

FAQs for Michigan Small Business Restart Program

MEDC COVID-19 RESPONSE

Michigan Small Business Restart Program

The \$100 million Michigan Small business Restart Program leverages federal funding through the CARES Act to help reduce the economic impact of the ongoing pandemic on Michigan small businesses and workers. The \$100 million will be administered by 15 local economic development organizations to support small businesses in all Michigan counties, with a minimum 30% of funding required to be awarded to eligible women-owned, minority-owned or veteran-owned businesses. Each organization will receive a base amount of \$3.5 million for grants to small businesses within their areas, with the remaining funding being allocated based on the same model used for the Michigan Small Business Relief Program.

What is the timeline for applying and receiving these grants?

The online application will be available beginning July 15, 2020 and the application period will close August 5, 2020. Awardees will be announced no later than September 30, 2020. Applications will be available at www.michiganbusiness.org/restart.

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 eligible expenditures 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.

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 or African Americans; Hispanic Americans; Native Americans (Alaska natives, native Hawaiians, or enrolled members of a federally or State recognized Indian tribe); Asian Americans; Arab or Middle Eastern Americans.
- **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.

Do businesses have to be certified as minority-owned, veteran-owned or woman-owned to qualify?

For purposes of the Restart grants, businesses are able to self-certify as a minority-owned, veteran-owned and woman-owned business.

Who is eligible to apply?

Businesses and nonprofits with 50 or fewer total employees – not FTEs – 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 a business or nonprofit that can demonstrate it is affected by the COVID-19 emergency



- Needs working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar 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 Retooling Grants, Tech Startup Stabilization Fund as well as other federal assistance are eligible.

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.

Are all nonprofits eligible to apply?

All nonprofits are eligible provided they meet all program eligibility requirements. Decisions on what businesses and nonprofits will receive grants will be made by the EDOs based on priorities and needs in their region, consistent with requirements in both the CARES Act and program guidelines.

Who is responsible for selecting the businesses to receive funding?

The local grant award selection process is completely determined by the local EDO. The 15 local EDOs participating in the program include:

1. InvestUP – \$4,545,455
2. Networks Northwest – \$4,545,455
3. Otsego County Economic Alliance – \$3,500,000
4. Target Alpena – \$3,500,000
5. The Right Place – \$9,545,455

6. Lakeshore Advantage – \$3,500,000
7. Middle Michigan Development Corporation – \$3,500,000
8. Saginaw Future – \$3,545,455
9. Flint & Genesee Chamber – \$8,045,455
10. Lansing Economic Area Partnership – \$5,545,455
11. Southwest Michigan First – \$7,545,455
12. Ann Arbor Spark – \$8,545,455
13. Oakland County – \$11,045,455
14. Macomb County – \$7,545,455
15. Detroit Economic Growth Corporation – \$15,545,450

How was the funding allocation formula determined for each EDO?

The \$100 million in funding is being distributed amongst the 15 EDOs using the same formula as was used for the Michigan Small Business Relief Program with adjustments made to meet statutory requirements that each EDO receive a minimum of \$3.5 million. Factors taking into consideration include:

- Number of counties served by EDO
- Total population
- Estimated small businesses impacted by COVID-19
- Percentage of small businesses located in a geographically disadvantaged area

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.

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 and local EDOs will announce the awardees no later than September 30, 2020.

