



Commonwealth of Massachusetts
EXECUTIVE OFFICE OF ECONOMIC DEVELOPMENT
One Ashburton Place, Room 2102, Boston, MA 02108

Cannabis Social Equity Trust Fund Immediate Needs Grant Program

Notice of Funding Availability (NOFA) Round 1

NOFA Publication Date: **January 23, 2024**

Virtual Information Session: **January 30, 2024**

Application Deadline: **February 15, 2024**

Email Questions To: **CannabisEquityFund@mass.gov**

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INTRODUCTION

The Healey-Driscoll Administration is pleased to announce the availability of financial resources with the launch of its first funding availability from the Cannabis Social Equity Trust Fund (Trust Fund). The **Immediate Needs Grant Program** will offer grants to support cannabis business license holders with urgent financial needs.

The Trust Fund was established by Section 14A of Chapter 94G of the General Laws and is administered by the Executive Office of Economic Development (EOED) to provide financial assistance to eligible applicants for the purpose of encouraging the full participation in the Commonwealth’s regulated marijuana industry of entrepreneurs from communities that have been disproportionately harmed by marijuana prohibition and enforcement.

The legislation also established the Cannabis Social Equity Advisory Board, to work with and advise EOED on the promulgation of regulations to govern and administer the Trust Fund. The Advisory Board is made of individuals who are experienced as advocates on behalf of communities that have been disproportionately harmed by marijuana prohibition and enforcement and have backgrounds in business development.

PROGRAM PURPOSE

The Immediate Needs Grant Program seeks to address the most urgent financial needs of Massachusetts cannabis businesses by providing grants to Marijuana Establishments and Medical Marijuana Treatment Center businesses (see Appendix I for definitions) in amounts up to \$50,000 to support imminent or outstanding expenses essential to the operation of the business such as personnel costs, rent, utility or other facility expenses, loan repayments or debt service, regulatory fees, professional service payments or other expenses that support stabilizing the business. To be eligible for a grant from this program an applicant must be a duly organized Massachusetts business entity with a provisional or final licensed issued by the Cannabis Control Commission (Commission) that qualifies as an Economic Empowerment Priority Applicant or Social Equity Business. **For this initial round of the Immediate Needs Grant Program, applications will be accepted from January 23, 2024, through February 15, 2024.**

NOFA SCOPE AND DETAILS

Program Highlights

Total Grant Funds Available	\$2.33 Million
Grant Award Size	An amount not to exceed \$50,000.
Anticipated Number of Grant Awards	Grants will be awarded to applicants that meet the program’s criteria, until the available funds are exhausted. (Estimated number of grants is 45 to 80, depending on the total requests.)
Eligible Applicants	Massachusetts Marijuana Establishments or Medical Marijuana Treatment Centers with a provisional license or final license issued by the Cannabis Control Commission that qualifies as an Economic Empowerment Priority Applicant or Social Equity Business.
Allowable Use of Funds	Grant funds may be used to support imminent or outstanding expenses essential to the operation of the business such as: <ul style="list-style-type: none"> - personnel costs, - rent, utility or other facility expenses, - loan repayments or debt service, - professional service payments, certain regulatory fees or other expenses that support stabilizing the business.
Review criteria	Applicant eligibility, intended use of funds, demonstrated need and urgency, readiness to deploy financial assistance.
Anticipated Application Timeline	NOFA Published / Application Opened: January 23, 2024 Application Deadline: February 15, 2024 (11:59 PM)
Informational Webinar	January 30, 2024, 12:00 PM (Virtual) Zoom registration will be posted on website <i>Webinar recording and FAQ documents will be made available on the program website after the event.</i>
Notification of Award Decisions	All applicants will be notified in writing about the decision made on their application in March 2024.
Acquisition Method and Contract Payment Terms	Grant awards will be disbursed within 45 days of the contract execution.
Reporting Requirements	Grantees will be required to submit a final report with documentation of expenditures demonstrating use of all funds to close out the contract, and must successfully close out any current contract, to be eligible to apply in any future round(s).

Eligible Applicants

Applicants must meet the following criteria to be eligible for funds from this program:

1. Be a duly organized business entity in good standing and located in Massachusetts;
2. Be a Marijuana Establishment or Medical Marijuana Treatment Center with a Provisional or Final License issued by the Commission (See Appendix I for definitions);
3. Qualify as an Economic Empowerment Priority Applicant or Social Equity Business by
 - a. (i) the Commission designating the business entity as an Economic Empowerment Priority Applicant;
 - b. (ii) the business entity has a majority of ownership designated by the Commission as an Economic Empowerment Priority Applicant; or
 - c. (iii) the business entity has a majority of ownership designated by the Commission as Social Equity Program Participants; and
4. At the time of application for financial assistance from the Immediate Needs Grant Program, all such individuals or entities shall continue to meet the criteria allowing them to receive initial designation as an Economic Empowerment Priority Applicant or Social Equity Program Participant.
5. The entity applying for financial assistance, or any person or entity with an ownership interest in the entity applying for financial assistance, is in good standing with the Cannabis Control Commission and has not received a recommendation or determination of adverse suitability from the Commission.
6. Demonstrate a need for funds to support imminent or outstanding expenses essential to the operation of the business.

Allowable Use of Funds

Applicants may request funds to support imminent or outstanding expenses essential to the operation of the business, including but not limited to:

- **Personnel costs:** Business payroll expenses;
- **Rent, lease, utilities, or other facility expenses**
- **Regulatory Fees:** Application, permitting, licensing and other regulatory fees needed to maintain licensure;
- **Professional Services:** Outstanding bills for critical services, such as legal, accounting, etc.;
- **Debt service:** Loans repayments or business debt service, both principal and interest, to help bring loans current (not for any prepayment of principal or interest); and/or
- Other expenses that support stabilizing the business.

Limitation of Funds

Awardees are prohibited from using grant funds for the following purposes:

- Purchase of marijuana products, paraphernalia, or any related inventory.
- Lobbying; allocations to reserve funds; or for the satisfaction of any obligation arising under or pursuant to a settlement agreement, judgement, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding.
- Grantees must prevent the duplication of benefits, which means grant funds may not be used to pay expenses if another source of financial aid has paid that same expense.

APPLICATION AND EVALUATION INFORMATION

Application Process and Guidelines

1. Program materials, including a copy of the NOFA and the application template are available online at www.mass.gov/eoed
2. The formal application must be completed, and submitted by the deadline, through the online portal (Submittable) link on the website. Email or fax submissions of applications or supporting documents will not be accepted.
3. EOED staff will be unable to answer any individual questions while the application period is open. However, questions may be submitted by email to be reviewed and responses may be posted on the website.
4. EOED may post a Frequently Asked Questions document and other information on its website to assist prospective applicants.
5. **Applications are due by 11:59 PM on Thursday, February 15, 2024.**
6. It is the responsibility of the applicant to ensure that their application is received on time by EOED. All applications will be logged as to date and time received and kept on file as a public record. Late submissions will not be considered.

Application Criteria

A complete application packet includes the following components with required attachments:

1. Eligibility confirmation
2. Information about business entity applying for financial assistance
 - a. Business information;
 - b. Documentation evidencing Cannabis Control Commission License (Provisional or Final);
 - c. Documentation evidencing ownership interests and designation as Economic Empowerment Priority Applicant or Social Equity Program Participant;
 - d. Certificate of Good Standing from the Massachusetts Secretary of State's Corporations Division;
 - e. Certificate of Good Standing from the Department of Revenue; and
 - f. Certificate of Compliance from the Massachusetts Department of Unemployment Assistance.
3. Statement of need and request of funds
 - a. Requested amount, intended use of funds and supporting documentation;
 - b. Description of need for financial assistance; and
 - c. Timeline and budget for expenditure of funds.

EOED reserves the right to request additional information from the applicant or external sources as may be necessary in order to complete the application review or reject any and all submitted proposals and any or all parts of a proposed application.

Award Decisions

Submitted applications will be evaluated after the close of the application period and all applicants will be notified in writing once final decisions are made on their application. Eligible applications that meet the criteria for the program will be recommended for funding, subject to the appropriation of funding into the Trust Fund. Awarded applicants will receive an award letter outlining the amount of the approved grant and any conditions on the award. The specific grant commitment will be contingent on the successful execution of a contract with EOED.

In the event EOED receives more applications than available funding in this round, EOED will prioritize awards based on requests for expenses in the following order of priority:

1. Personnel costs: Outstanding amounts owed to employees.
2. Outstanding payments due that may jeopardize the operations or license of the business such as rent, utilities, or other facility expenses.
3. Regulatory fees: Outstanding payments necessary to maintain operations and/or license.
4. Professional service invoices: Outstanding invoices from vendors.
5. Loan repayments or debt service

Applicants who are not selected for funding in this round may be prioritized for financial assistance in future Immediate Needs Grant Program rounds.

In addition, EOED reserves the right to make partial awards as deemed necessary and appropriate to ensure equitable distribution of these resources.

CONTRACTING AND REPORTING REQUIREMENTS

Contract, Scope of Work, Budget, and Performance Period

All applicants awarded financial assistance are required to enter into a grant contract agreement with EOED prior to the disbursement of any grant funds. All documents ultimately negotiated and incorporated into the grant agreement will be added as attachments and references to all attachments will be written into the agreement form prior to the execution of the Grant Agreement. The anticipated start date for contracts awarded in the current grant round will be upon the full execution of the contract. All grant funds must be expended by the date noted in the contract.

Payment Process

Once the contract is fully executed, EOED will authorize the release of 100% of the grant amount and submit the request to the Comptroller's Office for payment. Once filed, all payments will be issued within 45 days.

Reporting Requirements

Grantees will be required to submit a **final** report on a form provided by EOED detailing the use of funds along with all supporting documentation at the conclusion of their project. The final report will be subject to review and acceptance by EOED. Grantee must successfully close out any current grants to be eligible to apply in any future Immediate Needs Grant Program rounds.

OTHER TERMS AND CONDITIONS

1. Each applicant to this program will be required to certify that they are duly authorized to submit the application on behalf of the named business entity and that the responses to the questions provided in the application, and the attached documentation, are true, accurate, and complete. The Massachusetts Executive Office of Economic Development will rely on the information provided in the application to make decisions about whether to award a grant from the respective funding source(s). The Commonwealth reserves the right to deem an application ineligible for consideration, or if awarded a grant, to take action against the applicant, the applicant organization, and/or any other beneficiary of a grant, if any of the information provided is determined to be false, inaccurate, or misleading.

2. The Massachusetts Executive Office Economic Development complies with all Commonwealth of Massachusetts' procurement laws and regulations set forth and overseen by the Commonwealth's Operational Services Division when awarding contracts as well as the state's award requirements as mandated and overseen by the Office of the State Comptroller when dispersing these funds.
3. All data, materials, documentation, responses, information submitted in response to this solicitation are subject to the Massachusetts Public Records Law, M.G.L. c. 66 § 1 and to c. 4, §7(26).
4. Successful applicants, upon notification of award, will be required to enroll in EFT as a contract requirement by completing and submitting the Authorization for Electronic Funds Payment Form for review, approval and forwarding to the Office of the Comptroller. If the applicant is already enrolled in the program, it may so indicate in its response. Because the Authorization for Electronic Funds Payment Form contains banking information, this form, and all information contained on this form, shall not be considered a public record and shall not be subject to public disclosure through a public records request.
5. Violations of these or any other terms and conditions in the contract may subject the grant award to claw-back procedures and prevent the applicant from applying for future financial assistance from the Cannabis Social Equity Trust Fund.
6. During the term of a contract agreement and for a period up to seven years thereafter, if the Executive Office of Economic Development is audited, the grantee will be required to make all records relating to this grant available.

APPENDIX I: Definitions

Marijuana Establishment (935 CMR 500.002) - means a Marijuana Cultivator (Indoor or Outdoor), Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Microbusiness, Independent Testing Laboratory, Marijuana Retailer, Marijuana Transporter, Delivery Licensee, Research Facility Licensee (as defined in 935 CMR 500.002: Marijuana Research Facility Licensee) Social Consumption Establishment (as defined in 935 CMR 500.002: Social Consumption Establishment) or any other type of licensed Marijuana-related business, except Medical Marijuana Treatment Center (MTC).

Medical Marijuana Treatment Center (935 CMR 501.002) - formerly known as a Registered Marijuana Dispensary (RMD), means an entity licensed under 935 CMR 501.101 that acquires, cultivates, possesses, Processes (including development of related products such as Edibles, MIPs, Tinctures, aerosols, oils, or ointments), Repackages, transports, sells, distributes, delivers, dispenses, or administers Marijuana, products containing Marijuana, related supplies, or educational materials to Registered Qualifying Patients or their Personal Caregivers for medical use. Unless otherwise specified, MTC refers to the site(s) of dispensing, cultivation, and preparation of Marijuana for medical use.

Economic Empowerment Priority Applicant (935 CMR 500.002 and 935 CMR 501.002) - means an applicant who, as an entity or through an individual certified by the Commission in 2018, meets and continues to meet three or more of the following six criteria, at least one of which shall be a majority-equity-ownership criterion:

1. Majority-equity-ownership Criteria:
 - a. A majority (more than 50%) of ownership belongs to people who have lived for five of the preceding ten years in an Area of Disproportionate Impact, as determined by Commission.
 - b. A majority (more than 50%) of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities.
 - c. A majority (more than 50%) of the ownership is made up of individuals from Black, African American, Hispanic or Latino descent.
2. Additional Criteria:
 - a. At least 51% of current employees or subcontractors reside in Areas of Disproportionate Impact and by the first day of business, the ratio will meet or exceed 75%.
 - b. At least 51% of employees or subcontractors have drug-related CORI and are otherwise legally employable in Cannabis enterprises.
 - c. Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in Areas of Disproportionate Impact. This applicant has priority for the purposes of the review of its license application.

Social Equity Business (M.G.L. c. 94G § 1): a marijuana establishment with not less than 51 per cent majority ownership of individuals who are eligible for the social equity program under section 22 [of chapter 94G] or whose ownership qualifies it as an economic empowerment priority applicant as defined by the commission's regulations promulgated pursuant to section 4 [of chapter 94G].

Social Equity Program Participant (935 CMR 500.002 & 501.002): An individual who qualified to participate in the Social Equity Program and is designated as a program participant by the Commission.

Area of Disproportionate Impact (935 CMR 500.002): means a geographic area identified by the Commission for the purposes identified in M.G.L. c. 94G, § 4(a½)(iv), and which has had historically high rates of arrest, conviction, and incarceration related to Marijuana crimes.

APPENDIX II: Application Template

**CANNABIS SOCIAL EQUITY TRUST FUND
IMMEDIATE NEEDS GRANT PROGRAM**

APPLICATION TEMPLATE

This template is provided as a guide for reference purposes only. All applications must be submitted electronically through the program's online application portal for consideration.

Eligibility: The Applicant Business must meet all of the following eligibility requirements to apply to the Immediate Needs Grant Program. Before proceeding, please review and confirm eligibility by checking all applicable statements. The Applicant Business is:

- A duly organized business entity in good standing and located in Massachusetts; and
- A Marijuana Establishment or Medical Marijuana Treatment Center with a Provisional or Final License issued by the Cannabis Control Commission (Commission); and
- Qualified as an Economic Empowerment Priority Applicant or Social Equity Business because:
 - the business entity has been designated by the Commission as an Economic Empowerment Priority Applicant; or
 - the business entity has a majority of ownership designated by the Commission as an Economic Empowerment Priority Applicant; or
 - the business entity has a majority of ownership designated by the Commission as Social Equity Program Participants.

Section 1: Business Entity Applying for Financial Assistance

The information provided in this section shall pertain to the business entity applying for financial assistance from the Cannabis Social Equity Trust Fund.

- 1.1 Business Entity Legal Name: _____
- 1.2 Business Entity D/B/A: _____
- 1.3 Business Address: _____ City: _____ State: MA Zip: _____
- 1.4 Mailing Address, if different: _____ City: _____ State: MA Zip: _____
- 1.5 Business Identification Numbers:
FEIN: _____ DUNS#, if known: _____ Mass. Vendor Code, if known: VC
- 1.6 Business Entity Type: (*Select from drop-down options*)
 - LLC S-Corp Partnership Cooperative
 - LLP C-Corp Other: (Specify: _____)

1.7 Business Description – Provide a brief narrative about the Applicant Business, such as the company’s mission, history, and/or any other information that reviewers should know about. _____

(1,000 characters)

1.8 The following documents are required to demonstrate that the business entity is in good standing. Check each box and provide the corresponding certificates. All documents should be dated within 30 days of the application submission date.

Certificate of Good Standing from the Massachusetts Secretary of State’s Corporations Division (<https://www.sec.state.ma.us/divisions/corporations/corporations.htm>).

ATTACHMENT: Upload copy of certificate.

Certificate of Good Standing from the Department of Revenue (<https://www.mass.gov/info-details/dor-certificate-of-good-standing-andor-corporate-tax-lien-waiver-faqs>)

ATTACHMENT: Upload copy of certificate.

Certificate of Compliance from the Massachusetts Department of Unemployment Assistance (<https://www.mass.gov/info-details/certificate-of-compliance-good-standing-from-department-of-unemployment-assistance-dua>)

ATTACHMENT: Upload copy of certificate.

Unable to provide one or more of these documents. Explain: _____ *(500 characters)*

1.9 Indicate any other applicable certifications and/or classifications for this company (Optional):

Women-Owned Business Enterprise

Veteran-Owned Business Enterprise

Minority-Owned Business Enterprise

LBGTQ-Owned Business Enterprise

Disadvantaged Business Enterprise

Other: (specify: _____)

Disability Business Enterprise

Section 2: Cannabis Business Information

2.1 Cannabis Business License Number: _____

2.2 Cannabis Business License Type: *(Select from drop-down options)*

Craft-Marijuana Cooperative

Marijuana Research Facility

Delivery Licensee

Marijuana Retailer

Independent Testing/Standards Laboratory

Marijuana Transporter

Marijuana Cultivator

Medical Marijuana Treatment Center

Marijuana Microbusiness

Social Consumption Establishment

Marijuana Product Manufacturer

Other: (Specify: _____)

ATTACHMENT: Upload evidence of the Business Entity’s license issued by the Cannabis Control Commission (copy of certificate or email confirmation, for example).

2.3 Business Ownership. For all individuals or entities with an ownership interest in the business entity applying for financial assistance, complete the table below with their name, contact information, percentage of ownership, social equity designation (Economic Empowerment Priority Applicant or Social Equity Program Participant), and identification of any ownership interest in another business applying or intending to apply for financial assistance under this program:

	A	B	C	D	E
	Name and Title/Role	Email Address and Phone Number	Percent Ownership*	EEA or SEP Certification Number (if applicable)	Has Ownership Interest in Other Application(s)? If yes, list business name(s)
1					
2					
3					
4					
5					

* Total percentage ownership of business entity by Economic Empowerment Priority Applicants or Social Equity Program Participants must be equal to or more than 51% for eligibility.

ATTACHMENT: Upload evidence of the Business Entity’s ownership. Commission license application, renewal, or change in ownership documentation evidencing percentage ownership. Explain any deviations in the documents submitted from the information provided above: _____ (500 characters)

ATTACHMENT: Provide documentation for the business entity, or each individual listed in Section 2.3 Business Ownership identified as having social equity status, that evidences designation as an Economic Empowerment Priority Applicant or Social Equity Program Participant (copy of certificate or email confirmation, for example).

2.4 Is the business located in an “Area of Disproportionate Impact” designated by the Commission (see definition in Attachment I of NOFA)?

Yes No

2.5 How many individuals are employed by the company?

Full Time Employees (at least 35 hours per week): _____
Part Time Employees: _____

2.6 Current state of the Cannabis Business: Provide a description of the status of the business, current conditions, including successes and challenges. _____

(1,000 characters)

Outstanding Professional Service Expenses	Request Amount	Description	Documentation
Attorney or Accounting fees			Upload
Subtotal			

Loan Repayment	Request Amount	Description	Documentation
Debt Service			Upload
Subtotal			

Other outstanding or Imminent Expenses Essential to the Operation of the Business	Request Amount	Description	Documentation
Other:			Upload
Subtotal			

Grand Total: \$

3.5 If needed, provide additional explanation(s) for the requested amounts: (500 characters)

3.6 Describe any other financial assistance your business may need in the future to competitively participate in the regulated marijuana industry: _____

 (1,000 characters)

SECTION 4: Application Certifications

To be completed by the individual that is submitting this application on behalf of the Eligible Applicant Business Entity.

I, _____ (Submitter Name), hereby certify that I am duly authorized to submit this application on behalf of _____ (Applicant Business Entity Name). By entering my contact information in the spaces below, I further certify/affirm the following: (check each box to confirm.)

- The responses to the questions provided in this application, and the attached documentation, are true, accurate, and complete. I understand that the Executive Office of Economic Development (EOED), will rely on the information provided in this application to make decisions about whether to award a grant and that the Commonwealth reserves the right to take action against me, the applicant organization, and/or any other beneficiary of a grant, if any of the information provided is determined to be false, inaccurate, or misleading.

- The intended use of financial assistance requested is not, or will not be, covered by any other source of financial aid.
- The entity applying for financial assistance, or any person or entity with an ownership interest in the entity applying for financial assistance, is in good standing with the Cannabis Control Commission and has not received a recommendation or determination of adverse suitability from the Commission.
- The entity applying for financial assistance, or any person or entity with an ownership interest in the entity applying for financial assistance, identified as having designation as an Economic Empowerment Priority Applicant or Social Equity Program Participant continue to meet the criteria allowing them to receive such initial designation.
- If awarded, the applicant organization has the capacity to carry out the project in accordance with all applicable laws and regulations.
- I understand and acknowledge that all materials submitted as part of this application are subject to disclosure under the Massachusetts Public Records Law.

Submitter Name: _____ Submitter Title/Role: _____

Submitter Email: _____ Submitter Phone #: _____