

Neighborhood Business Works (NBW) Program Business Boost Microgrant (NBWBB-Microgrant)

APPLICATION GUIDE



DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

APPLICATION GUIDE

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MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD) Neighborhood Business Works (NBW) Program - Business Boost Microgrant Funding (NBWBB-Microgrant):

I. Available Funding

Q1. What type of funding is available to support for-profit businesses?

Maryland Department of Housing and Community Development (DHCD) will provide grant funding to assist early-stage businesses in growing and expanding within a Sustainable Communities area.

Q2. How much may I apply for from the DHCD NBWBB- Microgrant funding?

The minimum grant request is \$20,000, and the maximum grant request is \$50,000 based on the organization's annual operating budget and subject to a financial review.

Q3. When does the application round open and when can applicants start applying?

The application round is projected to open on Monday, September 23, 2024, at 12:00 noon.

Q4. How do I apply?

The application will be online and can be accessed by visiting the DHCD website: https://apps.dhcd.state.md.us/NBWOZGrant/account/login

Q5. When are applications due?

The application round is projected to close on Monday, October 14th, 2024, at 5 PM EST.

NOTE: The round may close sooner if grant requests exceed available funding.

Q6. How will applications be prioritized for funding?

Applications will be prioritized based on (1) the location of the business, (2) the impact of the business's expansion detailed by (a) new employees to be hired, (b) capital investment for the expansion, (c) additional square footage of expansion space for the project and (3) presentation of the business's financials and supporting documents submitted by the applicant.



In addition, priority impact attributes that will be considered in the review process include but are not limited to:

- Innovative small businesses that drive innovation or technology advancements
- Businesses that are growing in new industries.
- Businesses focused on regional strengths to grow local economies.
- Businesses that leverage partnerships between local school districts, community colleges, and other higher education institutions in Maryland
- Minority Business Enterprise (MBE)

II. Eligible Applicants and Use of Funds

Q1. Who is eligible to apply?

An organization must meet All of the following:

- Be a for-profit business;
- Have a matching contribution equal to or greater than the grant request amount. For example, if you apply for and are awarded a \$50k grant, you must also contribute \$50k of your own funds to the project.
- Be located at an eligible location in Maryland;
- Have greater than (2) employees and 50 or fewer employees (full-time equivalent) as of Monday, September 23, 2024;
- Have an annual revenue of at least \$50,000 but no more than \$1 million;
- Be in good standing with the Maryland Department of Assessments and Taxation (SDAT) <u>https://egov.maryland.gov/BusinessExpress/EntitySearch</u>

NOTE: If you begin the application and do not meet any of the eligibility requirements, the system will **NOT** let you complete or submit an application.

DHCD awards through the NBW program must also be approved by a local resolution from the applicant's governing executive body approving the grant. If awarded, DHCD will initiate the process with the local governing body to seek approval on your behalf.

Q2. What is an eligible location?

A location within a Sustainable Communities area



Q3. How can I determine if my business is in an eligible location? Go to DHCD's Neighborhood Revitalization MapperLink:<u>https://portal.dhcd.state.md.us/GIS/revitalize/index.html</u>

Enter your business address (i.e. "2 **NORTH CHARLES ST, BALTIMORE, MD, 21201**" in the incentive look-up tool, as seen in the following graphic:





Select the found address in the dropdown box as shown in the following graphic: (i.e. business address - **2 NORTH CHARLES ST, BALTIMORE, MD, 21201**)





If your business is at an eligible location, you **must** see <u>below</u> the address entry bar the target areas as follows:

1. Sustainable Communities (DHCD)

For example, the following map results yield a business address of "**2 NORTH CHARLES ST**, **BALTIMORE, MD, 21201**". The business address is located in a Maryland Opportunity Zone, in a Sustainable Communities, and in a Priority Funding Area. This is an eligible location.





An example of an address that is <u>NOT</u> an eligible location:

Address: "**2809 BOSTON ST, BALTIMORE, MD, 21224**" is NOT an eligible location. See graphic below. The business address is in a Priority Funding Area but **NOT** in a Sustainable Communities area.





Q4. How do I determine if my organization's employees meet the requirement of 50 or fewer employees (full-time equivalent)?

FTE stands for full-time equivalent. An organization may have a maximum of 50 FTEs to be eligible to apply for DHCD-NBWBB funding.

The full-time equivalent (FTE)calculation is an employee's scheduled hours divided by the employer's hours for a full-time workweek. When an employer has a 40-hour workweek, employees who are scheduled to work 40 hours per week are 1.0 FTEs. Employees scheduled to work 20 hours per week are 0.5 FTEs. The staff total will include regular employees (that get W2s) AND contractual staff (that get 1099s)

Q5. How can these grant funds be used?

Funds can be used towards an organization's capital and operating expenses that support revenue growth from **September 23**, **2024**, **to March 23**, **2025**.

These items may include but are not limited to capital and operating expenses such as salary, rent, utilities, product advertising, product development, commercial real estate acquisition, and professional services.

Funds are to assist businesses in the expansion of their business by covering the increased rent, increased payroll for hiring new employees, new equipment, and/or boosting marketing are all eligible expenses. It's important to clarify that ONLY new expenses are eligible; existing expenses, such as rent and payroll, are not. Therefore, you may NOT use existing rent or payroll as an eligible expense; it's the increase in rent and payroll that is an eligible expense.

Q6. What businesses are ineligible?

Professional services and sales-based businesses, including Insurance, Accounting, Real Estate, Legal, Finance, and other similar structured businesses are not eligible. Also, non-profit organizations, cannabis-based businesses, pawn shops, gun shops, massage parlors, adult video/book shops, adult entertainment facilities, rental real estate businesses, Insurance companies, tanning salons, check-cashing facilities, gambling facilities, tattoo parlors, and liquor stores are not eligible. In addition, previous award winners of an NBW Opportunity Zone grant and an NBW Business Boost grant are not eligible.



III. Submitting an Application

Q1. When does the application round open and when can applicants start applying?

Projected online DHCD-NBWBB grant application portal opens at 12:00 noon, Monday, September 23, 2024. Please check the DHCD website for updates.

Q2. How do I submit an application?

The application is online and can be accessed by visiting: https://apps.dhcd.state.md.us/NBWOZGrant/account/login

You will be required to provide a brief description of your organization, answer questions about your organization, and complete a budget table on how you will use grant funds and your matching contribution. All applicants must provide a description of how these funds will advance their business within a sustainable community area.

<u>ONLY</u> fully completed applications at the time of submission will be considered for funding. Incomplete applications will be returned and processed when resources are available.

Q3. When are applications due?

The application round closes on Monday, October 14th, 2024, at 12 PM EST. <u>NOTE:</u> The round may close sooner if grant requests exceed available funding.

Q4. What documents will I need to provide with my application?

Organizations are **<u>REQUIRED</u>** to provide the following:

- Articles of Organization for the Business.
- By-laws for the business.
- Most recent annual tax return for the business filed. (Tax year 2023)
- Organization's financial statements as of August 31, 2024.
- Screen-shot showing the business is in an eligible location.
- Proof of matching funds equal to or greater than the grant request amount. If you request for \$50,000, you must show proof of \$50,000 in matching funds.
 - Examples of proof of matching funds are: (1) a copy of the business's bank statement with all pages as of August 31, 2024, showing a cash balance equal to or greater than the grant request amount, (2) a copy of a fully executed loan



statement from a financial institution that shows available funds for withdrawal equal to or greater than the grant request amount.

- Screen capture of an online verification of Certificate of Good Standing from the Maryland State Department of Assessments and Taxation NOTE: You should <u>NOT</u> purchase an official document; simply provide a screenshot from: <u>https://egov.maryland.gov/BusinessExpress/EntitySearch</u>
- IRS W-9 Request for Taxpayer Identification Number and Certification.

NOTE: A few Sample documents are listed as exhibits in this pdf.

Important Notes:

- 1. The business name on the application and on the W-9 must EXACTLY match SDAT's Good Standing Certificate. If the business name on the application does not EXACTLY match what is shown on the SDAT's system and W-9, the application will be returned to the applicant for further updates.
- 2. For the business's matching contribution, it's highly recommended that cash be in the business account to match the grant request amount upon applying for the grant funds. Applicants who demonstrate having cash in their business account will receive preference over those applicants who do not have cash at the time of submitting an application.

IV. Notification of Awards

Q1. When will the announcement of awards be made?

Award announcements will be made on a rolling basis during December 2024 to January 2025.

Q2. What is the timing for receiving the grant funds?

Expect grant awards to be paid in the February - March 2025 timeframe. Applicants will be notified of an award as they are approved and will be presented with a grant agreement to sign.



The Department will, in turn, process the grant agreement for funding upon receipt of a local resolution from the applicant's governing executive body approving of the grant from DHCD to the applicant. DHCD will notify each jurisdiction of each grant award, and the local jurisdiction will have 45 days to respond to the notice. If a resolution is approved within 45 days, DHCD will be able to process the grant award for payment. If the local jurisdiction does not reply within the 45-day period, funding is deemed approved, and DHCD will implement the funding process.

Q3. If funds are awarded, will a final report be required?

Yes, applicants who receive a funding award will be required to submit a final report on how the funds were used based on the budget submitted with their application. Applicants will also be required to upload supporting documents, receipts, etc., to support the use of funds. The applicant will submit a final report by March 31, 2026.

All grant awardees will be contacted nine months after receiving grant funds to complete a questionnaire and provide a one-page summary detailing how the grant was used and its impact on their business and community.

V. Contact for Additional Questions

If you have any further questions regarding the application or requirements, DHCD is here to assist you.

Contact: microreview.dhcd@maryland.gov



VI. Sample Documents:

Certificate of Good Standing

Screen capture of an online verification of Certificate of Good Standing from the Maryland State Department of Assessments and Taxation NOTE: You should <u>NOT</u> purchase an official document; simply provide a screenshot from: <u>https://egov.maryland.gov/BusinessExpress/EntitySearch</u>

Note: The screen print below has the date in the upper left corner of when the screen print was executed, and the source of the website is on the footer of the page.

 B31/23, 3.06 PM
 Register Your Business Online | Maryland.gov

T. ROWE PRICE ASSOCIATES, INC.: D00175984

Department ID Number: D00175984

Business Name: T. ROWE PRICE ASSOCIATES, INC.

Principal Office: 100 E. PRATT STREET

Resident Agent: 1 CSC-LAWYERS INCORPORATING SERVICE COMPAN 7 ST. PAUL STREET SUITE 820 PAIT IMORE MD 21202

Status: INCORPORATED

Good Standing: THIS BUSINESS IS IN GOOD STANDING Business Type: CORPORATION Business Code: 03 ORDINARY BUSINESS - STOCK

Date of Formation/ Registration: 01/02/1947 State of Formation:

MD Stock Status:

STOCK Close Status:

NO

https://egov.maryland.gov/BusinessExpress/EntitySearch/Business



IRS W-9 - Request for Taxpayer Identification Number and Certification

Note: Please make sure the W-9 has been signed and dated.

Depart	Form W-9 Rev. November 2017) Separtment of the Treasury Internal Revenue Service Go to www.irs.gov/FormW9 for instructions and the latest information.		Give Form to the requester. Do not send to the IRS.			
	1 Name (as shown	on your income tax return). Name is required on this line; do	not leave this line blank.		1	
	2 Business name/disregarded entity name, if different from above					
Print or type. Specific Instructions on page 3.	following seven Individual/so single-memb Limited liabil Note: Check LLC if the LL	le proprietor or C Corporation S Corporation	Partnership -S corporation, P-Partners 1 of the single-member own m the owner unless the ov	Trust/estate instru Trust/estate Exemp mer. Do not check wher of the LLC is	emptions (codes apply only to n entities, not individuals; see ctions on page 3): pt payee code (if any) ption from FATCA reporting (if any)	
e S		d from the owner should check the appropriate box for the ta		er.		
bed	Other (see in				to accounts maintained outside the U.S.)	
e Si	5 Address (numbe	er, street, and apt. or suite no.) See instructions.		Requester's name and add	ress (optional)	
8	6 City, state, and	ZIP code				
	7 List account our	nber(s) here (optional)				
	7 List account number (a) rist e (obtoxinal)					
Par		yer Identification Number (TIN)				
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other and the account is in more than one name, see the instructions for line 1. Also see What Name and Number To Give the Requester for guidelines on whose number to enter.						
Part II Certification						
Unde	penalties of perj	ury, I certify that:				
 The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 						
3. I am a U.S. citizen or other U.S. person (defined below); and						
 The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. 						
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.						
Sign Here			D	ate ►		
	General Instructions • Form 1099-DIV (dividends, including those from stocks or mutual funds)					
Section references are to the Internal Revenue Code unless otherwise noted. • Form 1099-MISC (various types of income, prizes, awards, proceeds)					prizes, awards, or gross	

Future developments. For the latest information about developments Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9. Form 1099-S (proceeds from real estate transactions) Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (TIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

. Form 1099-INT (interest earned or paid)

Form 1099-K (merchant card and third party network transactions)
 Form 1098 (home mortgage interest), 1098-E (student loan interest),
 1098-T (tuition)

· Form 1099-C (canceled debt)

· Form 1099-A (acquisition or abandonment of secured property) Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Cat. No. 10231X

Form W-9 (Rev. 11-2017)



2. FAQS

Q: Can we waive the requirement for businesses to be located within a sustainable community on the Neighborhood Business tracker?

A: Unfortunately, this requirement cannot be waived as it is currently a requirement for the Business Boost Microgrant Program. You can determine if your business is located in a sustainable community by typing your address in DHCD's Neighborhood Business Tracker: <u>Neighborhood Revitalization Mapper (state.md.us)</u>

Q: We have answered "Yes" to all the questions and we are now trying to create an account, but it says that "Registration is Closed." I have completed all the fields and checked all the information, and everything seems to be in order.

A: You're receiving that message because the application round is projected to open on September 23rd, 2024, at noon. Unfortunately, we are not taking applications until the specified date.

Q: Can matching contributions be waived for small businesses?

A: Unfortunately, matching contributions cannot be waived. All applicants must have a matching contribution equal to or greater than the grant request amount. If you apply for and are awarded a \$50,000 grant, you must also contribute \$50,000 of your own funds to the project.

Q: Can businesses that are currently working to obtain NBW loan funds apply for Business Boost funds as part of the total project costs?

A: Certainly, all businesses must ensure they meet all of the criteria displayed in the Business Boost Microgrant application guide.



Q: We're a new business that has yet to generate annual revenue. Are we eligible for the business boost program?

A: All businesses must have an annual revenue greater than \$50,000 but less than \$1 million; unfortunately, this requirement cannot be waived.

Q: I've previously been awarded an NBW Opportunity Zone grant or an NBW Business Boost grant. Am I eligible to apply again?

A: Unfortunately, all previous awardees of the NBW Opportunity Zone grant or NBW Business Boost grant are not eligible.

Q: Are there any restrictions on how I use funds awarded from the Business Boost Microgrant?

A: Yes, Funds can be used towards an organization's capital and operating expenses that support revenue growth from September 23, 2024, through March 23, 2025. These items may include, but are not limited to, capital and operating expenses such as salary, rent, utilities, product advertising, product development, commercial real estate acquisition, and professional services.

Q: What type of business is eligible for the Business Boost Microgrant?

A: Please refer to section 2, titled "Eligible Applicants & Use of Funds," in the "Business Boost Microgrant Application Guide" provided on the Maryland Business Boost website. This section outlines the criteria that all organizations must follow to determine eligibility. Examples of ineligible businesses are non-profit organizations, Cannabis-based businesses, pawn shops, gun shops, massage parlors, adult video/book shops, adult entertainment facilities, rental real estate business, Insurance company, tanning salons, check-cashing facilities, gambling facilities, tattoo parlors, and liquor stores but not limited.