

Michigan Small Business Restart Program Guidelines

PURPOSE

In response to the economic impact of the COVID-19, the State of Michigan has allocated \$100 million of CARES Act funding to implement the Michigan Small Business Restart Program (“Program”) to support the needs of Michigan Businesses directly impacted by COVID-19. The Program is a separate and distinct Program, which is modeled after and references the Michigan Small Business Relief Program that was established by the Michigan Strategic Fund (“MSF”) Board on March 19, 2020. Due to the dire impacts of COVID-19 imposed on small businesses the funds were exhausted quickly. In an effort to continue to support small businesses, the Program will provide funding to Local Economic Development Organizations (“EDOs”) to provide grants to eligible small businesses that have been negatively impacted by COVID-19 and need working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses.

GRANT PROGRAM OVERVIEW

The MSF will create and operate the Program to provide grants to eligible small businesses. The MSF, in consultation with the 15 local and nonprofit EDOs that participated in the Michigan Small Business Relief Program, shall provide grants to eligible businesses and nonprofits that have realized a significant financial hardship due to the COVID-19 emergency. A minimum of 30 percent of the funds awarded under the Program shall be provided to women-owned, minority-owned and veteran-owned eligible businesses.

Funding under the program will be allocated to each of the 15 Local EDOs, or their designees, that participated in Michigan Small Business Relief Program. A base amount of \$3.5 million must be awarded to each of the Local EDOs, or their designee. The remaining funds will be distributed to the Local EDOs up to an aggregate amount of \$100 million. Up to five percent of the total award to each Local EDO, or its designee, may be retained for administrative costs involved in the direct administration of the grants.

The Local EDO, or its designee, will be responsible for accepting, reviewing and approving applications. Any funds not awarded by September 30, 2020 must be returned to the MSF. The MSF must redistribute funds in a manner acceptable to the MSF.

Grant Criteria

Local EDOs may use the grant proceeds to provide grants up to \$20,000 to be used for working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses to support the following small businesses and nonprofits.

In order to be eligible for funding under the program small businesses (“**Eligible Business**”) and nonprofits (“**Eligible Nonprofits**”) must meet the following criteria.

- **Eligible Business** means a for profit or non-profit company that meets all the following requirements:
 - has 50 employees or less;
 - is in an industry that has demonstrated that it is affected by the COVID-19 emergency;
 - has demonstrated that it has incurred income loss as a result of the COVID-19 emergency;
 - has demonstrated that it needs working capital for Eligible Expenses;
 - has not received or been approved to receive a grant under the Michigan Small Business Relief Program created by the MSF on March 19, 2020.

- Grants must be used for expenditures incurred by the Eligible Business and meet the following criteria (“**Eligible Expenses**”):
 - made between March 1, 2020 and December 30, 2020 that meet the following criteria:
 - are for 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)
 - must be incurred during the period that begins March 1, 2020 through December 30, 2020
 - used for its working capital to support payroll expenses, rent, mortgage payments, utility expenses, or costs related to reopening the Eligible Business or Eligible Nonprofit

All MSF support shall be memorialized by final written grant agreements, with terms and conditions in accordance with state law, these guidelines and otherwise satisfactory to the MSF, including, without limitation, requiring performance-based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF and the Michigan legislature, including periodic reporting after completion of a project.

The Michigan Economic Development Corporation (“MEDC”) provides administrative services for the MSF for the Program.