

RI Minority Business Accelerator (MBA) Grant Program

Frequently Asked Questions

PROGRAM OVERVIEW

1. What is the RI Minority Business Accelerator (MBA) Grant Program?

The RI Minority Business Accelerator (MBA) Grant Program provides a total of up to \$2 million in financial assistance in the form of a grant (direct payment) to qualifying Minority and woman-owned RI businesses to use to grow their business and build for the future.

2. What are the eligibility requirements?

- i. Be a minority or a 51% woman-owned business with a physical presence in Rhode Island. (doesn't need to be a certified M/WBE, but those already certified will be prioritized)
- ii. Have gross receipts or sales of less than \$2 million in 2023.
- iii. Completed a technical assistance program (15+ hours) from any MBA-funded intermediary or the RI Rebounds Technical Assistance Program after September 1, 2023.
- iv. Submit a complete Business Assessment completed by an MBA-funded intermediary or under the RI Rebounds Technical Assistance Program
- v. Submit a budget to justify funding for an eligible flat amount on how this funding will help grow your business. Flat amounts to be awarded are the following:
 - \$5,000 for start-ups (at least 6 months doing business) and sole proprietors.
 - \$10,000 for businesses with 1-10 employees/subcontractors*.
 - \$20,000 for businesses with 10+ employees/ subcontractors*.
 - Funds must be used to grow their business and build for the future.
- vi. NOT be a nationally or regionally owned chain.
- vii. NOT be permanently closed, NOT be in or considering federal bankruptcy or state receivership, and NOT be on the federal do not pay list.
- viii. NOT be a government-owned entity or elected official office, a K-12 and higher education academic institution, a Lobbying/political organization, or a real estate professional and/or landlord.
- ix. NOT be an MBA intermediary itself (staff, directors, and volunteers are ineligible to apply for these grants).

Subcontractor IRS definition - A subcontractor is a worker who is not your employee. You give a Form 1099 to a subcontractor showing the amounts you paid them. The subcontractor is responsible for keeping their own records and paying their own income and self-employment taxes.
<https://www.irs.gov/pub/irs-regs/subcontractorstext.prn.pdf>

3. How much funding is available for this RI Minority Business Accelerator (MBA) Grant Program?

In total, up to \$2 million is available for direct grants.

Flat amounts to be awarded are the following:

- \$5,000 for start-ups (at least 6 months doing business) and sole proprietors.
- \$10,000 for businesses with 1-10 employees/subcontractors*.

- \$20,000 for businesses with 10+ employees/ subcontractors*.

4. What is the source of funding for this grant program and these direct payments?

The source of funding is the U.S. Department of the Treasury's Coronavirus State and Local Fiscal Recovery (SLFR) Fund monies allocated to the State of Rhode Island pursuant to the American Rescue Plan Act of 2021, P.L. 117-2.

This program is to effectively serve historically underserved, marginalized, and adversely affected groups. According to the US Census, whereas Rhode Island's Black or African American residents comprise 6.5 percent of the population, Black- or African-American-owned firms represent a mere 1 percent of all firms in the state.

Awardees of this funding will be beneficiaries of the RI Minority Business Accelerator (MBA) Grant Program.

5. Do these grants/direct payments need to be paid back?

No, these grants/direct payments do not need to be paid back.

6. Are the grants/direct payments taxable?

The IRS has published information indicating that "Some SLFR Fund recipients may have to report certain payments as income and may owe tax depending on the purpose of the payment." As such, RI Commerce Corporation anticipates issuing 1099s in most instances. Please consult your accountant or tax professional to understand more about your tax situation and how this guidance applies.

Additional IRS guidance for the Coronavirus State and Local Recovery Fund can be found here: Frequently asked questions for states and local governments on taxability and reporting of payments from Coronavirus State and Local Fiscal Recovery Funds | Internal Revenue Service (irs.gov).

7. Who can apply?

While a third party like a CPA or Technical Assistance partner can assist a business on an application, there are application attestations that will require the business owner or an authorized representative (e.g., an officer of the business) to sign. Therefore, only those with fiduciary responsibility (like a restaurant owner, not service staff) for the business should apply.

8. How do I apply for the RI Minority Business Accelerator (MBA) Grant Program?

The application is available online through the RI Commerce Corporation landing page. This landing page provides applicants with contact information for technical assistance along with other resources, such as user guides and videos to utilize during the application process. The landing page can be found at <https://iparametricsbpa.workflowcloud.com/forms/aabe5abe-e1f5-4749-92ce-cd497cbdee9f>

9. When can I apply?

Applications will be accepted online only. The portal will remain open from September 4, 2024, to September 18, 2024.

10. Can I submit a paper application?

No, this application is only available to be submitted online. However, you can reach out to one of RI Commerce Corporation's Technical Assistance (TA) partners, who can help you with the application using one of their tablets. Information about those TA resources can be found in question 22.

11. If I have a general question about the grant program that is not answered in this FAQ document, how can I get further help?

Please email Olinda.urizar-mendez@commerceri.com

12. Who is administering this program?

The RI Minority Business Accelerator (MBA) Grant Program is administered by the RI Commerce Corporation. The program is being supported, in whole or in part, by federal award number SLFRFP0136 awarded to the State of Rhode Island by the U.S. Department of the Treasury.

SPECIFIC PROGRAM ELIGIBILITY

13. Can Sole Proprietors apply for this funding?

Yes. For the purposes of this grant program, sole proprietors who file a Schedule C are eligible if your business revenue makes up at least 20% of your total annual income. A Sole Proprietor may calculate this by dividing the applicant's gross business income (e.g., line 7 on IRS 1040 schedule C for sole proprietors) by the owner's total income (e.g., line 7b on IRS 1040). However, if you file a joint return, you may exclude income from a spouse or dependent from this calculation.

14. Can non-profit organizations apply for this funding?

No. Non-profit organizations established under Sections 501(c)(3) or 501(c)(19) of the Internal Revenue Code are NOT eligible for this grant program.

15. Are seasonal businesses eligible?

Yes. Seasonal businesses are eligible so long as they meet all other program and eligibility requirements.

16. Are national chains, regional chains, or publicly owned and traded businesses eligible?

To be eligible, the applicant business must NOT be owned by a national or regional franchisor or chain OR be owned by an entity that is not headquartered in Rhode Island.

- Ex. of Eligible Business: A restaurant is a franchisee of a national chain, but the owner is a Rhode Island business entity not the national franchisor.
- Ex. of Ineligible Business: A gym is part of a regional franchise and is owned by a business entity headquartered outside of Rhode Island.

17. Can a new business apply?

Businesses must have been in operation for at least six months prior to applying.

18. If a business has more than one location, can it receive more than one grant?

No, not at this time. If the locations are separate and distinct business entities, they can apply separately as long as each entity meets all eligibility requirements (see Question 19).

19. Am I eligible to apply twice if I own two businesses?

Yes. If you own two business entities, you can apply separately for each entity. Each entity must meet all eligibility requirements.

20. Do I have to be an American citizen for my business to be eligible?

No; however, the applicant that will receive the grant/direct payment must have a valid federal taxpayer identification number (TIN).

21. Am I eligible to apply if I received prior COVID-19 relief or other grant funding for my business?

Yes, so long as you meet all other program and eligibility requirements

22. Am I eligible to apply if I received technical assistance through one of the 15 intermediaries funded through the Minority Business Accelerator program during the period of September 2023 and this grant application opened?

Yes, so long as you are a technical assistance recipient/beneficiary and **NOT A VENDOR**. MBA program funded Intermediaries: E-for-All -- NEMIC -- RI Hispanic Chamber of Commerce – Biz Bodega – RI Builders Association – URI SBDC – RWU MBLC – SCORE-RI – SkillsRI & RIBBA – Social Enterprise Greenhouse – CIC Venture Café Global Institute – Branchfood – Fuerza Laboral – Hope & Main – Urban Ventures

APPLICATION

22. Will there be technical assistance resources that I can utilize during the application submission process?

Yes, technical assistance will be available for this program through the RI Minority Business Accelerator partners funded from September 2023 through December 2024. RI Commerce Corporation has partnered with the following entities to provide direct application support for businesses.

CIC Venture Cafe Global Institute

venturecafeprovidence.org

Reilly Kons

Director of Venture Café Providence

207-837-8111

reilly@venturecafeprovidence.org

EForAll – RI

www.eforall.org/rhode-island

Laura Guillen

Executive Director

(833) 336-7255 Ext. 7054

rhode-island@eforall.org

Innovation Studio, Inc. (Biz Bodega)

bizbodega.org

Amy Erickson
Director of RI Programs
Amy.erickson@innovationstudio.org

New England Medical Innovation Center (NEMIC)

Nemic.org
Tara Maey Petrie
Director of Programs
401-450-0733 Ext. 3
Taramaey.p@nemicenter.com

RI Builders Association

ribuilders.org
Teresa Terrien
Program Manager
401-438-7400 Ext. 113
tterrien@ribuilders.org

Rhode Island Hispanic Chamber of Commerce

rihispanicchamber.org
Oscar Mejias
Executive Director
401-400-1340
mejiasalex@hotmail.com

RI Small Business Development Center

University of Rhode Island
<https://web.uri.edu/risbdc>
Diane C. Fournaris
State Director
401-874-5965
Diane_fournaris@uri.edu

RWU Minority Business Law Collaborative

The MBLC website is under “construction”
Miriam A. Ross, Esq.
Director
401-254-4578
mross@rwu.edu

SCORE RI

<https://score.org/ri>
Deborah Pannullo
Chapter Co-Chair
401-486-3646
Deborah.pannullo@scorevolunteer.org

Skills for RI/ RIBBA

[RI Small Business HUB \(risbhub.com\)](http://risbhub.com)

Tania Quezada

HUB Senior Director

401-249-2222

tquezada@skillsforri.com

Social Enterprise Greenhouse

segreenhouse.org

Stefanie Engelhardt

Director of Later Stage Programs

401-383-3760 Ext. 807

sengelhardt@segreenhouse.org

Branchfood

<https://www.branchfood.com/>

Lauren Abda

CEO

570-561-5062

lauren@branchfood.com

Fuerza Laboral

<https://www.fuerza-laboral.org/>

Raul Figueroa

Cooperative Director

401-725-2700

coordinator@fuerza-laboral.org

Hope & Main

<https://makefoodyourbusiness.org/>

Lisa Raiola

President

401-245-7400

lisa@makefoodyourbusiness.org

Urban Ventures

<http://www.urbanventuresri.org/>

Ron Crosson

Executive Director

401-780-8866

rcrosson@urbanventuresri.org

23. Will technical assistance be available in languages other than English?

Yes. Technical assistance and application support is available in Spanish, Portuguese, and others as needed.

24. What are eligible expenses for this program?

Grant funds may be used for the following:

- Operational costs incurred to enable the business to remain open. These costs can include regular payroll to support employee retention. Examples include:
 - Technology and software upgrades.
 - Machinery, equipment and fixtures to improve or expand space and operations.
 - Training and continuing education for employees (excluding travel costs); and
 - Capital expenses to improve or expand business facility (must be separate from business owner's residence).

Funds may not be used:

- To pay a distribution to a shareholder, member, partner or any other class of equity holder.
- To pay non-business expenses.
- To pay taxes or other amounts owed to government entities;
- For political purposes, including lobbying activities, donating to a political party, candidate, political action committee or to support or oppose any cause;
- To pay expenses for which the applicant has or will receive reimbursement from another source including other government grant or loan programs (state and/or federal), unemployment or insurance coverage.

25. If my business entity type changed (e.g., Sole Proprietorship to an LLC) during the period of September 2023 to September 2024, which business entity type should I select in the application?

You should select your current business legal entity type. This should match the way you file taxes with the IRS and the State of Rhode Island.

26. What documentation do I need to provide as part of my application?

Applicant will need to upload the following:

- The completed SCORE Business Assessment.
- Budget and narrative for grant amount requested for the size of business.
- Minority Business Accelerator (MBA) funded intermediary certificate confirming completion of 15 hours of technical assistance between the period of September 2023 to September 4, 2024.

Please ensure that the documentation verifies the exact amounts provided. Any discrepancies may lead to delays or deferrals from initial funding decisions.

Additionally, upon review of application, it may be necessary for an applicant to provide additional information to validate and confirm application information entered. Therefore, the RI Commerce Corporation reserves the right to request additional documentation to demonstrate that a business meets eligibility criteria and other program requirements.

We ask that you retain this information until at least December 31, 2031, the federally required period.

AWARD AND PAYMENT DISBURSEMENT

27. Will I need to complete any paperwork like a grant agreement to receive the grant/funding?

Yes. Once your application has been reviewed and approved, you will be asked to complete a grant agreement and IRS W-9 form and ACH form.

28. How will grant awards be delivered?

Grant awards will be sent by Electronic Transfer using the ACH form.

29. If my business or organization receives an award, will my business or organization name, address, and award amount be made public?

Yes. The federal funding used for these grant awards (direct payments) requires the public disclosure of business names, addresses, and award amounts. If a business does not want this information to be made public, it should not submit the grant application.

POST-AWARD

30. How long does an approved and awarded applicant need to keep all documents related to this funding?

Per the U.S. Department of the Treasury guidance:

- Financial records and supporting documents related to the award must be retained until at least December 31, 2031. This includes those which demonstrate the award funds were used for eligible purposes in accordance with the ARPA, Treasury's regulations implementing those sections, and Treasury's guidance on eligible uses of funds.

31. Is there any reporting or follow up requirements?

Yes, all grant recipients will be sent a survey following grant receipt. Completing this survey is a required component of the grant program