



## IS YOUR BUSINESS ELIGIBLE FOR A MASSACHUSETTS SMALL BUSINESS GRANT?

Last week, Governor Charlie Baker announced a new grant program administered through Massachusetts Growth Capital Corporation ("MGCC") to boost small businesses in Massachusetts. If you operate a small business which has suffered adverse effects from the COVID-19 pandemic, you may be eligible for this new grant program. The application period is currently open and runs until **November 12th at noon**. Act quickly, as time is of the essence.

The funds are not available to the following businesses:

- Real estate sales/rentals
- Business owner(s) under 18 years of age
- Chains
- Liquor stores
- Cannabis-related enterprises
- Dealers in weapons/firearms
- Lobbyists

To be eligible, your business must:

- Have a physical location in Massachusetts
- Be a for-profit entity
- Be able to document loss of income which is equal to or greater than the amount of requested assistance
- Operating currently or, if not, intending to re-open
- Have been established before 6/30/19
- Be in "good standing" with the Commonwealth and city or town in which the business operates, which means:
  - Current on all taxes due through 3/1/20
  - Applicable state licenses or registration are active and valid
  - Not a party to litigation involving the Commonwealth or the municipality in which the business operates

### To Which Small Business Are The Grant Funds Available?

There are two small business grant programs:

1. For small businesses with five or fewer employees which supply goods or services to multiple clients or customers. The business is owned by one or more of the employees. The owner(s) must qualify under the Low-Moderate Income Limited Clientele national objective criteria and must earn less than 80% of the Area Median Income based on family size.
2. For small businesses with fifty or fewer full-time equivalent employees (one or more of whom owns the business).

MGCC has indicated that preference for funding will be given to businesses owned by women, minorities, veterans, members of other underrepresented groups, those focused on serving Massachusetts' Gateway Cities,<sup>1</sup> and those most negatively impacted by the pandemic, as well as applicants of the greatest need that have not been able to receive aid from other COVID-19-related federal programs. It is not entirely clear how these preferences will be used or weighted by MGCC if the requests for grant funds exceeds the available amounts. It is also not clear what "focused on serving" means, however MGCC appears to have interpreted this language for a small COVID grant program launched earlier this year to mean the business is "registered" in a Gateway City.<sup>2</sup>

### **What Are The Grant Amounts And For What Purposes May The Funds Be Used?**

1. Businesses with five or fewer employees may apply for up to \$25,000 which may be used to cover business costs, including staff, rent, utilities, technical assistance, general support and business stabilization, and PPE equipment.
2. Businesses with fifty or fewer employees are eligible for up to \$75,000 to cover business expenses incurred since March 10, 2020 but cannot exceed three months of actual operating expenses as evidenced by the business's 2019 federal tax returns. Funds may be used for employee payroll and costs of benefits, mortgage interest, rent, utilities and interest of other debt obligations.

These grant funds cannot be used for the purchase of major equipment or real estate, construction activities, business expansion or lobbying.

### **My Business Received Covid-Related Aid (PPP Loan/EIDL Grant/Local Grant). How Does That Impact Using These Funds?**

According to MGCC guidance, these funds cannot be used to pay any expenses if the same expense has been paid by another source of financial aid. While MGCC has not yet clarified what this means, it would seem that if your business received a PPP loan and sought forgiveness of that loan for payroll and rent expenses for specific weeks of 2020, then your business could not use the grant funds for these expenses. However, your business should be able to use the grant funds for payroll and rent expenses for other weeks of 2020.

### **What Documents Must Accompany The Application?**

Applications must include:

- A copy of the completely filed 2019 Federal Business Tax Return, including required schedules;
- If applicable, a copy of the license to operate, business license or professional certification;
- A copy of the completed and signed IRS W-9 form;
- If the business is an LLC, partnership or corporation, a copy of a Certificate of Good Standing from the Commonwealth's Secretary of State (If the business operates in Massachusetts but is organized in another state, it must be registered and in good standing in Massachusetts); and
- If the business is a sole proprietorship, a copy of the Business Certificate (DBA), obtained from the city or town where the business operates.

In addition, those businesses with fifty or fewer employees must include:

- A copy of completely filed 2019 Federal Personal Tax Returns, including required schedules, for all persons with 20% or greater ownership in the business.

Those businesses with five or fewer employees must also include:

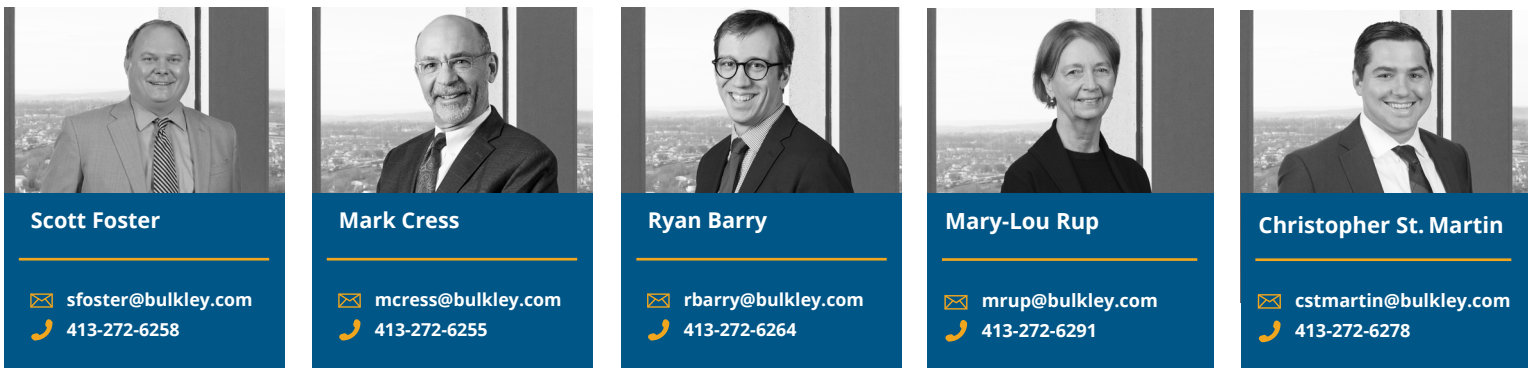
- The business Data Universal Numbering System, or DUNS number;
- Copies of completely filed 2019 Federal Personal Tax Returns, including all required schedules, for each owner of the business;
- A copy of the business lease or mortgage bill;
- Copies of invoices for expenses which you intend to pay with the grant funds;
- For future expenses, describe the expense in detail (a few sentences); and
- While not required with the grant application, applicants may later receive a request for 2020 income verification supporting documentation (such as quarterly tax statements, income statements, cash flow statements, sales and accounts receivable reports), and you have the option of submitting this documentation with your application.

### How And Where To Apply For The Grant Funds

**Applications, with required documentation attached, MUST be submitted electronically through MGCC's online application portal, "Submittable." Direct links are provided below. All applications must be complete, accurate and legible.**

- To apply for Small Business Grants for 5 or Fewer Employees, [click here](#)
- To apply for Small Business Grants for 50 or Fewer Employees, [click here](#)

**Caution:** If you submit your application in any other way, it will not be considered. Therefore, do not mail hard copies or email electronic copies.



<sup>1</sup>The Legislature has designated 26 "Gateway Cities:" Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield and Worcester. Springfield's Mayor Dominic Sarno has advised City small business owners needing assistance to contact the City of Springfield Office of Planning and Economic Development for guidance at [413-787-6020](tel:413-787-6020).

<sup>2</sup><https://www.mass.gov/doc/empowerment-grant-for-small-businesses-program-summary/download>

<sup>3</sup>Certificates of Good Standing can be obtained at:

<https://corp.sec.state.ma.us/CorpWeb/Certificates/CertificateOrderForm.aspx>.

<sup>4</sup>No DUNS Number? If you specify that you are applying for a government grant, you can request a DUNS Number on an expedited basis (24 hour turn-around time), free of charge at [www.dnb.com/govtduns](http://www.dnb.com/govtduns). Choose "Federal Government Contractors or Grantees DUNS Number Support."

<sup>5</sup>If you receive the grant award, you will submit proof of payment of the expense within 45 days of the award.