



Biz-M-Power Grant Program

****Updated 7/9/21****

PROGRAM OVERVIEW:

This program is focused on assisting low-income and moderate-income entrepreneurs with their acquisition, expansion, improvement or lease of a facility, purchase or lease of equipment, or with meeting other capital needs of a business through crowdfunding. Crowdfunding is defined as a business, organization, or individual funding a project or venture with donations from many people. “Crowd matching,” at its simplest, is the practice of combining funding from an institution, such as a grant from a local authority (in this case, MGCC), with money raised from individual donors on a crowdfunding platform (in this case, Patronicity) to get a project funded. By receiving the necessary boost to cash flow, these ventures can get off the ground or launch new projects. Most of these campaigns happen via internet platforms, have set time frames for when money can be raised, and disclose specific monetary goals. Through a total of \$7,500,000 in funds appropriated by the Commonwealth’s Operating Budget for Fiscal Year 2021 (FY21), matching grants of up to \$20,000 are available to enable this opportunity. Preference shall be given to low to moderate (LMI) brick-and-mortar small businesses owned by women, minorities, immigrants, non-native English speakers, U.S. military veterans, disabled individuals, members of the LGBTQ+ community, and businesses operating in Massachusetts Gateway Cities.

The program will be administered by Massachusetts Growth Capital Corporation (MGCC). Small Business Technical Assistance (SBTA) providers are key to implementing the program. SBTA providers nominate eligible businesses and help them apply to the Biz-M-Power Grant. If approved, MGCC then provides access to program next steps and the Patronicity crowdfunding platform, and ultimately awards a grant to the business if the crowdfunding campaign is successful.

The objective of Biz-M-Power is to provide entrepreneurs with new knowledge and skills for growing their business and advancing toward innovative approaches to obtaining capital through the earned support of local residents, neighborhoods, community members, and stakeholders alike.

Biz-M-Power has two phases for empowering Massachusetts small business owners and entrepreneurs for economic success. The goal is to promote the economic success of Massachusetts small business owners through support for raising capital/equity for businesses applying for the Biz-M-Power Grant. The first stage will be to apply to the program, which requires a partnership with an organization from MGCC's network of Small Business Technical Assistance (SBTA) Providers, who will serve as a sponsor to the applicants. The second stage, pending MGCC application approval and Patronicity's approval, will be to utilize Patronicity's crowdfunding platform to leverage community support and raise funds to match the amount requested in their grant application.

TIMELINE:

- **Grant Program Opens** - Date TBD. Nominations by SBTA Providers
- **Grant Applications Accepted** - This will be a rolling application. This will be a rolling application. Applications will be reviewed by MGCC a monthly basis. Applicants can expect to hear back within six weeks of the completed submission of their grant application, including all necessary supplementary documents and information.
 - [First MGCC Review Deadline August 2, 2021](#)
 - [Next Review Deadline TBA](#)
- **Patronicity Review** - If approved by MGCC, application will move forward to be reviewed by Patronicity on a rolling basis
- **Crowdfunding Campaign** - If application gains approval of MGCC and Patronicity, businesses will have 30 to 60 days to run their fundraising campaign
- **Reporting Requirements** – After the first six months, report quarterly on number of campaign approvals and successful matching funds.

APPLICANT ELIGIBILITY:

Biz-M-Power is open to participants who meet the following requirements.

Must be an **entrepreneur** or **small business** that:

- **Is** based in Massachusetts with a brick-and-mortar (physical) establishment operating within Massachusetts
- **Is NOT** a home – based business
- **Is** employing 1-20 FTE employees, including 1 or more of whom owns the business
- **Is** the business owners' primary source of income
- **Has** an annual revenue not exceeding \$2,500,000
- **Has been** nominated by a Technical Assistance Provider through MGCC's Small Business Technical Assistance Program
- **Has been** legally established/in the early-stages of business operations for at least 3 months
- **Is NOT** owned by someone employed by the sponsoring SBTA
- **Is NOT** a nonprofit, not-for-profit, or charitable organization
- **Is NOT** a franchise with more than 2 locations, including those individually owned-and-operated (Franchises with up to 2 locations will be considered)
- **Is NOT** a real estate rental/sales business
- **Is NOT** a lobbyist
- **Is NOT** a cannabis related business

Owned by:

An individual of 18 years or older at the time of application

A United States citizen or permanent resident

ATTENTION MULTI-BUSINESS OWNERS: When applying, be aware MGCC reserves the right to limit grant funding for one business per owner.

SMALL BUSINESS TECHNICAL ASSISTANCE PROVIDER (SPONSOR):

Prospective applicants need to directly partner with an organization from MGCC's network of Small Business Technical Assistance (SBTA) providers first who will then serve as a sponsor to eligible small businesses.

Partnership with a SBTA Provider as a sponsor will help to maximize the potential positive impact of this grant. Our SBTA Providers' understanding of the landscape of small businesses in Massachusetts, familiarity with small businesses' areas of greatest needs, and extensive network of collaborators helps to optimize this effort.

The SBTA Sponsor will support the applicant in the following ways:

- Assist the applicant to complete the grant application by:
 - Educating the applicant about the overview of crowdfunding,
 - Navigate the application process,
 - Supporting approved grantees with follow up reporting requirements at the end of program,
 - Facilitating communication with all parties involved (MGCC & Patronicity)

APPLICATION SUBMISSION INSTRUCTIONS:

Businesses must work with their SBTA provider and be nominated by that sponsor to apply to MGCC for the Biz-M-Power program. It is incumbent upon the business to identify and initiate a relationship with this SBTA provider if applicant does not already have one. Our list of potential SBTA Sponsors can be found on our website <https://www.empoweringsmallbusiness.org/fy2021-awardees>

Once a business has secured an SBTA Sponsor, the entrepreneur may fill out an online application to MGCC's Biz-M-Power program with their sponsor. The application must be filled out and submitted along with attachments as stated in "Required Documentation" electronically through MGCC's online application portal, Submittable. Hard copies or electronic copies submitted in any other way, such as mailed in or emailed, will not be considered. Additionally, only complete, accurate and legible applications will be considered.

Applicant must submit the following to MGCC for approval:

- **Completed application (via Submittable)** answering all the questions and providing information regarding the business status, projected allocation of approved funds, project costs, and projected outcome(s)
- **Supporting financial statements**

- A complete copy (all schedules) of your filed **2019 (or 2020 if available) Federal Business Tax Return** as submitted to the IRS. If you file Schedule C income, please upload that document in place of a Business Tax Return
- A complete copy (all schedules) of your filed **2019 or 2020 Federal Personal Tax Returns** as submitted to the IRS for each business owner with 20% or greater ownership
- Completed and signed **IRS W-9 Form** for your business
- **Other supporting documentation**
 - Copy of **business lease statement, tenant at will agreement, or mortgage statement** for verification of brick-and-mortar, public-facing physical business location
 - If your business is a LLC, Partnership or Corporation: A copy of your **Certificate of Good Standing** from the Massachusetts Secretary of State's office
 - If your business is a Sole Proprietorship: A copy of your **Business Certificate (DBA)** from your city/town
 - Projected allocation of approved funds
 - If approved for crowdfunding contract with Patronicity, MGCC and Small Business Owner for Crowdfunding Platform

TERMS:

- Funds must be used for acquisition, expansion, improvement or lease of a facility, purchase or lease of equipment, or with meeting other capital needs of the business
- Final approval by MGCC of the proposal of allocation of funds
- Applicant will submit only one application during the given fiscal year
- Applicant, with the assistance of their SBTA Sponsor, also agrees to complete reporting requirements after the first six months and then on a quarterly basis thereafter
- If a person owns multiple businesses and submits an application for each business, MGCC reserves the right to limit grant to one business per owner
- MGCC will match up to \$20,000 less a \$250 fee per project per client
 - Above referenced \$250 fee will be paid to the SBTA Sponsor
 - SBTA Sponsor may choose to waive \$250 fee

AMOUNT OF FUNDING:

- Businesses can receive minimum of \$2,500 and a maximum of \$20,000
- Dependent upon application acceptance, business must obtain a one-to-one match through the crowdfunding platform in order to receive grant award

- Upon application approval, the small business applicant must be able to hit target fundraising goal to receive one-to-one matching grant award
- If you are unable to hit target fundraising goal through crowdsourcing by the [deadline], MGCC will not be able to award any matching grant funds
 - E.G., If you commit to fundraising \$10,000 on your application by the [deadline], but are only able to raise \$7,000 by the [deadline], MGCC will not offer the one-to-one matching
 - E.G., If you commit to fundraising \$10,000 on your application by the [deadline] and are able to raise \$10,000 by the [deadline], MGCC will provide the one-to-one matching grant award for \$10,000 - bringing the total amount received by the small business to \$20,000.
- For grant funded applicants, SBTA Sponsors will receive \$250 out of total grant match
 - E.G. Applicants grant match is \$5,000 less a \$250 fee per business owner
 - Above reference \$250 fee will be paid to the SBTA sponsor
 - SBTA Sponsor may choose to waive \$250 fee

APPROVED USE OF FUNDS:

Acquire, expand, improve or lease a facility; or

Purchase or lease equipment; or

Meet other capital needs of a business

NON-APPROVED USE OF FUNDS:

Funds CANNOT be used for ongoing business operations such as payroll, benefits, buying of inventory, and general working capital.

REQUIRED DOCUMENTATION:

- A complete copy (all schedules) of your filed **2019 (or 2020 if available) Federal Business Tax Return** as submitted to the IRS. If you file Schedule C income, please upload that document in place of a Business Tax Return
- A complete copy (all schedules) of your filed **2019 or 2020 Federal Personal Tax Returns** as submitted to the IRS for each business owner with 20% or greater ownership
- Completed and signed **IRS W-9 Form** for your business

- Copy of **business lease statement, tenant at will agreement, or mortgage statement** for verification of brick-and-mortar, public-facing physical business location
- A copy of the **business owner's valid photo identification (ID)**. This ID must match the business owner who is an authorized signer that signs this application. Please submit a photocopy of the front and back of the ID. Examples include (submit one): State-issued driver's license/ID card, U.S. Passport book or card, other valid, state or federal issued photo ID
- If your business is a LLC, Partnership or Corporation: A copy of your **Certificate of Good Standing from the Massachusetts Secretary of State's office**. If you need to request a Certificate of Good Standing, click here: <https://corp.sec.state.ma.us/CorpWeb/Certificates/CertificateOrderForm.aspx>. Note: If you do not have a Certificate of Good Standing prior to submission of your application, it will be required prior to funding. Note: All entities organized in other states that operate in Massachusetts must be registered and in good standing in Massachusetts. Note: A Certificate of Good Standing from the Massachusetts Department of Revenue is not required and will not be accepted as a substitute of the Massachusetts Secretary of State's Certificate of Good Standing.
- If your business is a Sole Proprietorship: A copy of your **Business Certificate (DBA)** from your city/town

AWARD PROCESS:

Massachusetts Growth Capital Corporation (MGCC) will review all applications to determine eligibility. MGCC will select grantees based upon eligibility criteria and preference prioritization.

COMPLIANCE WITH FEDERAL FUNDS, LAWS AND REGULATIONS:

Applicants must comply with all applicable laws.

TECHNICAL SUPPORT ON SUBMITTABLE:

Visit the Help Center: <https://www.submittable.com/help/submitter/>

OTHER QUESTIONS: CONTACT MGCC

Email: bizmpower@massgcc.com

Please use the subject line "Biz-M-Power Grant Program"

LANGUAGE TRANSLATION: Program overview information will be available in multiple languages. (Application remains in English.)