

What is the overall timeline?

Anticipated Timeline

Week of 6/29	Week of 7/6	Week of 7/13	Week of July 27	Week of August 3	September	December 31, 2020
<ul style="list-style-type: none">• Governor signs SB 690• Continued development of Statewide Application and Business Selection Process - First draft anticipated by 7/2/2020	<ul style="list-style-type: none">• MSF Special Meeting (Anticipated dates 7/7 or 7/8)• Announcement of Program - finalize public FAQ document• Finalize Business Application and Business Selection after EDO Input• Online Application system buildout	<ul style="list-style-type: none">• EDO Grant agreements executed & disbursement requests made• Release Online Application (7/15)	<ul style="list-style-type: none">• All Applications will be due by 5pm (7/29)• Application submissions will be sorted by county and distributed to appropriate EDO.	<ul style="list-style-type: none">• EDOs will begin selection process; with final EDO section due 8/30• Monthly reports will commence upon initial business selection	<ul style="list-style-type: none">• Announcement of selected businesses - no later than September 30th.	<ul style="list-style-type: none">• Final compliance reporting due to the MEDC

Business Eligibility

Who is eligible to apply?

Businesses and nonprofits with 50 or fewer employees located in the geographic coverage area who have ***NOT*** received a grant under the Michigan Small Business Relief Program that can demonstrate the following:

- Is an industry or nonprofit that can demonstrate it as affected by the COVID-19 emergency
- Needs working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses outlined below (**Eligible Expenses**)
- Demonstrates an income loss as result of the COVID-19 emergency as determined by MSF

Note: Only recipients of Michigan Small Business Relief Program Grants are ineligible. Recipients of Michigan Small Business Relief Program Loans, Match on Main, MI Local Biz, PMBC Grants, and any other federal assistance are eligible.

How much can businesses apply for?

Businesses may apply for grants of up to \$20,000.

What can grants be used for?

Grants must be used for expenditures (**Eligible Expenses**) incurred between March 1, 2020 and December 30, 2020 that meet the following criteria:

- Necessary expenditures incurred due to the public health emergency with respect to COVID-19 (such as resulting from employment or business interruptions due to COVID-19), and
- Working capital to support payroll expenses, rent, mortgage payments, utility expenses, costs related to reopening a business or nonprofit, or other use authorized under the CARES Act.

Examples of non-eligible expenditures include, but are not limited to:

- Damages covered by insurance.
- Payroll or benefit expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Expenses that have been or will be reimbursed under any other federal program.
- Reimbursement to donors for donated items or services.
- Workforce bonuses other than hazard pay or overtime.
- Severance pay.
- Legal settlements.

What is the definition of minority, woman or veteran owned businesses?

- **Minority-Owned** means that the Eligible Business is at least fifty-one percent (51%) directly and unconditionally owned and controlled by one or more, or any combination of, black Americans; Hispanic

Americans; native Americans (Alaska natives, native Hawaiians, or enrolled members of a federally or State recognized Indian tribe) and Asian pacific Americans in addition to meeting all other eligibility requirements.

- **Veteran-Owned** means that the Eligible Business is at least fifty-one percent (51%) directly and unconditionally owned and controlled by one or more veterans of any military branch of the United States in addition to meeting all other eligibility requirements
- **Women-Owned** means that the Eligible Business is at least fifty-one percent (51%) directly and unconditionally owned and controlled by one or more women in addition to meeting all other eligibility requirements.

Are the businesses able to self-certify they are minority, woman or veteran owned?

Yes

Is it 50 or fewer total employees or is it 50 or fewer FTEs?

50 or fewer total employees.

Is it 50 employees as of submission of the application?

The businesses will have to certify 50 or fewer employees as of the date of the first Executive Order (March 16, 2020)

Are Michigan Small Business Relief Loan recipients eligible?

Yes. Based on the statute, only businesses that received MSBRP grant funding are ineligible to receive Small Business Restart grants.

Why are Michigan Small Business Relief Program grant recipients ineligible for these grants? And is there an opportunity to amend that?

This is a statutory requirement of the program that was determined by the Michigan legislature. The MEDC is charged with executing this program, in partnership with the 15 designated local EDOs, in full compliance with those statutory requirements. While the Restart Grants are modeled after the Michigan Small Business Relief Program, this is a separate and distinct program initiated by the legislature, with its own set of eligibility criteria and priorities. Changes to any eligibility criteria to the Restart Grants would have to be made through the legislative process.

What types of nonprofits are eligible?

All nonprofits are eligible provided they meet other eligibility requirements set forth above

Can the Local EDO restrict types of Nonprofits?

No additional eligibility requirements, beyond what is required in statute, will be considered by the state as part of the application for the administration of the grants. Each local EDO can set criteria – including business type – to score each eligible applicant and determine support.

Can nonprofits count toward the 30% minority, woman or veteran owned requirement?

No, per statute only minority-owned, woman-owned, or veteran-owned *businesses* count toward the 30%.

Will businesses that have been established less than a year be eligible?

Yes, if the business can demonstrate it meets the eligibility requirements set forth above.

Application – Selection Process:

Where do businesses apply for grants?

There will be a single, statewide application housed on MEDC’s website. Additionally, each of the 15 EDOs will be provided a link to our website application to include on their website.

How long will businesses have to apply for grants?

Businesses will be able to apply during a predetermined, two-week application window.

Will the Local EDO be able to ask specific questions on the application to determine local priority?

No, we will be using one standardized application. We are evaluating feedback received from each local EDO to determine similarities that we can incorporate into the standardized, statewide application.

What are the overall “vetting” expectations for EDO’s in order to limit liability? Ex: Checking financials, validating applicants reporting of # of years in business, confirmation of tax payment compliance, etc.

No additional vetting requirements beyond the businesses’ certification in the application will be required.

What financials will be required? Balance sheets? Income statements?

Financial documentation will not be required to determine eligibility under the program.

What does “business certification” for the release of funds entail from MEDC’s perspective?

The application will include a business self-certification that will be required as part of the agreement.

How will the Local EDO be notified about which businesses applied for funding in Geographic Area?

The MEDC will distribute the Business Applications received to the appropriate Local EDO immediately after the application window closes for review and approval.

Who is responsible for selecting the businesses to receive funding?

The local grant award selection process is completely determined by the local EDO. The MEDC has provided an optional foundational Base Scoring System that local entities can use to prioritize which businesses will be receive awards.

The Base Scoring System is *OPTIONAL*

How long will the Local EDO have to make review and make awards under the program?

The Local EDO will be required to make final selections and disburse funds by September 30, 2020. Any unused funds under the program will be returned to the fund for redistribution. In order to meet the disbursement and announcement timing, business selections will need to be finalized by August 31, 2020.

Does the requirement of a minimum of 30% of funding to minority, women, and veteran owned businesses apply to the \$100 million amount, or to each EDO’s allocation?

The 30% requirement applies to the \$100M – in order to ensure that requirement is met, each EDO will be required to award 30% of its allocation to minority, women or veteran owned businesses.

What if the Local EDO is not able to satisfy the 30% minority, woman or veteran owned requirement?

The Local EDO will need to finalize business selection meeting the 30% requirements. If the Local EDO is not able to meet the requirement with their full allocation amount, the remaining funds will need to be returned to the MEDC for redistribution of funds.

Who is legally liable if the business falsifies information; is it the EDO?

The business is legally liable for its misrepresentations.

What are the reporting requirements?

Monthly reports will be required until all funds have been disbursed. A Progress Report as required by the MSF Act, will be required and due October 10th.

Awardees Announced

Will grant awards be made public?

Per the statute, all criteria, as well as application process, program guidelines, reporting forms and the application itself will be available on michiganbusiness.org. Additionally, each month a report must be provided to the legislature that includes a listing of grants awarded in the previous month and the name of the recipient of each grant provided under the program.

As with MSBRP and to ensure transparency, the MEDC also recommends that all EDOs publicly share the names, locations and number of employees positively impacted by these grants.

The MEDC will issue a press release(s) to announce grant awardees and overall impact of the grants, which would include number of grants issued by EDO, as well as jobs retained. A full list of recipients will be posted on michiganbusiness.org.

What is the timeline for announcement of awardees?

The MEDC will announce the Business Awards no later than September 30, 2020.