SECTION I

Background: on November 22, 2016 the Small Business Administration (SBA) published a Notice of Proposed Rulemaking to codify regulations for the Women’s Business Center (WBC) Program, as well as policy and procedural changes included in the WBC Program Announcement and Notice of Award (NOA).

The SBA requested public comment on this proposed rule to outline program requirements and standardize the delivery of the WBC Program.

Effective January 24, 2020, the final rule codifying regulations for the Women’s Business Center (WBC) Program goes into effect.

This final rule codifies the SBA’s oversight responsibilities of the WBC Program into a newly created Part 131 of the SBA’s regulations by incorporating the following:

- Standard definitions for the program
- Program participation requirements and application procedures
- Financial management and grant administration requirements
- Oversight and programmatic and financial examination provisions
- Procedures for suspension, termination and non-renewal of a grant
- Procedures for dispute resolution

Section II

Key Changes to Know: The changes include, but are not limited to, the following:

- Language on risk assessment, as required by the Uniform Grant Guidance
- Limitations on carryovers
- A Reduction in reporting requirements
- Eligibility criteria for selection as a WBC

Limitations on carryovers
Section 131.520 of the final rule limits the option to carryover any unexpected Federal funds to the next funding period to WBCs within the first or second year of an initial phase project only. All other WBCs may not carryover Federal funds to the next funding period.

Reduction in reporting requirements
The SBA undertook comprehensive review of its reporting requirements. Redundant and ineffective processes were identified and eliminated while others were streamlined. For example, OWBO established a 10-page limit for the narrative response for renewal applications. Additionally, some of the forms previously required (e.g., Cost Sharing (SBA 1224) and Certification Regarding Debarment, Suspension and Other Responsibility Matters—Primary Covered Transactions (SBA 1623)) are no longer required. The final rule eliminates the provision requiring WBCs to submit conflict-of-interest statements from all WBC employees, contractors and consultants.
Additionally, the SBA removed section 131.600 Reporting Requirements from the final rule, allowing the SBA flexibility to address reporting via policy and to modify those requirements as needed in order to make the WBC program more effective and efficient and to improve the delivery of its services.

**Eligibility criteria for selection as a WBC**

Section 131.200 Eligible Entities of the final rule defines organizations to be eligible for federal funding to operate a WBC program as only a nonprofit organization with active 501(c) certification from the U.S. Department of the Treasury/Internal Revenue Service.

The rule outlines ineligible organizations as those that owe an outstanding financial obligation to the Federal Government, are currently suspended, debarred, or otherwise prohibited from receiving awards, contracts or grants from the Federal Government, have outstanding and unresolved material deficiency reported under the requirements of the Single Audit Act within the past three years, have had a grant or cooperative agreement involuntarily terminated or non-renewed by the SBA for cause/material non-compliance, have filed for bankruptcy within the past five years, do not propose to hire and employ a full-time WBC Program Director, propose to serve as a pass-through and permit another organization to manage the day-to-day operations of the project, any organization that had an officer or agent acting on its behalf convicted of a felony criminal violation under any Federal law within the preceding 24 months, or any other organization the SBA reasonably determines to be ineligible to receive Federal funds to manage a WBC project.

**Section III**

**How AWBC Impacted These Final Regulations**

The Association of Women’s Business Centers (AWBC) submitted comments during the comment period, which closed January 23, 2017.

The SBA, in drafting of the final rule, took into consideration several of AWBC’s comments and concerns, aligning language in the final rule with many of AWBC’s suggestions. Some key ways in which AWBC impacted the final regulations are outlined below.

**131.110 Definitions**

AWBC commented that five definitions in the final rule be revised. SBA agreed to revise the following definitions:

- **Counseling.** The original definition mentioned resource partners and SBA district office personnel. The SBA agreed to remove language referring to resource partners and district office personnel in the final rule.
- **Interim Program Director.** The original definition included mention of an individual temporarily assigned as program director for no more that 60 days. Th SBA agreed to expand the length of time to 90 days and allow the interim program director to continue serving beyond 90 days with written approval from the Assistant Administrator of the Office of Women’s Business Ownership (OWBO).
- **Training record.** The SBA agreed to replace the terms “training record” and
“counseling record” with “client records” in the final rule.

131.300 Women’s Business Centers

(d) Negotiating the Cooperative Agreement

(1) Collaborating with the local SBA district office to develop annual goals for the WBC project

(2) Receiving written concurrence from the SBA district office staff for inclusion in the application submission

AWBC commented that many district offices do not have staff equipped to provide this support. The SBA agreed and removed this provision from the final rule.

131.310 Operating Requirements

(e) Women Business Center Included in Official Name

AWBC suggested that language in the original rule was unclear. The SBA clarified language in the final rule to read:

(e) Any new applicant that is accepted into the WBC program after January 24, 2020 must include as part of its official name the specific identification “Women’s Business Center.” For the purpose of the WBC program, the official name used is the name assigned to the WBC by the host organization. The legal name of the organization is the name of the host organization and is the name usually listed on line 7a of the Application for Federal Assistance, SF 424. Any WBC that is applying for a renewal grant after January 24, 2020 must also include the specific identification “Women’s Business Center” as part of its official name. Until such time that any existing WBC has to submit a renewal application to the SBA for funding, and does not currently include “Women’s Business Center” in its official name, it must include the following language prominently on its website and promotional documents: “The Women’s Business Center is funded in part by the U.S. Small Business Administration.” However, at the time of submission of its renewal application, it must include WBC as part of its official name.

(g) Conflict of Interest Policy

The original proposed rule stated that WBCs must use an enforceable conflict-of-interest policy signed annually by each WBC employee, contractor, consultant and volunteer. AWBC commented that this requirement was overly burdensome and may discourage the participation of certain partners with WBCs through unnecessary paperwork. The SBA agreed and eliminated the requirement for the submission of conflict-of-interest statements.

131.330 Services and Restrictions on Services

(a) Services

The language in the original proposed rule stated that WBCs must create and update counseling records to document each time that counseling is provided to a client. AWBC commented that the focus in this language was solely on counseling and did not address training clients, though 85% of the clients served by WBCs are training clients. AWBC commented that the terms “counseling records” and “training records” be replaced with “client records.” The SBA agreed and the language in the final rule refers to services generally.

131.340 Program Responsibility
(c) (2) The WBC Program Director must have the necessary authority from the recipient organization to control all WBC budgets and expenditures.

AWBC noted in submitted comments that while they support this requirement, many WBCs do not have this authority from the recipient organization. The SBA removed this provision from the final rule.

**131.350 Selection and Retention of the WBC Program Director**

(a)(2) …a new WBC Program Director should be placed within 90 days of the vacancy.

AWBC commented that the time limit of 90 days should be lengthened in order to ensure ample time for the identification and hiring of the best possible candidate to fill the Program Director position. The SBA revised the provision to allow the Interim Program Director to remain in the position beyond 90 days with written approval from the Assistant Administrator at OWBO.

(a)(5) An Interim Program Director must allocate his/her time and effort solely to the WBC program until a permanent WBC Program Director is in position.

AWBC commented that an Interim Program Director may have other responsibilities within the recipient organization and it should be allowable to allocate some time and effort outside the WBC program. The SBA revised the language in the final rule to read:

*An Interim Program Director must allocate a sufficient amount of his/her time and effort to management of the daily operations of the WBC program until a permanent WBC Program Director is in position.*

**131.530 Matching Funds**

(h)(1) Uncompensated student labor

The original proposed rule included the prohibition of student labor for matching funds. AWBC commented that some WBCs, including those whose recipient organizations are universities, utilize university students for substantive work and those students receive school credit for their work instead of monetary compensation. AWBC contended that these students be allowed as matching funds. The SBA agreed and updated the final rule to remove the prohibition on student labor for matching funds.

**131.600 Reports**

AWBC commented that additional improvements could be made by the SBA to eliminate duplication of time and effort of the WBCs on reporting requirements. The SBA undertook a comprehensive review of its reporting requirements and eliminated redundant and ineffective processes. As a result, the SBA identified a need for continuous improvement in this area and removed this section from the final rule.

For further information and for the complete text of the final rule, please visit the Federal Register.