

Central UP Small Business Support Hub Direct Grant Guidelines

Grant Overview

The Central Upper Peninsula Small Business Support Hub (The Hub) was established by the Lake Superior Community Partnership (LSCP) and 6 (six) strategic partners via the Michigan Economic Development Corporation's (MEDC) Small Business Support Hubs Program (SBSH). The mission of The Hub is to connect small businesses within a seven-county area to the right resources at the right time to maximize their resiliency, sustainability, and growth potential.

\$426,315 of The Hub's SBSH funding is allocated to supply Direct Grants to The Hub's small business participants, provided the funding drives stabilization or increases revenue and fills a need that cannot otherwise be met through a Hub program or service.

Eligible Areas

To receive support and services from The Hub, a business must be in Alger, Baraga, Delta, Dickinson, Marquette, Menominee, or Schoolcraft County, be defined as a small business, and qualify as disproportionately impacted by COVID-19. Independently owned and operated businesses that have less than 500 employees AND are not dominant in their field of operation are considered small businesses. All seven counties in The Hub's coverage area are designated as Rural Michigan Counties that qualify as disproportionately impacted by COVID-19. Therefore, all small businesses within them, including start-ups and those recently established, also qualify as disproportionately impacted by COVID-19.

Direct Grant Timeline

| Direct Grant Traunch | Application Window | Available Funds | Available Funds by County | Notification Tentatively by |
|----------------------------|----------------------------------|--------------------|---------------------------------|-----------------------------------|
| 1 | 9/18/2024 -10/17/2024, 5:00 p.m. | \$105,000 | \$15,000 | 11/27/2024 |
| 2 | 1/17/2025 – 2/14/2025 | TBD | TBD | 3/31/2025 |
| 3 | 5/30/2025 - 6/27/2025 | TBD | TBD | 8/11/2025 |
| 4 | 10/10/2025 - 11/07/2025 | TBD | TBD | 12/22/2026 |

Eligible Applicants

To be eligible to apply for a Direct Grant, a business must:

- Meet SBSH Program eligibility guidelines; AND
- have participated in one of The Hub's events or services within the six months before the award

Non-profit organizations and businesses in the cannabis or casino gaming industries are **not eligible to receive support and services from The Hub.

Eligible Costs, Expenditures, Activities

- the purchase of equipment, inventory, software, and hardware up to \$4,999 per unit:
- to pay for highly specialized consulting services, or services The Hub cannot provide or contract for;
- payment of certification or licensing fees which must result in receipt of corresponding certification or license by 9/30/2026.
- any other Hub-approved cost (that is not an Ineligible Cost) related to supporting the business' operations or growth needs

Ineligible Costs, Expenditures, Activities

- general overhead: rent, lease payments, utilities, personnel costs (salary, wages, fringe benefits), professional membership dues, and renewals of certifications and licenses.
- general infrastructure projects
- building-based construction or renovation
- Costs reimbursed by the Michigan Strategic Fund (MSF), MEDC, or any other federal program
- projects contrary to efforts to stop COVID-19

**Each Eligible Small Business may only receive one Direct Grant.

**The grant must be Obligated by February 1, 2026.

Grant Criteria

- The maximum limit on grant fund requests for the first application window has been set at \$5,000. (Please submit your budget in whole dollar amounts and round to the nearest \$100.)
- A match is not required but is encouraged. For example, if requesting a \$5,000 grant for a \$10,000 project and supplying \$5,000 in earned revenue yourself, the earned revenue supplied would be a 50 percent match of the total project cost.
- Match can be cash or in-kind contributions or a combination thereof. The project costs, requested grant amount, and match amounts committed by the applicant and any other source must be identified in the Project Budget included in the application.
- Applicants must use the online application form, and all sections must be completed to be considered for a Direct Grant.

- Applicants must include a sufficiently detailed budget in the application. For a sample budget, please see the Appendix.
- This grant is a cost-reimbursement program. Grantees are responsible for costs until proper reports/invoices/receipts are received and reviewed. Grantees are required to show proof of payment.
- Grantees will be eligible to receive a single reimbursement to be disbursed following project completion and submission of the final report and all receipts.
- Each grantee must submit a written report and the appropriate financial documentation to The Hub for payment.
- All Grantees must be in and remain in compliance with applicable state and federal laws throughout the Grant Award period.
- Except for businesses established only under Sovereign Tribal Nation law, Grantees must be and remain in good standing with the State's Department of Licensing and Regulatory Affairs (LARA) throughout the Grant Award period.
- Grantees must be current on State and Federal tax obligations or be on a repayment plan with the Treasury or IRS
- The grantee is responsible for keeping detailed records to document compliance with grant requirements and for submission of supporting documents with all requests to be reimbursed for such cost(s).

Project Criteria and Review

In addition to meeting the grant guidelines, projects will be scored on a 100-point scale based on a demonstration of the following criteria in the application:

| Category | Possible Points | Points Awarded |
|---|--|-------------------|
| Clearly defined and focused project goals, timelines, and benchmarks | 15 | |
| Overall impact of the project drives stabilization or increases revenue. (impacts the business's ability to leverage sales, grow their customer base, or better sustains the business in some way). | 30 | |
| Proposed project is sound, sufficiently detailed, and realistically achievable before September 30, 2026. | Up to 10 pts for sound detailed project Up to 10 pts for achievable by 9/30/2026. 20 pts max | |

| Business has adapted or attempted to adapt to adverse economic impacts/circumstances; OR the requested project is a way to adapt. (e.g. introduce new products and/or services, adapt existing product or service offerings, automate business processes, or improve efficiency of staffing or processes to maintain or increase revenue. | No attempt to adapt = 0 pts Adapted or attempted, or project is a way to adapt Up to 10 points total |
|---|--|
| Total Score | 65 |

Bonus Points

Bonus points will be awarded to applicants demonstrating the criteria below in their applications.

| Category | Bonus Points Possible | Bonus Points Awarded |
|---|---|-------------------------|
| Please list other COVID-19 relief funding from other local, state, and federal sources since March 1, 2020. [List the amount(s) and the source(s).] | \$0 = 3 pts <\$2,500 = 2 pts >2,499 & <\$5,000 = 1 pt >\$5,000 = 0 pts | |
| Is the business SEDI-owned? Owner self-certifies access to credit on reasonable terms is diminished as compared to others in similar economic circumstances, due to their: (1) membership in a group that has been subjected to racial or ethnic prejudice or cultural bias within American society; (2) gender; (3) veteran status; (4) limited English proficiency; (5) physical handicap; (6) long-term residence in an environment isolated from the mainstream of American society; (7) membership of a federally or state-recognized Indian Tribe | If yes, 1 point for each of the 7 listed economic circumstances | |
| Total Score | 10 | |

Total Overall Score

| Category Points + Bonus Points | Total Points Possible | Total Points Awarded |
|--------------------------------|-----------------------|----------------------------|
| | 75 | |

Review Process

The Hub reserves the right, at its sole discretion, to reject an application if it:

- Does not meet the program requirements; including scope, eligibility, and allowable grant dollar use.
- Is received after the deadline.
- Is incomplete or missing any of the required forms, narrative, and budget.
- Does not follow the outlined application requirements.

For more information on the program, please go to www.centralupsmallbizhub.org

Accepted applications will be reviewed by The Hub's staff; those scoring 50 points or better will be forwarded to The Hub Advisory Council, comprised of The Hub's Program Manager and a senior leader of each of The Hub's Strategic Partners; Lake Superior Community Partnership, Michigan Small Business Development Center – Upper Peninsula Region, Accelerate UP, Innovate Marquette SmartZone, Northern Michigan University's School of Business, Keweenaw Bay Indian Community, and Sault Tribe Thrive. The Hub Advisory Council will review Direct Grant applications scoring 50 points or better, may adjust scores, and will make recommendations for final awardees. All applicants will be notified of determinations regarding their application within 45 days of the Direct Grant Application window closing.

During the review process, The Hub may request additional information or clarification from applicants regarding their proposed projects. The Hub may also elect to award a Direct Grant of a lesser amount than requested in the grant application. All communications and inquiries concerning applications should be sent via e-mail to: erica@centralupsmallbizhub.org

Equal Opportunity

The State of Michigan, Michigan Economic Development Corporation, and Lake Superior Community Partnership prohibit discrimination on the basis of religion, race, color, national origin, age, sex, sexual orientation, gender identity or expression, height, weight, marital status, partisan considerations, disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position.

To file a complaint of discrimination, please contact the Michigan Department of Civil Rights at: Phone: 313-456-3700 Fax: 313-456-3701 Toll-Free: 800-482-3604 TTY: 877-878-8464 Email:

MDCRServiceCenter@michigan.gov

Need Additional Information?

Visit <u>centralupsmallbizhub.org</u> for more information.

Questions?

 $Email\ questions\ to\ \underline{erica@centralupsmallbizhub.org}.\ FAQ\ responses\ will\ be\ posted\ to\ \underline{centralupsmallbizhub.org}$





This project is supported by federal award number [SLFRP0127] awarded to Lake Superior Community Partnership by the U.S. Department of the Treasury.

Appendix A Budget Template

(This template is optional, and applicants may use a different format for the template).

| Project Title: | Business Address: |
|----------------|-------------------|
| Business Name: | County |

| Category | Description | Total Cost |
|----------------------------------|---|-------------------|
| | | |
| Equipment, inventory, | | |
| software, hardware | | |
| | Describe the highly specialized services or services The Hub | |
| Contracted Services | cannot provide or contract for. | |
| Fees | | |
| (license/certification/traini | | |
| ng) | | |
| Supplies | | |
| | | |
| | | |
| Other (specify) | | |
| | | |
| Total Project Costs (sum of | | |
| the above categories) | | |
| | (list each source and the amount; e.g., savings, loan, credit | |
| Project Funding from all | card, Grant funds from another source, etc.) | |
| other sources. | | |
| 2: | (Total Project Costs minus Project Funding supplied by all | |
| Direct Grant Amount Requested | other sources.) | |
| Kequested | | |