

**Greater Holyoke Chamber Centennial Foundation
(GHCCF)**

Mass Development: TDI Startup & Buildout Grant Program

POLICIES AND PROCEDURES MANUAL

**Grant applications will be accepted on a rolling basis until June 30, 2019
or until grant funding is no longer available.**

A hard copy of all required documents must be submitted to:

**Greater Holyoke Chamber of Commerce
Soniah Gonzalez, Financial Manager
177 High Street
Holyoke, MA 01040
4135343376
gonzalez@holyokechamber.com**

Greater Holyoke Chamber Centennial Foundation Inc.
Mass Development: TDI Startup & Buildout Grant
Grant Policies & Procedures

PURPOSE

The primary purpose of this Mass Development: TDI Startup & Buildout Grant Program is to support the creation and growth of microenterprises. The long-term goal of the program is to help microenterprise businesses grow and prosper and become viable candidates for traditional commercial financing. The Grant Program is administered by the Greater Holyoke Chamber Centennial Foundation (GHCCF) with funding from the Mass Development Transformative Development Initiative Program.

Mass Development's Transformative Development Initiative (TDI) is a place-based development program for Gateway Cities designed to enhance local public-private engagement and community identity; stimulate an improved quality of life for local residents and spur increased investment and economic activity. This small grant program aims to assist small business owners and startups that have received a certificate of completion from the SPARK Launch accelerator program/SPARK E for All, and whose business is located within or will be located within Holyoke's designated TDI District (see attached map).

Technical Assistance for prospective candidates may be provided through the GHCCF, SPARK E for All, MSBDC and Score. The GHCCF staff will be available for consultation to assist prospective candidates in the application process, and then continue to work with the candidate's businesses after the Grant has been issued.

GHCCF, SPARK E for All, and Mass Development understand that small business owners need access to money but often can't qualify for standard bank loans because they lack a business history, sufficient collateral or have limited credit. In an effort to support start-ups and small business development, this program will provide SPARK: Launch/SPARK E for All graduates with direct access to capital that will allow them to purchase site-specific equipment or machinery, make needed space upgrades for the business' operations, or acquire necessary permits.

DEFINITIONS

START-UP BUSINESSES

A startup business must have five or fewer employees, one of whom is the owner of the business and consist of either an idea that will launch as a small business within the next 6 months or a business that has been operational for less than 1 year.

EXISTING BUSINESSES

Eligible businesses must have five or fewer employees, one of whom is the owner of the business and have been in business for more than 1 year.

COUNSELING

Prior to Grant approval, entrepreneurs are required to participate in the SPARK Launch Class/SPARK E for All to define their business model and will be expected to partake in appropriate business counseling and/or training through the local MSBDC and SCORE (Service Corps of Retired Executives), as recommended. These resources are available at no cost to assist in the development of a business plan, as well as strengthen marketing, management and financial capabilities. If additional business counseling is required by the lender, either prior to Grant approval or throughout the course of the Grant, the business owner must agree to complete it.

MICRO-ENTERPRISE

A Microenterprise is a business having five or fewer employees, one or more of whom owns the business.

MICRO-ENTERPRISE GRANTEE

A graduate of the SPARK Program/SPARK E for All who has applied to the SPARK Starter Grant Program and has been awarded Microenterprise grant funds.

PERSON DEVELOPING A MICRO-ENTERPRISE

Any person who has expressed an interest in, and who is after an initial screening expected to be actively working towards, developing a business that is expected to be a micro-enterprise at the time it is formed.

FUNDING

The GHCCF Starter Mass Development Startup and Buildout Grant Program will provide grants to eligible applicants with approved applications in accordance with the following amounts:

Minimum Grant - \$500

Maximum Grant - \$5,000

Grants will be determined based on project scope and feasibility, and the amount necessary to launch or support business. All grant requests must be supported by estimates and cash-flow statements, documenting viability of business investment. Grants shall not exceed documented need and all expenditures must be eligible.

PROGRAM APPLICATION PROCESSING

Applications will be processed on a first come first served basis until all grant funding is exhausted. All applications received, both funded and unfunded, will be logged and kept on file in accordance with federal records retention act. Applicants that do not meet eligibility requirements for the program will be notified in writing with an explanation of ineligibility. Files will be set up for all eligible program participants to document compliance with regulations, Department policy, adopted guidelines and all provided support services.

ELIGIBILITY

To be eligible for assistance from the Microenterprise Grant Fund, an applicant must meet the following income-eligibility criteria:

1. Must be a for-profit business entity.
2. If business exists must have a Valid DUNS Number
3. Business must be located downtown within the Holyoke TDI District
(see attached map)

Business location will be determined through the following documents:

- Doing Business As (DBA)
- Lease Agreement

To be considered for a grant, the applicant must also:

- A. Be the business owner. The business must be a sole proprietorship, partnership, limited partnership, corporation, LLC or other form of business recognized under Massachusetts law. Before the Grant award, the applicant must provide proof the business has all permits, licenses and other documentation required by the City or community where business is located and a DUNS number.
- B. Have a business established or approved business plan to open shop within 3 months of date of grant award.
- C. Have completed the SPARK Launch course and received a certificate of completion.
- D. Provide proof of a 10% collateral match on grant funds in the form of Cash, Business Equipment, Building Space, etc.
- E. Must provide a current financial statement and a current personal credit report.
- F. Hold a traditional bank and a business bank account. Funds will only be disbursed into business bank accounts.
- G. Must be current on all City of Holyoke taxes, fees, liens, water and sewer charges, parking tickets, and other financial obligations both as the business and personally.
- H. Must sign Hold Harmless Agreement (attached)
- I. Complete Grant Application and submit all required attachments:
 - Certificate of Completion of the SPARK Launch Program
 - Estimated Grant Expenses
 - Proof of Matching Collateral
 - 1-year projected Cash Flow Statements
 - Break Even Analysis
 - Projected Profit and Loss Statement
 - Last 3 Months of Personal Bank Statements
 - Credit Report taken within the last 30 days
 - Proof of business address located in TDI district (Lease agreement, bill, ETC.)
 - Hold harmless agreement
- J. The Predominant Use of Business must not fall within the following categories:
 - Pawn Shop
 - Check Cashiers
 - Financial Services
 - Adult Services
 - Casinos, Gambling (Lottery)
 - Marijuana Dispensaries
 - Religious Institutions
 - Government
 - Educational uses
 - Institutional uses
 - Alcohol related uses
 - Private Clubs

THE APPROVAL PROCESS

Application will be reviewed for:

- Business Description and Industry Analysis
- Strength of Business Model
- Business Viability
- Readiness to Launch
- Business skills and experience of business owner
- Acceptable financials and projections
- Reasonable costs and financial feasibility
- Acceptable risk

The grant will be reviewed by the Grant Advisory Panel. Should there be conflicting recommendations or a recommendation not to approve a Grant after review by members of the Grant Advisory Panel, the comments will be forwarded to the applicant and to the GHCCF with the hope that any negative issues can be resolved, and a revised application can be resubmitted.

NOTIFICATION OF GRANT DECISION

All Applicants will be notified in writing of the decision regarding their application. If grant funds are awarded the Applicant will be required to sign an acceptance letter. Use of the grant award will be controlled by this document, the award letter, the approved scope of work, and the approved budget.

DISBURSEMENTS

Upon approval of grant, GHCCF will follow the following disbursement schedule, based on the financial capacity of the awardee:

- Up to \$1000 disbursed to business directly.
- Expenses over \$500- Reimbursements with proper receipts and proof of payment.

All expenses and disbursements are subject to confirmation and inspection by GHCCF. Applicants should anticipate payment processing to take at least two weeks and should plan purchases and invoices accordingly.

Applicants awarded grant funds shall submit in writing on the provided form, a written request for access to grant funds with a requested amount, proposed use of those funds, and documentation stating where these purchases will be made such as a invoice, receipt, photos or screenshot from online store. When Microenterprise grantees request access of up to \$1000 check, documentation of the expenditure of that cash shall be provided to the GHCCF prior to the next disbursement.

Any grant funds not expended or committed for the purposes of the grant must be returned to the GHCCF upon expiration of the grant award period.

ELIGIBLE USE OF FUNDS

Grant funds may be used for working capital, equipment and/or machinery. Working capital is defined as utility expenses, insurance, rent/mortgage payments, accounts payable and other operating costs that meet "arms-length transaction" guidance issued by the Department of Housing and Urban Development in 24 C.F.R. 570, Appendix A.

Examples Include:

- Infrastructure or build-out improvements
- Facade repairs, facade branding, signage
- Attorney Fees: Consultation, Contracts
- Insurance: Business Related Insurance, Liability Insurance
- Accounting: Bookkeeping, Consultation, Accountant Fees
- Rent Match: for new businesses who are moving to the TDI District only

Grants funds may not be used for the owner's salary; employees' wages, personal property purchases; food or beverage unless included in the **approved** Project Budget; refinancing existing debt; venture capital investments; Grants to private clubs with restriction on membership or patronage; or any Grant prohibited by local, state or federal law. No cost incurred prior to Grant approval is an eligible use of funds.

Grant recipient has up to 45 days to use grant funds from date of grant approval.

Grant funds may not be used for political activities, religious activities, lobbying, political patronage or nepotism activities.

POST GRANT EXPECTATIONS

All Microenterprise grantees must agree to operate their businesses for a minimum period of three years from the date of grant award. If a business closes or otherwise fails or ceases to operate prior to the expiration of three years, the Microenterprise grantee will be expected to repay grant funds to the GHCCF according to the following schedule:

- A. Business closes or ceases operations within one year of grant award, 100% of grant funds must be repaid to the GHCCF;
- B. Business closes or ceases operation within two years of grant award, 66% of grant funds must be repaid to the GHCCF;
- C. Business loses or ceases operation within three years of grant award, 33% of grant funds must be repaid to the GHCCF;
- D. Business closes or ceases operations three years and one day after the grant award, 0% of the grant funds must be repaid to the GHCCF.

In calculating the amount of grant funds due for repayment, the GHCCF will consider the value of SSG-purchased equipment returned to the Program in lieu of cash repayment.

Grantees agree to provide the GHCCF with a one-year post grant report on success of business, number of employees, business growth and feedback on the Microenterprise grant program.

Microenterprise grantees shall submit a completed Final Report, on a form to be provided, once all the funds have been spent. Any remaining funds not used within 45 days of receiving the grant must be returned to GHCCF.

EQUIPMENT AND PROPERTY PURCHASES AND MANAGEMENT

Property and equipment can only be acquired with funds for a specific purpose that must be approved by GHCCF as contained in the approved Budget and Scope.

If Applicant owns the property acquired with funds, they must keep accurate records for it (e.g., purchase date, price, item number, location, physical description, maintenance history and condition, original and current use, and other inventory types of data). Microenterprise grantees have to control the use of the property (in accordance with its intended purpose) and take good care of it (that is, take adequate steps to prevent its damage, theft, or loss).

If Microenterprise grantees no longer need the property, it may be disposed of after permission is granted by GHCCF.

In the event that a Microenterprise business closes, fails, or ceases operations within three years of the grant award, all equipment must be returned to the GHCCF.

CONFLICT OF INTEREST

Officials, employees, or agents of the SPARK Program, the Greater Holyoke Chamber of Commerce, or the Greater Holyoke Chamber Centennial Foundation and their spouses and family members are eligible to participate in this program, however, they will be subject to Conflict of Interest Waiver requirements.

TIME LIMITS FOR USE OF GRANT AWARD

Grant recipient has 45 days to use grant funds from date of grant approval.

PROHIBITION AGAINST CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF PARTICIPANT

The qualifications and identification of the Applicant and the Applicant's business are of particular concern to the GHCCF. It is because of those qualifications and identity that GHCCF may make a grant award. Any change in ownership, management, and control during the grant award period shall be subject to the prior written approval of GHCCF. Grant awards are not transferable.

ADDITIONAL MATERIALS

To ensure project compliance with program and funding requirements, Applicants may be asked to provide additional materials during the application phase and post award.

CITY AND OTHER GOVERNMENTAL PERMITS

Microenterprise grantees are required to obtain and maintain in good standing, all required City and other governmental permits for the type of business that they are operating for the term of the grant award. **Failure to obtain required permits shall be grounds for immediate termination of the grant award.**

PUBLICITY

Microenterprise grantees are encouraged to publicize their use of Grant funds in their business advertising. Microenterprise grantees receiving grant funds may have their business name used by SPARK Program in the promotion of the program. Under no circumstances, will personal information be released to the public. If there are any special considerations concerning the public announcement of a grant award or if Microenterprise grantees wish to coordinate public announcements of the grant award, the GHCCF staff should be contacted.

EQUAL OPPORTUNITY COMPLIANCE

This program will be implemented in ways consistent with the Grantee's commitment to state and federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with GHCCF Mass Development Startup and Buildout Grant program funds on the basis of his or her religion or religious affiliation, age (must be able to enter into a contract), race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, ethnicity, or other arbitrary cause.

PROGRAM PARTICIPANT / APPLICANT CONFIDENTIALITY

All personal and business financial information will be kept confidential. Program participant files with personal and business confidential information will be kept in locked secured storage units by the Chamber and the City.

EXCEPTIONS / SPECIAL CIRCUMSTANCES

Exceptions are defined as any action, which would depart from policy and procedures stated in these adopted guidelines. Exceptions for Special Circumstances may be made on a case by case basis with approval from the Grant Advisory Panel and the Chamber President.

TERMINATION OF GRANT AWARD

The GHCCF may terminate a grant award by written notice to the Microenterprise grantee in the following instances:

- (1). If the Microenterprise grantee is found to be in default under this Agreement.
- (2). If the timely completion of such work is rendered illegal, unfeasible, or impossible due to circumstances beyond the control of the Microenterprise grantee.
- (3). If GHCCF determines that the objectives of the Scope of Services are not being achieved.
- (4). If GHCCF does not receive appropriated funds for said program.

The grant award may be terminated by either party if circumstances beyond the control of the terminating party such as natural disasters, involuntary bankruptcy, or Acts of God, render completion impossible.

The grant award may be terminated for convenience, in whole or in part, by mutual agreement of the parties.

If the grant award is terminated prior to the completion of the Scope of Services, GHCCF may pay the Microenterprise grantee for reimbursable expenses incurred to the date of termination and any reasonable termination expenses, all of the foregoing to be determined by mutual agreement.

If grant award is terminated for default, GHCCF may withhold any funds due the Microenterprise grantee until the completion of the Project. These withheld funds may be used to offset expenses incurred in excess of the budget caused by the default of the Microenterprise grantee.

If mutual agreement as to termination expenses cannot be reached, the parties shall have recourse to the appropriate courts of the Commonwealth of Massachusetts, or such other means of arbitration as shall be mutually agreeable.

If during, or after completion of, this Agreement GHCCF disallows costs paid under this agreement because of a failure of the Microenterprise grantee to meet eligibility or requirements, the Applicant shall reimburse the GHCCF the amount of such disallowed costs.

CONTACT INFORMATION

Greater Holyoke Chamber Centennial Foundation

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Holyoke Innovation District & Mass Development Holyoke TDI district

Insiyah Mohammad Bergeron

Holyoke Innovation District Manager/Transformative Development Initiative Fellow

857-529-2254

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HOLD HARMLESS/INDEMNITY AGREEMENT

I/We, _____, Applicant for the GHCCF Starter Grant Program agree that I shall:

- Hold harmless the Greater Holyoke Chamber Centennial Foundation, the Greater Holyoke Chamber of Commerce, their officers and employees, and representatives of the Grant Advisory Panel, from any claims for damage to property or injury to persons which may arise from or be occasioned by any said activities carried on by me within the boundaries of the Pioneer Valley, and
- Indemnify the Greater Holyoke Chamber Centennial Foundation, the Greater Holyoke Chamber of Commerce, their officers and employees, and representatives of the Grant Advisory Panel, against any claim, loss, judgment or action, of any nature whatsoever, including reasonable attorney fees, that may arise from or be occasioned by said activities carried on by me within the boundaries of the Pioneer Valley.

I realize that the consideration for this release is the granting of Funds from the GHCCF Starter Grant Program to me by the Greater Holyoke Chamber Centennial Foundation with funding provided by the GHCCF Program for Community Development and I realize and agree that this Hold Harmless/Indemnity Agreement shall take effect whenever I begin to conduct the type of activities for which has been applied for or when the funds and any related plans are approved, whichever is earlier. I also understand and agree that this agreement shall apply to any activities which I carry on which are done in violation of terms of the Guidelines and Policies of the GHCCF Starter Grant Program.

Date: _____

Signature: _____

Name Printed: _____

Holyoke's TDI District

