

DETROIT MEANS BUSINESS
Small Business Covid Relief Program (SBCRP)
BUSINESS ASSISTANCE GRANTS
SMALL BUSINESS
PROGRAM GUIDELINES



Detroit Means Business SBCRP Grant Program Guidelines

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1. EXECUTIVE SUMMARY

Detroit Means Business

[Detroit Means Business](#) (DMB) was established in 2020 to support Detroit's small business community during the COVID-19 pandemic. DMB is Detroit's front door to entrepreneurial success and is dedicated to driving a strong small business community. Our work is guided by a group of committed Detroit small business owners, and supported by more than 60 public, private, and philanthropic leaders.

COVID-19 exacerbated existing challenges for Detroit small businesses, including the loss of customers, increased high-cost debt, and inconsistent talent retention and development. Business assistance is an important way for businesses to meet those challenges. Through business assistance, business owners can better understand key business elements including funding options, budgeting, loan term negotiation, credit repair, and technology integration. Detroit's small business ecosystem has business assistance available to help small businesses, but only about one in ten Detroit businesses has accessed these resources through local business support organizations.

Our Goal

Detroit businesses urgently need business assistance to mitigate the lasting impacts of COVID-19. From March 2021 to March 2023, approximately 108 Detroit retail businesses have closed, an average of one per week.

To combat the negative economic impacts of COVID-19 faced by small businesses, Detroit Economic Growth Association (DEGA) is a subrecipient of the City of Detroit for the administration of the Small Business Covid Relief Program (SBCRP). With funding provided under SBCRP, DEGA, through DMB, is offering **Business Assistance Awards** for qualified pre-approved services not to exceed \$25,000 each, with payments made directly to pre-qualified service providers (the "Program").

Detroit-based businesses seeking to participate in the Program must be able to demonstrate two or more years operating as a business in the City of Detroit, a benefit to the community, and how the business has been impacted by COVID-19.

The Program is funded by the American Rescue Plan Act (ARPA). As such, participation in the Program requires compliance with all relevant guidelines as described by the United States Department of Treasury in the final rule relating to ARPA. You can view the entire text of the final rule here: [ARPA Final Rule](#).

2. PROGRAM OVERVIEW

A. Application Overview

When to Apply

Program applications will be accepted until April 30, 2024. Application review occurs bi-weekly, and grant awardees will be notified on a rolling basis. All awards will be determined by June 30, 2024.

Where to Apply

Apply online for business assistance or to become a business assistance service provider:

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<https://www.detroitmeansbusiness.org/dmbba>

Application Assistance

Information sessions and DMB Live recordings are posted: <https://www.detroitmeansbusiness.org/dmblive>.

Application Confirmation

Applicants will receive an automatic confirmation email after submitting, and a confirmation email once applications are processed and whether the business was accepted or denied for the Program.

B. Award Overview

Business Assistance Awards are funded by the American Rescue Plan Act (ARPA) dollars.

SBCRP Business Assistance Awards provide eligible awardees with Business Assistance provided by qualified service providers. The cash value of Business Assistance Grants will vary based on the unique needs of the awardees. Business Assistance will be approved at the discretion of Detroit Means Business based on DMB SBCRP application evaluations, and aid in achieving the business goals.

The value of all Business Assistance Grants for any business will not exceed \$25,000 in any one award. Businesses may receive more than one award; however, only one award may be outstanding at any time. Business Assistance awardees are not automatically entitled to the maximum amount of Business Assistance funding. Detroit Means Business will issue awardee grants to approved awardees based on their eligibility criteria and program requirements.

Business Assistance Grants encompass the following award needs:

- Accounting & Financial Education, Advising and Planning Services
- Food Based Business Services
- Digital Strategy, Marketing and Branding Services
- High-Growth Technology and Strategy Services
- Business Operation, Human Resources, and Legal Advising
- Construction, Architecture, and Space Related Services

Grant disbursement is subject to satisfying program milestones.

Note: Each of the services offered through Business Assistance Grants has a value, there is no money exchanged between Detroit Means Business and the awardees for Business Assistance services. Business Assistance may constitute taxable income to awardees.

3. ELIGIBILITY CRITERIA

Who can apply?

The following section provides minimum requirements that businesses must meet to participate in the Program. Applicants that do not meet the eligibility criteria will not be considered for SBCRP Business Assistance Grants.

Organizations eligible to apply for these opportunities must be registered for-profit businesses in good standing with the State of Michigan with a business address located within the City of Detroit. To be eligible for assistance, your business must be structured as one of the following entity categories.

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- Sole Proprietorship
- General Partnerships
- Limited Partnerships (LP)
- Limited Liability Partnerships (LLP)
- Corporations (Inc., Corp.)
- Limited Liability Companies (LLC)
- Benefit Corporations (B Corp)
- Low-profit Limited Liability Company (L3C)
- Faith-based organizations, subject to 24 CFR § 570.200(j) participating in for-profit commercial activity

*In addition, the business must meet at least **ONE** of the following eligibility requirements.*

1. Individual Impact - Businesses that can demonstrate that they experienced any of the following negative economic impacts from the COVID 19 pandemic.

- Unrealized investment in a business venture
- Loss of business revenue
- Difficulty covering business payroll
- Difficulty paying full obligation of mortgage or rent for a business location
- Difficulty covering operating costs
- Difficulty hiring staff necessary to operate at normal capacity

2. Disproportionate Impact on Specific Business Classes or Industries - Businesses that are part of at least one of the following classes of business or specific industries.

- Minority-owned businesses
- Women-owned businesses
- Veteran-owned businesses
- Microenterprises (a business employing 5 or fewer employees, one of whom is the owner)
- Theatres, music venues, and performing arts companies
- Arcades, amusement services and sports or recreation venues
- Full-Service Restaurants, coffee shops, bars, and limited service eating places

3. Operating in an Impacted Geography - Businesses located in a Qualified Census Tract. A Qualified Census Tract is any census tract where 50 percent or more of the households have incomes below 60 percent of the area median gross income, or where the poverty rate (households with income at or below 185 percent of the Federal Poverty Guidelines) is 25 percent or higher. [Click here for Qualified Census Tract maps.](#)

Businesses being considered for awards must agree to the following:

- Compliance with relevant Business Assistance award requirements,
- Willingness to coordinate with vendors to help deliver requested project services.

INELIGIBILITY CRITERIA

The following businesses are NOT eligible for assistance:

- Firms engaged in activities that are prohibited by federal law or applicable law in the state of Michigan or City of Detroit
- Franchises
- Cannabis-related businesses and organizations
- Not-for-profit organizations
- Corporate-owned franchises
- Branch banks
- Pay day loan stores

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- Pawn shops
- Astrology, palm reading
- Adult bookstores, strip clubs

Additional Eligibility Information

Disclosure that the applicant can be considered any of the following is required:

1. An employee, elected official or appointed official or officer of the City of Detroit government (the City)
2. A contractor affiliated with the Detroit Means Business program
3. The spouse or dependent of an employees or board member of the City, DEGC (Detroit Economic Growth Corporation), and DEGA (Detroit Economic Growth Association), a contractors affiliated with the Detroit Means Business program, or a Detroit Means Business coalition partner

Upon receipt of this disclosure, the DEGA will determine whether a conflict of interest exists and if the conflict can be mitigated and/or granted an exemption in accordance with DEGA policies and federal regulations.

NOTE: *Failure to disclose an actual, potential, or perceived conflict of interest may result in the rejection of a Detroit Means Business application, termination of a Detroit Means Business award, and/or the required repayment of any disbursed award funds, whether disbursed directly to the applicant, or to a service provider on behalf of the applicant.*

Please note the following:

- (1) Eligible business and property owners may designate a contact person to apply on their behalf,
- (2) Businesses are restricted to applying for only one SBCRP grant service request at a time, if a business owner submits multiple service requests only one application will be considered for an award.

4. SELECTION PROCESS

Businesses will be scored based on four criteria, while applicants can earn up to 100 points:

- A. **Vision and plan** for the business based on the clear articulation, and relevancy of benefit. (20 points)
- B. **Employment impact** of the business owners and stakeholders of the business. (25 points)
- C. **Community support** for new businesses includes benefits too low to moderate income communities. (25 points)
- D. **Business Need** of business owner investment and impact of Covid-19 in the business area. (30 points)

5. BUSINESS ASSISTANCE APPLICATION, APPROVAL, AND AWARD PROCESS

- A. Interested Detroit Based Businesses can apply for business assistance on the [DMB Website](#).
- B. Once you apply, your information is reviewed, scored, and verified by the *Review Team*. Acceptance and denial responses are received within 30 days of applying for business assistance.

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- C. *Business Assistance Awardees* are required to execute a *Participation Agreement* with DEGA before the business assistance project request starts.
- D. **The business name, contact information, and description of approved vendors have been placed on the Detroit Means Business website [here](#).**
- E. Select a vendor from the list and send them an email to schedule a *discovery meeting*. During that meeting you and the vendor should agree on a *Scope of Work (SOW)*. The *SOW* best describes your service request needs.
- F. Once you have the *SOW* from the vendor, you are ready to apply for a project using the DMB Business Assistance Project Request Form. Please note that *an approved business may only have ONE approved project at a time!*
- G. Once your DMB Business Assistance PROJECT REQUEST Form has been received and reviewed, you will receive an email informing you of your request's decision.
- H. DEGA, the business, and service provider execute a three-party agreement setting forth the agreed *SOW*, budget, payment procedures and other terms.
- I. The Business Assistance Manager monitors the process of the approved project request.
- J. The business owner will email dmbbusinessassistance@degc.org once the *approved project request* has been completed.
- K. The business owner will then receive a link prompting them to COMPLETE the PROJECT REQUEST EVALUATION, in which the business will upload the approved invoice.
- L. The eligibility period will be from the date of notification of approval, with an expiration date of June 30, 2024, or until service eligibility has been fulfilled. All Project Request Evaluations must be completed by April 30, 2025, and services paid by June 30, 2025. Businesses will be responsible for paying for any projects completed outside of this timeline.

6. DETROIT MEANS BUSINESS SBCRP AWARD DETAILS

Timeline for Completion

Business Assistance awards must be approved by June 30, 2024, and all projects must be completed and paid for by June 30, 2025.

7. ADDITIONAL INFORMATION

Expectation of Awardees

Awardees will be expected to attend events where they will be connected to other award winners and resources. They will also be asked to share their story through a variety of media opportunities. These types of opportunities will be determined after awardees are announced.

All awardees must sign a Participation Agreement acknowledging Program terms along with relevant Business Assistance agreements.

Business Assistance Grants received pursuant this Agreement may be considered taxable income by the U.S. Internal Revenue Service, the Michigan Department of Treasury, and/or the City of Detroit Finance Department. The awardee is strongly urged to consult with a tax professional to determine the federal, state and/or city tax implications of receipt of business assistance. The Detroit Economic Growth Association will issue a Form 1099 to each vendor and awardee.

Confidentiality

Except as noted below, the DEGA will not share a business's proprietary and confidential data with third parties except as needed for review during the award selection process, providing business support, and seeking funding under its subrecipient agreement with the City of Detroit. Applicants should clearly mark such information as proprietary and confidential. Applicant data will not be sold.

NOTE: Funding for the Program is provided to the DEGA as a subrecipient of the City of Detroit of ARPA funding. The City of Detroit is a governmental body. Thus, documents in the DEGA's possession may be provided to the City of Detroit and will be subject to disclosure under the Michigan Freedom of Information Act (FOIA). DEGA will endeavor to not disclose any information of a Program applicant or participant it believes to be exempt under the FOIA but, notwithstanding anything stated otherwise herein, the DEGA cannot guarantee the confidentiality of Program applicant or participant submissions and specifically does not warrant that the application and any documents submitted therewith or in connection with the Program are exempt from disclosure under the FOIA. Program applicants and participants are advised that documents and information submitted to the DEGA or DMB may become a public record. With respect to information which a business submits to the DEGA as part of its application, businesses should give specific attention to the identification of information they deem confidential, commercial, or financial information, proprietary information, or trade secrets and should appropriately mark such information as confidential prior to submission. A business should be prepared to provide justification why such marked information should not be publicly disclosed under the FOIA. Each business is advised that, without notice to the business and upon request from a third party, the DMB is required to make an independent determination

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as to whether the information may or must be divulged to that party and does not warrant that such information will be exempt from disclosure.

Disclaimer

The information contained herein is subject to the actual grant-award documents and the written terms and conditions of the Detroit Means Business program and the Detroit Economic Growth Association which govern the program, as the same may be amended from time to time. DMB also reserves the right to make the final determination of any person's or organization's eligibility and/or qualifications for program benefits, and to make allocation of program benefits as it may, in sole discretion deem appropriate.