



# MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

## SBSH 2.0 FAQ's

### Overview

The Small Business Support Hubs Program will deploy \$11.3 million in state-appropriated funding, administered by the Michigan Economic Development Corporation (“MEDC”) on behalf of the Michigan Strategic Fund (“MSF”), to support small businesses and advance local economic and community development across the state of Michigan.

The Michigan Strategic Fund (MSF) is seeking applications from organizations that identify as entrepreneurial hubs to deliver these services.

In this second round of funding, the SBSH program has been refined to strengthen regional alignment and improve access to high-quality, effective services for entrepreneurs. This includes implementation of a coordinated, regionally based **hub-and-spoke model**, as well as an increased emphasis on driving meaningful business outcomes—particularly for early-stage and growth-oriented companies.

### Objectives

- Strengthen and establish locally relevant, regionally based ecosystems to cultivate a more inclusive, accessible and effective entrepreneurial ecosystem
- Advance technology adoption and optimization
- Ensure statewide access to services across all Michigan Prosperity Regions
- Expand the geographic reach and access to business assistance for entrepreneurs in underserved, rural and underrepresented areas
- Support measurable business outcomes, including sustainability, growth, and job creation
- Raise the national profile of Michigan’s small business ecosystem

### Important Information

1. Small Business Support Hubs will deploy \$11.3 million in state appropriated funding, administered by the Michigan Economic Development Corporation (“MEDC”) on behalf of the Michigan Strategic Fund (“MSF”). Small Business Support Hubs selected to participate with this program will need to adhere to state mandated expenditure deadlines, quarterly compliance and reporting requirements, and any other requirements deemed necessary by the MEDC.

2. The MEDC anticipates that awardees will be selected by July 31, 2026. Disbursement of funds awarded to Hubs will begin October 1, 2026. All work must be completed by 12/31/27.

## **Frequently Asked Questions**

### **Eligibility**

Q: What types of organizations are eligible to apply for SBSH 2.0?

A: Eligible applicants must be nonprofit organizations headquartered in Michigan that identify as a Business Service Organization (BSO) or Entrepreneurial Service Organization (ESO) and can demonstrate experience supporting small businesses or entrepreneurs. Additional eligibility requirements are outlined in the program guidelines.

Q: Can a tribal entity apply for SBSH 2.0 funding?

A: Yes. Tribal entities may be considered eligible if they meet the program's definition of an entrepreneurial hub and satisfy all other eligibility requirements outlined in the application.

Q: Can a center for entrepreneurship of a university apply for this grant?

A: Yes.

Q: Can a 501(c)6 apply for funding?

A: All nonprofit organizations are eligible to apply

### **Application Structure**

Q: What is the difference between a Regional Applicant and a Statewide Applicant?

A: Regional Applicants are expected to serve a defined Michigan Prosperity Region and implement a hub-and-spoke model within that region. Statewide Applicants are expected to provide specialized services across multiple regions and coordinate with regional hubs to avoid duplication of services.

Q: Are letters of collaboration required as part of the application?

A: Letters of collaboration are optional at the time of application but are encouraged to demonstrate strong regional partnerships. Selected applicants will be required to formalize partnerships through agreements during contract implementation.

## **Program Design & Service Delivery**

Q: What types of services are applicants expected to provide?

A: Applicants are expected to deliver a range of services that may include training, one-on-one advising, mentorship, cohort-based programs, and other activities that support businesses at various stages of growth.

Q: Is there an expectation to incorporate technology or artificial intelligence into programming?

A: Yes. Applicants are encouraged to demonstrate how technology, including artificial intelligence, will be integrated into programming or operations to support business growth and improve service delivery.

## **Funding & Budget**

Q: What are the main categories of eligible costs under SBSH 2.0?

A: Eligible costs fall into three primary categories: Administrative Expenses, Programming & Services, and Direct Business Assistance Awards. Applicants should refer to the program guidelines for detailed definitions and requirements.

Q: Is there a limit on administrative expenses?

A: Yes. Administrative expenses may not exceed 15% of the total grant award.

Q: Are there restrictions on equipment purchases?

A: Yes. Equipment purchases of \$10,000 or more per unit, with a useful life of over one year, require prior written approval from the Contract Manager.

Q: To be considered for funding, does programming need to be in place?

A: Support Hubs can apply for funding to support new or existing programming.

## **Direct Business Assistance Awards**

Q: What is the maximum amount a business can receive through Direct Business Assistance Awards?

A: Direct Business Assistance Awards may not exceed \$10,000 per business in total, unless additional funding is approved on a case-by-case basis.

Q: Can businesses receive more than one direct award?

A: Yes. Businesses may receive more than one award, including from multiple hubs or spokes, provided the total cumulative funding does not exceed program limits and funds are not used for the same expense or activity.

Q: Do Direct Business Assistance Awards need to be reimbursement-based?

A: No. Direct Business Assistance Awards may be issued as advance payments, provided all program requirements and documentation standards are met.

### **Timeline & Implementation**

Q: When will SBSH 2.0 awards be announced?

A: MEDC anticipates that awardees will be selected by July 31, 2026.

Q: When will funding begin and when must work be completed?

A: Disbursement is expected to begin October 1, 2026, and all work must be completed by December 31, 2027.

### **Compliance & Reporting**

Q: What reporting requirements should applicants expect if awarded?

A: Awardees will be required to comply with State of Michigan grant requirements, including quarterly reporting, documentation of expenditures, and performance tracking against program metrics.

### **Strategy & Outcomes**

Q: How will applications be evaluated in terms of impact?

A: Applications should demonstrate how proposed activities will lead to measurable business outcomes as small businesses advance through key growth milestones such as revenue growth, job creation, access to capital, and technology adoption.