

Commonwealth of Massachusetts
EXECUTIVE OFFICE OF ECONOMIC DEVELOPMENT

Cannabis Social Equity Trust Fund (CSETF) – Immediate Needs Grant Program

FREQUENTLY ASKED QUESTIONS (FAQ)

As of: 2/7/24

Eligibility

Q: What are the eligibility criteria required for a business to apply to the Immediate Needs Grant Program?

A: To be eligible for the Immediate Needs Grant Program, businesses must meet all the following key criteria:

- Must be a duly organized business entity in good standing and located in Massachusetts.
- Must be a Marijuana Establishment or Medical Marijuana Treatment Center with a Provisional or Final License issued by the Cannabis Control Commission.
- Must be qualified as an Economic Empowerment Priority Applicant or Social Equity Business.

Q: I am the majority owner of two eligible businesses. Will I be able to submit applications for both businesses?

A: No. Separate eligible businesses with common ownership (of more than a majority) are limited to submitting one application for financial assistance per funding round.

Q: If my business applies for this round of the Immediate Needs Grant Program, and is awarded financial assistance, will we be able to apply again in a future round?

A: Yes. SA business that has been awarded financial assistance will be eligible to apply in future rounds of the Immediate Needs Grant Program, as long as they remain in good standing and have successfully closed out the previous grant contract.

Q: If my business applies for this round of the Immediate Needs Grant Program, and is not awarded financial assistance, will we be able to apply again in future round?

A: Yes. Applicants who qualify for financial assistance but are not selected in a given round of the Immediate Needs Grant Program may be prioritized during the next round of the program, if they continue to be eligible.

Q: Are non-operational businesses required to submit a letter from the Department of Revenue?

A: Any business that is not able to provide one or more of the required certificates, even if non-operational, must indicate the reason for their lack of a certificate(s) in the section requesting more details.

Application

Q: What information will applicants need to have available when creating their account on Submittable to be able to access the Immediate Needs Grant Program application?

A: Applicants will only need to provide a name and email to create a Submittable account.

Q: Is there an application fee?

A: No, application fees are not required apply to the Immediate Needs Grant Program.

Q: Can multiple users access the application?

A: Yes, multiple users can access a Submittable application by using the Collaboration Tool. Once an application is started, you will be able to access the “invite collaborators” tool to add team members or collaborators who can contribute to the application. However, once completed the application must be submitted by the original account that started the application.

Q: Are letters of good standing from the Massachusetts Secretary of State (SOS), Department of Revenue (DOR), and Department of Unemployment Assistance (DUA) required within the last 30 days?

A: Certificates of good standing issued within 30 days of applying are required to ensure the business information is current and up to date. Those who are unable to provide documentation are given the opportunity to provide a reasonable explanation for the unavailability of the documentation.

Q: Can I submit additional documents or information after the application deadline has passed?

A: No, all required documents and information must be uploaded with the application and submitted by the deadline of February 15th 11:59PM. Late submissions will not be accepted. Incomplete applications will be disqualified from further review in the current round.

Q What application questions are required to be eligible for financial assistance?

A: Questions marked with an asterisk are required for submission. Non-asterisked questions are optional, and in those cases, if unable to answer you will have the opportunity to explain.

Q: What determines urgency for purposes of eligible use of funds?

A: Urgency is considered as any imminent or outstanding expense essential to the operation of the business. Generally, these would be overdue bills and/or invoices for already rendered services that support stabilizing the business.

Q: If my business is currently in the process of a change of ownership, how should I indicate this on the application?

A: If the business applying for financial assistance is currently, or anticipates, undergoing significant changes, such as a change in ownership, it is advisable to communicate these circumstances to the grant program administrators to ensure compliance with the program. Grantees are required to comply with the terms and conditions of the grant contract, Notice of Funding Availability, and relevant legal authorities, including maintaining eligibility, for the duration of their participation in the Immediate Needs Grant Program.

Q: Can applicants seek funds for upcoming or anticipated professional services not yet rendered or billed?

A: No. Grant funding in this program is reserved for businesses with imminent or outstanding expenses that are already owed and are essential to maintain the operation of the business.

Funding and Timelines

Q: Will there be more rounds of funding?

A: EOED is prepared to conduct additional rounds and programs from the Trust Fund, as additional resources become available.

Q: How many applicants are expected to receive grant funds during this initial round of funding?

A: EOED anticipates awarding between 40-60 applicants during this initial round, depending on the number of eligible proposals.

Q: Could there be penalties or a recapture of grant funds from the Immediate Needs Grant Program?

A: Yes. If a grantee does not comply with the terms or conditions of the grant contract, the Notice of Funding Availability, or relevant legal authorities, such as using grant funds for purposes not designated or approved, the grantee may need to return the awarded funds and could be further penalized.

Q: When will grant recipients be announced?

A: The announcement of grant recipients is expected to be made within 4-6 weeks after the application deadline of February 15th, 2024. Please stay tuned for updates on our website and social media channels.

Q: How will the grants funds be disbursed to the recipients?

A: The Massachusetts Comptroller's Office establishes the rules and procedures for contracting with the Commonwealth, including the requirement that all grant funds be disbursed via EFT. Grant recipients will be required to establish a state vendor code and complete the EFT enrollment, if they have not already done so.

Expenses & Use of Funds

Q: What types of expenses are not eligible for grant funding?

A: Purchases of marijuana products or marijuana paraphernalia are prohibited. Additionally, expenses that are not directly related to the operation of the business, such as personal or non-business-related expenses, are not eligible for grant funding. Grantees must also prevent the duplication of benefits, meaning grant funds may not be used to pay expenses if another source of financial aid has paid that same expense. Please see the NOFA for a listing of prohibited use of funds.

Q: Do personnel costs include outstanding bills for a vehicle, which is the individual's main mode of transportation?

A: No, personnel costs strictly relate to payroll expenses. Outstanding bills for a vehicle or similar items that are vital to the operation of the business may be identified and explained in the "Other" category of the budget table.

Q: Can you expand on how applicants can demonstrate their ability to use the funds promptly?

A: Providing a detailed timeline for the proposed expenditure of funds, along with a clear plan outlining how the funds will be used for urgent operational needs, will demonstrate the ability to promptly utilize financial assistance. Generally, EOED would consider payments being "promptly used" when they are spent within 30-60 days from receipt of the funds.

Q: Should I report a grant from the Cannabis Social Equity Trust Fund as taxable income when my business files its tax returns?

Yes. The receipt of a government grant by a business generally is not excluded from the business's gross income under the federal Internal Revenue Code, and therefore is taxable under federal law. Absent some express exclusion, income that is taxable under federal law is also considered taxable income for purposes of Massachusetts tax laws.