

Applicant Name	
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Please use pages 2 through 6 to describe the staff compliance and oversight.

Staff Compliance and Oversight: Describe what reporting mechanisms, audits, or other internal controls and compliance activities (a) the applicant has in place or (b) need to be implemented to enable the applicant to conduct oversight and meet annual and quarterly reporting requirements for the proposed program(s). Please include information for all proposed programs. In addition, explain the steps you will take to promote a fair, competitive, and open selection and contracting process. These steps could include application and enforcement of the jurisdiction's existing procurement and ethics policies, as well as new measures that your jurisdiction chooses to implement specifically for the SSBCI program. Examples of such policies to include limitation or disclosure of political contributions to the jurisdiction's officials with authority to select SSBCI contractors; reporting requirements for lobbying activity, including lobbying related to the SSBCI contractor selection process or program implementation; or request-for-proposal policies to govern the process for evaluating bids for SSBCI-related contracts. Please provide your narrative on pages 2-6.

Refer to the SSBCI Capital Program Policy Guidelines, Section VI. Approving States for Participation, subsection c. Contractual Arrangements – 12 U.S.C. § 5703(c); Section VII. Approving State CAPs, subsection f. Loan Purpose Requirements and Prohibitions – 12 U.S.C. § 5704(e)(7); Section VIII. Approving State OCSPs, subsection f. Loan/Investment Purpose Requirements; and Prohibitions – 12 U.S.C. § 5705(f), and Section X. Reporting.

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Staff Compliance and Oversight:

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Staff Compliance and Oversight (continued):

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Staff Compliance and Oversight (continued):

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9 – Compliance and Oversight

Monitoring and Mitigation will be developed using the following matrix:

Compliance Category	Monitoring	Testing Frequency
Fraud, Waste, and Abuse and Conflicts of Interest	All employees of the Department of Economic and Community Development are required to annually sign, as a condition of employment, and comply with the department's Policy on Fraud, Waste, and Abuse and its policy on Ethics, Conflicts of Interest, and Acceptance of. Contractor contracts include a Conflicts of Interest clause as part of the standard contract language.	Annually
Control and retention of records	TNECD will maintain all financial documents, statistical records, and all records for five years after the program period ends.	Annually
Timely and accurate quarterly and annual reports	TNECD will submit timely quarterly and annual reports per program requirements and ensure all partners and participants do so as well.	Quarterly, Annually
Proper Usage of, and Accounting for, Allocated Funds	TNECD will actively monitor and manage this program to ensure proper usage and accounting of allocated funds by utilizing its current systems and procedures to review/approve fund payments prior to distribution	Monthly
Timely and accurate quarterly and annual reports	CDFIs must remain in good standing with the U.S. Treasury's CDFI Fund. Annually, qualifications are re-evaluated to ensure the Qualified Lender is in good standing with the regulators and program policy.	Annually, Quarterly
Investee certifications	LaunchTN will obtain, review, and maintain a copy of each investee's certification, including Sex Offender Certifications and Use of Proceeds certification as in (Appendices A, B and C of SSBCI National Standards);	Monthly
Investor compliance with Treasury and allocation agreement requirements	LaunchTN will comply with written Allocation Agreement as guided by SSBCI National Standards	Monthly

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9 – Compliance and Oversight

Timely and accurate quarterly and annual reports	LaunchTN will submit complete and timely reports or risk default of the Allocation Agreement.	Quarterly and annually
Control and retention of records	LaunchTN shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Allocation for a period of three years from the date of submission of the final quarterly report	Monthly
Documentation of subsequent Private financing	LaunchTN will maintain and report amount of additional private financing as well as the rationale for determining that the subsequent private financing is the “cause and result” of the original SSBCI-supported transaction for the length of the lifetime of the company’s operations in Tennessee but not less than 5 years after the end of the program period.	Quarterly and Annual
Accounting for use and allocation of funds	LaunchTN shall maintain, review and report proper use of the Allocated Funds for the purposes and activities specified in the Allocation Agreement as outlined in Appendix D of the SSBCI National Standards	Quarterly
Conflicts of interest policy compliance	LaunchTN will not fund deals for which a conflict of interest exists.	Monthly