisons
 - Or
 - Confirmation the location of the business is within QCT or meets the definition of a disadvantaged business entity
- **Risk Assessment:** The program administrator must develop and implement risk assessment policies including due diligence for awards made as financial award for loss of revenue, or grants. This risk assessment must be conducted prior to award payments, ensuring the following is in place:
 - The small business **must** be registered with SAM.gov and hold a Unique Federal Identifier UEI before grant or financial award for loss of revenue can be made. The UEI must be active and in good standing (not on disbarred list)
 - A comprehensive budget or business plan for the beneficiary must be developed and maintained on file which:
 - delineates costs that will be applied against federal funds, confirming costs are permissible based on CFR 200
 - demonstrates financial viability, with other sources of funding identified if needed for project success
 - Enrollment in the City's vendor outreach program
 - If the grant provided is for construction, or exceeds \$50,000, enrollment in City Affirmative Action program is required
 - **Construction Assurances (if applicable):** If a start-up or expansion grant is being provided for construction related costs, the program administrator must submit to the City a monitoring plan to ensure the federal regulations are being met by the beneficiary during the pre-construction development and management of construction related activities paid with ARPA Funds. The monitoring plan must include oversight of all requirements listed below.

Construction Assurances List

Requirement	Indicator	Program Administrator Action
Relocation Assistance: Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.	Any project that includes displacement of a tenant <i>during rehabilitation of the property</i>	Program administrator will need to ensure the costs of relocation are part of project budget (even if not paid with federal funds) and payments are made to tenants (commercial or residential property).
Bonding: CFR § 200.326	Project budget that exceeds \$175,000 for Property/facility under construction or improvement	For construction or facility improvement contracts, program administrator must ensure the beneficiary has bonding in place that protects the interest of at least the federal share of costs.
Insurance: §200.447 § 200.310 Insurance coverage	Projects that acquire equipment or improve property	The program administrator must confirm the beneficiary holds insurance coverage which at a minimum, provides the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds.
Trust: § 200.316 Property trust relationship	All property improved by federal funds must be held (owned) in trust	The legal ownership structure of the property must be confirmed.
Federal Davis Bacon	All construction projects	Program administrator must enroll beneficiary in the City program.
Labor Relations Act (29 U.S.C. 158 (f))	All projects using construction labor	Program administrator must confirm labor agreement is in place or the beneficiary must provide a workforce continuity plan.
Vendor Outreach	Construction and non-construction	Program administrator must enroll beneficiary in the City program.
Affirmative Action	\$50,000 or above (construction and non-construction)	Program administrator must enroll beneficiary in the City program.
Contract Work and Safety Hours 40 U.S.C. 3701-3708)	Contract over \$100,000	Program administrator must confirm that the beneficiary entering contracts for over \$100,000 that involve employment of mechanics or meet required labor standards.
Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387)	Contract over \$150,000	Program administrator must confirm that the beneficiary entering contracts for over \$150,000 adhere to all applicable environmental standards.

Part 3. Review and Selection Process

3.1 Review & Decision Process

Funding will be allocated through a merit-based process and include a review by a committee. The committee will be comprised of City personnel and/or community stakeholders with knowledge of the field. The committee will evaluate eligibility for completed applications received by the deadline. Award recommendations will guide decision-making. However, City personnel will be responsible for final award decisions.

The City reserves the right to request additional information from applicants being evaluated to help clarify or validate information submitted in an application.

3.2 Financial and Management Review

It is the City's policy that the subaward review process include an evaluation of the financial and business management of the program administrator (subrecipient) applicant organization. This includes a review of financial audits, if applicable, and the organization's prior history of management on contracts with the City. This review will determine a risk assessment decision that will be used to guide monitoring and reporting requirements on a subrecipient agreement. A high-risk rating will not necessarily result in the declining of a subaward. However, the City reserves the right to decline awarding funds to organizations who:

- Have not maintained filings and licensing required to comply with local, state, and national business laws, ordinances, and regulations
- Who are on the federal or state list of suspended/disbarred vendors
- Have significant financial management concerns or lack of internal controls
- Have a prior history of non-performance on other contracts held with the City

3.3 Selection Criteria

A standardized scoring system will be used to determine the extent to which the applicant meets the selection criteria. The review committee will be reviewing each applicant on a 100-point scale.

The scoring factors and weight that applications will be judged on are based on the following:

Organizational Capacity: 15 points.

The organization's experience, administrative expertise and leadership will be assessed for capacity to perform.

Experience Providing Small Business Support: 20 points.

Organizational experience providing small business support including financial support and business planning with cooperative entities.

Experience with community wealth building and community engagement: 20 points.

The applicants will be assessed for demonstrated commitment to advancing values and practice of community wealth building.

Project Design: 20 points.

Applicants' proposed program model will be assessed for likelihood of success, including well defined goals and activities, understanding of the community need, program structures, and explanation of committee process for reviewing requests for start-up grants and/or emergency financial hardship assistance.

Workplan: 15 points.

Applications will be assessed for the quality of stated goals, performance measures and activities. This work plan must address the required program elements defined in section 2.4 Eligible Projects and Activities and should align to the narrative description of the project design.

Budget: 10 points.

Budgets will be assessed for accuracy, relationship to the workplan, and reasonableness of costs.

Part 4: Application Instructions

4.1 Submission Instructions

Application must be submitted through e-mail at ofe@ci.stpaul.mn.us by September 1, 2023, by 4:30 pm Central Time. Please include all files as an attachment in a single e-mail. PDFs are preferred. Please include the name of your organization in each file (for example: City of Saint Paul_Budget.pdf).

The application has multiple sections and forms. Each section and form must be fully addressed and submitted for the application to be considered complete. An Applicant Checklist has been provided as supplemental materials to help applicants ensure all materials are included in their submission.

Incomplete applications may be rejected and not evaluated. Applications should include all required application materials, including required attachments. The City reserves the right to reject any application that does not meet these requirements.

The submission of false, inaccurate, or misleading information may be grounds for disqualification from an award, as well as subject the applicant to further legal action if deemed necessary.

All costs incurred in responding to this RFP will be borne by the applicant.

Prior to the City entering into an agreement resulting from this solicitation with a selected applicant, the City reserves the right to cancel the Request for Proposals. The City is not obligated to enter into an agreement pursuant to this Request for Proposals.

4.2 Application Public Information

All applications materials submitted in response to this RFP are private or nonpublic until the applications are opened. Once the applications are opened, the name and address of each applicant and the amount of funding requested is public. All other data in an application is private or nonpublic data until completion of the evaluation process, which is when the City has completed negotiating the subrecipient agreement with the selected applicant(s).

After the City has completed the evaluation process, all remaining data in the applications is public with the exception of trade secret data. If an applicant submits any information in an application that it believes to be trade secret information, the applicant must clearly mark all trade secret materials in its application at the time it is submitted and include legal proof of the trade secret designation for each item. The City will not consider the budgets that applicants submit to be proprietary or trade secret materials.

Part 5. Required Application Materials

5.1 Narrative

Applicants should provide written responses to each of the required questions. The answers should be brief, and the total narrative should be no longer than **10 pages**. Applicants should use single space, Arial or Times New Roman, 11-point font, except for images, tables, and charts. Page margins should be set at 1-inch, top, bottom, and sides.

General organizational capacity (1 page)

Explain your organization's experience and leadership expertise that demonstrate the capacity to execute the program. Briefly address the following:

- Describe your overall experience and administrative ability to deliver on the goals and activities outlined in this RFP, including the program team and their qualifications.
- Describe your organization and program team's experience with administering federal awards. Of these awards, please provide examples of federal grants specific to small business development.

Experience Providing Small Business Support (1 – 2 pages)

Describe your organization's capacity and experience, providing financial awards to small businesses including an overview of your organization's:

- Past or current grant portfolio
- Experience with, and ability to, monitor small business projects to ensure compliance
- Convening a multi-stakeholder committee to review request for small business financial support such as grants

Describe your organization's experience providing business planning support, and technical assistance.

Describe your organization's experience specifically supporting the startup or expansion of cooperatively owned and operated entities.

Community Wealth Building Competency and Experience (1- 2 pages)

The Office of Financial Empowerment is committed to community wealth building, which includes broad, shared community ownership of assets rooted in the values of equity, justice, and collective economics.

- Please share your organization's definition of community wealth building.
- Describe programs or initiatives led by your organization to advance community wealth-building, including program initiatives that prioritize community wealth

development; local investment and ownership opportunities to prevent unwanted displacement of community residents and small businesses; or building stronger local and neighborhood economies.

Program Design (3 - 5 pages)

- Include a description of well-defined project goals.
- Define the initial intake and screening process that will be followed to ensure participants in the program meet federally defined eligibility criteria (See Section 2.5: Program Administrator (Subrecipient) Management Responsibilities under “Worker Owned Business Financial Award Requirements (Beneficiary Payments)” for more information).
- Describe the program’s proposed activities. This description should include specific steps for each of the required program elements (see Section 2.4: Eligible Projects and Activities for more information):
 - Outreach to potential small business participants with a focus on equity
 - Providing business planning support and technical assistance for worker-owned start up and expanding businesses
 - Distributing financial awards to recipients, including:
 - Define any technical assistance criteria that must be met by the small business to become eligible for a financial award.
 - Describe the committee review and approval process for small business financial requests for assistance.
 - Define how the program will monitor the small businesses financial award payments to ensure compliance.
- Describe the approach that will be taken to ensure that this program builds community wealth.

5.2 Forms

Application Cover Sheet

This Application Cover Sheet is provided as supplemental materials and must be completed by all applicants. The information requested from applicants is needed to validate eligibility. Accuracy is critical as the information in this form will be used for contracting with the City should your application be selected for funding.

- **Legal Name of the Organization:** This field is required and must match the name on file with the IRS, generally found on the 501(c)(3) letter. This same name will later be used to set up a profile in the City’s vendor system if your organization does not already have one.
- **Doing Business As (DBA):** This field is optional and can be used if the name commonly used in the community to reference your organization is different than

the legal name of your entity. In order to use this name, the organization must have completed the required publication process for an assumed name and filed the necessary paperwork with the Minnesota Secretary of State's Office so that the organization's assumed name shows up as active for the organization in an online search of the Business Filings for the Minnesota Secretary of State's Office.

- **Federal Tax Identification Number:** Insert your organization's federal tax identification number found on your Employee ID Number (EIN) letter. For non-profit entities, this is generally called the 501(c)(3) Letter. For organizations without legal tax identification number, insert the tax identification number of your fiscal agent, and include a letter of commitment to provide sponsorship from the fiscal agent in the attachments for your proposal.
- **Authorized Organization Representative (AOR):** This should be a person that has the legal authority to enter contracts on behalf of the organization, often the Executive Director or Chief Executive Officer. If an organization's organizational documents require that more than one person sign a contract on behalf of the organization, all of the required names and titles should be included.
- **Primary Point of Contact:** This should be the person you wish to receive communication about the applicable subaward related to this RFP. Generally, this is the grant writer or project manager for your organization.
- **Organization Primary Address:** This address must match the W-9 provided as an attachment to this application.
- **Remit Address:** This field is optional and can be used to provide an address if the location to send payment for services is different than the organization's primary address. This remit address must also be on file in the City's vendor system.
- **City Supplier#:** All applicants must be registered with the City as a supplier before receiving a subaward of the City's grant funds. You can apply through the supplier portal **upon receipt of an award**. Please contact the Procurement office for questions regarding the supplier portal. This can take time, and vendors are advised to start this process right away.
- **Federal Unique Entity Identifier (UEI):** The City is not permitted to contract with any subrecipient through this program that does not hold a UEI. The federal government manages this process. If applicants do not know, or have not yet secured a UEI, you must visit the federal site and follow instructions provided here: <https://sam.gov/content/home>

Work Plan

Please use the Application Workplan Template provided as supplemental materials to propose the top activities your organization commits to perform. The work plan should address the required elements outlined in section 2.4 Eligible Projects and Activities. If the application is selected for funding, this work plan will later be used to define a mutually agreed upon contract. These proposed activities may also be used to track and monitor performance on any subaward a subrecipient receives from the City.

Applicants must provide a workplan within the form provided. To ensure the ability to monitor progress on grants, all applicants must propose at least one measurable outcome, and at least one corresponding activity to be considered for funding.

Budget Form

Applicants must provide a grant budget within the form provided. Please use the Applicant Budget Template provided in the supplemental materials. The form requires the applicant to break out costs by unit cost detail and by budget category budget details. Applicants must also provide a brief narrative for each subsection of the budget. Space is provided within the form. Each category within the form has been defined below.

- **Salaries:** The costs of salaries for employees working directly on the project as program coordinators, technical assistance providers or other program staff. The salaries and wages of employees must be based on records that accurately reflect the work performed (2 CFR 200.430 (i)(1)). Please note, consultants and contractual services for individuals contributing to the project activities should not be placed under salaries and should be listed under consultant.
- **Fringe:** Benefits are permitted to be billed to the grant. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick, or military), employee insurance, pensions, and unemployment benefit plans. Vacation and sick leave can be billed if the costs are reasonable and equitably allocated across federal and non-federal sources. (2 CFR 200.431 (b)). Employees on military redeployment, short- or long-term disability would no longer be considered performing on the grant program and therefore should not be billed to the grant. Please note, if salaries are billed to grants, the grantees must be able to maintain documentation that all required federal and state payroll taxes are paid.
- **Travel:** Grantees can bill for the costs of mileage employees incur for the costs of operating their own automobile for business related travel associated with the grant funded project. This expense must be billed to the grant at the standard mileage rate for their organization defined policy or at the IRS defined rate, whichever is least. As a local focused program, out of town travel and lodging is not permitted.

- **Equipment:** Equipment is a defined a tangible item (including information technology) with a current per unit fair market value of \$5,000 and which has a shelf life of more than 1 year (2 CFR 200.1). The purchase of equipment with federal funds requires prior budget approval, and the equipment intended to be purchased must be outlined in the budget. If equipment will be purchased, the award recipient must maintain an equipment log based on federal agency guidelines (2 CFR 200.313 (e)(1)).
- **Supplies:** Supplies include tangible items with a per unit cost of less than \$5,000, regardless of the length of its useful life (if item single unit cost is above \$5,000, see equipment) (2 CFR 200.314). This includes computers and software. Common items that fall within supplies is office supplies, course materials and books if purchased at the classroom level (i.e., not issued as a stipend to a student), materials needed to operate the program (example, portable presentation table for community events that costs less than \$5,000).
- **Contractual Services/Consultant:** Contractual services may include the cost of all external contracts related to grant activities except those that should be placed under other categories of equipment, supplies, or construction. Include third-party evaluation contracts, procurement contracts, and subawards. If applicable and charged as a direct cost, include third-party leasing agreements for equipment or space used specifically for the program. Do not include real property owned by the recipient.
- **Other:** This category includes expenses necessary to perform the work, but that do not fall into other costs categories. Examples of costs that are allowable under other category include individual printing and publications, and office expenditures such as phone (when treated as a direct cost).
 - *Outreach and educational materials:* Please note, general costs of marketing, advertising and public relations materials for the organization is not permitted, therefore outreach and all costs must be able to be identified as project specific. The cost for developing and printing educational and outreach materials must be specific to the program. These costs can include advertising fees within media (print, radio, or social media space) and associated costs for print and purchase of educational and outreach materials as long as these costs directly relate to recruitment and the key messaging defined for the program. The costs of individual materials must be modest and cannot exceed a value of \$10 per item.

- **Participant Financial Awards (Beneficiary payments):** Financial awards made to small businesses are beneficiary payments. These payments can be provided through several forms of aid. However, the intended type of payment must be identified in the application budget, and then tracked appropriately post award. Within the budget narrative, applicants must define the minimum and maximum award size for each category selected as a form of benefit. While the size of awards made to businesses may vary depending on the business needs, applicants should estimate the number of awards to be made and average size of the award for budget purposes. The categories for payments are as followed:
 - *Stipends:* Small financial payments to help cover the costs of attendance in trainings, or mentoring sessions including modest recognition of the financial impact of time spent in the training (example, small financial payment to help address attendees parking, childcare, or transportation). Documentation of attendance must be maintained. Stipends are capped at \$200 per session and cannot exceed \$2,000 per individual in total payments.
 - *Emergency Financial Hardship Assistance For Revenue Loss:* Emergency aid paid to the business to help address the impact of lost revenue through short, one-time assistance for business operating costs such as rent, utilities, or payroll. Proof of financial need and cooperative business model will be required to be maintained on file.
 - *Business expansion or start up grants:* Can be made to assist a business located within qualified census tracts to expand or launch new ventures and should be directed towards the specific costs of preparing for a new business opportunity. The grant must be tied to the submission of a business plan or comprehensive budget specific to the new business venture. The application project budget must differentiate between the estimated amount of beneficiary awards provided for construction expenditures versus working capital and have a system to track these costs separately post award. Please note, allowable costs are strictly limited to renovation of an existing property, and any construction of new facilities or structures is not permissible. Proof of cooperative business commitment, and business plan will be required to be maintained on file.
- **Indirect:** Indirect costs are costs for activities, goods or services that benefit more than one project and cannot be traced to a specific program. Examples include audits, executive staff, IT systems that are agency wide, accounting staff, grant managers, building maintenance, human resources staff, etc. These costs are often

shared and allocated across an entire agency, with multiple departments and programs paying a portion of these costs through a systemized approach called an allocation schedule. Indirect costs are allowed if subrecipients can document an accounting system that utilizes an allocation schedule for these costs. (2 CFR 200.414(f)). Program administrators can bill up to 10% of grants expenses to indirect costs, excluding the cost of beneficiary payments in the calculation. Applicants with a federally approved indirect rate can request above 10% but must submit proof of current federal approval of this rate with the application.

Financial Questionnaire

Every applicant must complete a financial questionnaire, using the form provided in the supplemental materials. This form will help the City to complete a management and financial risk assessment for an applicant. Please note, a high-risk rating will not necessarily result in the declining of a subaward, and instead will inform monitoring activities within a subsequent subrecipient agreement if your organization's application is approved for subaward.

Conflict of Interest Form (CIF)

All applicants must submit a copy of a signed Conflict of Interest Form at the time of application. The form is provided in the supplemental materials. This form must be signed by the highest-ranking officer in the organization, generally the Chief Executive Officer or the Executive Director.

5.3 Attachments

All subrecipients are required to submit the following attachments with their proposals:

- **Financial Statements:** Provide a copy of audited financial from the most recently completed fiscal year. If your organization does not have audited financials, provide a copy of the most recently submitted Form 990 tax form.
- **Tax Identification Letter:** Provide proof of your organization's federal tax status by providing a copy of your Employee ID Number (EIN) letter. For non-profit entities this is generally called the 501(c)(3) Letter. For organizations without a tax identification number, provide a copy of your fiscal agent's letter of commitment to serve as a fiscal sponsor for this application.
- **Federally Negotiated Indirect Rate:** Applicants requesting grant funds for indirect rate that exceeds 10% must provide a copy of current letter or cover sheet documenting federal approval of the indirect rate, with the approved rate listed.

5.4 Post Award Application Materials

If the application is selected for an award, additional information will be requested. For reference, the information that will be required is being provided. However, this information will not be collected unless the organization is selected for funding. Please be aware that should your organization be selected for an award the following documents must be collected before the City can enter into a grant agreement with the recipient organization and make payments.

- **City Vendor ID:** All applicants must be registered with the City as a vendor before receiving a subaward of the City's grant funds. Organizations can apply through the [vendor portal](#) upon receipt of an award. Please contact the [Procurement office](#) for questions regarding the vendor portal. This can take time, and vendors are advised to start this process right away.
- **Liability Insurance Policy:** The applicant organization must attach a current certificate of insurance (COI) signed by the applicant's agent, and worker's compensation insurance (or an exemption form). **COI's will not be accepted without the following language in the Description of Operations box:**

The City of Saint Paul, its officials, agents, representatives, and employees are Additional Insureds.

The City of St. Paul will consider specific requested exemptions from these requirements, including but not limited to exemption from workers compensation coverage with the inclusion of the attestation.

- **W-9:** This form is used to provide correct Taxpayer Identification Number. Applicants are advised to have the person responsible for filing taxes for your organization to fill this form in, as the information will need to match the organization's legal name and address on file exactly.
- **A current Affirmative Action Plan on file with the City of Saint Paul.** (Only applicable for contracts \$50,000 or more, or total aggregate contracts with the City over 12-month period at \$50,000 or more). If the applicant is unsure, or does not have a current Affirmative Action Plan, please contact Yia Thao at Yia.Thao@ci.stpaul.mn.us. (A contract will not be signed until a current plan is on file with the City).