FY2027 Social Enterprise Capital Grant Program

Frequently Asked Questions

Executive Office of Economic Development

Updated April 15, 2026

General Program Information

What is the Social Enterprise Capital Grant Program?

The Social Enterprise Capital Grant Program provides capital grants to eligible Massachusetts nonprofit organizations that operate employment social enterprises. Funding may support the acquisition of real estate and/or the repair, rehabilitation, or renovation of real estate used for the social enterprise. In some cases, renovation projects may also include the purchase and installation of necessary industrial equipment.

What is the purpose of this program?

The program supports employment social enterprises that sell goods or services while providing paid jobs and supportive services to people who face significant barriers to employment. It is intended to promote economic growth in low-income communities and to expand equitable access to employment opportunities for socially and economically disadvantaged populations.

What is an employment social enterprise?

For purposes of this program, an employment social enterprise is a discrete or embedded business venture that produces and sells goods or services and is operated by a mission-driven nonprofit organization whose primary goal is to employ and assist people who face barriers to employment. Paid employment must be a core part of the model.

How is real estate defined for this program?

For purposes of this program, real estate means real property, including land and buildings attached to the land.

What qualifies as industrial equipment under this grant?

Industrial equipment refers to nonexpendable, tangible property with an acquisition cost of $5,000 or more per unit and a useful life of more than one year. For this program, it must also be installed as a fixture in a building owned by and used for the social enterprise. Industrial equipment purchases should be part of an eligible renovation or repair project, rather than the renovation being incidental to equipment installation.

Are trucks, vans, and other vehicles considered industrial equipment?

No. For this grant, only equipment installed as a fixture in a property owned by and used for the social enterprise is considered industrial equipment.

Eligibility

Who is eligible to apply?

To be eligible, an applicant must be a Massachusetts nonprofit organization in good standing that:

- has a recent financial audit;

meets the RFP definition of an employment social enterprise;

has operated that social enterprise continuously for at least 12 months before applying;

is the current owner or contracted future owner of the property;

offers paid employment opportunities to at least five low-income individuals annually;

pays at least the Massachusetts minimum wage; and currently provides the required supportive services.

Are for-profit businesses eligible to apply?

No. Only Massachusetts nonprofit organizations in good standing are eligible to apply.

Does an organization need to sell goods or services to qualify?

Yes. The social enterprise must produce and sell goods or services. Programs that provide services for free, while valuable, do not meet this program's definition of a social enterprise on that basis alone.

Can an organization qualify if it only provides job training or stipends?

No. Job training alone does not satisfy eligibility requirements. Participants must be engaged in actual paid employment in the social enterprise, not only receiving stipends or training without employment.

Is this grant only for existing social enterprises?

Yes. The social enterprise must have been in continuous operation for at least 12 months before the application is submitted.

How many people must the social enterprise employ?

The organization must offer paid employment opportunities to at least five low-income individuals annually through the social enterprise.

Do social enterprise participants need to be full-time employees?

Not necessarily. Social enterprise participants may be full-time, part-time, or a combination of both. However, they must be employees of the social enterprise and not independent contractors.

Do social enterprise employees have to be paid at least minimum wage?

Yes. Applicants must pay employees or participants in the social enterprise no less than the Massachusetts minimum hourly wage, even if the organization is permitted to pay a subminimum wage.

Can an organization with a certificate allowing subminimum wage still apply?

Possibly, but only if all employees in the social enterprise are paid at least the Massachusetts minimum wage. Paying a subminimum wage would not meet the program's eligibility requirements.

Do the required employees have to work directly for the social enterprise?

Yes. The applicant organization must be the direct operator of the social enterprise, and the employees counted for eligibility must work for that social enterprise rather than for a third-party employer. The employees must also all receive the supportive employment services listed in the RFP.

Does the applicant organization need to be the same organization operating the social enterprise?

Yes. The applicant organization must be the organization that operates the social enterprise, employs the participants, and would receive and manage the grant funds.

Can an organization apply on behalf of another organization, as a fiscal sponsor?

No. The applicant must be the direct operator of the social enterprise and must demonstrate direct administrative and budget capacity to manage the grant.

Are business incubators eligible for this program?

No. An organization operating as a business incubator is not eligible for this program.

Can organizations serving specific populations, such as veterans or people with disabilities, apply?

Potentially, yes. Eligibility depends on whether the organization meets all program requirements, including the definition of an employment social enterprise, paid employment, supportive services, and the other criteria in the RFP. Applicants should clearly explain the barriers to employment faced by their target population and how the project advances equitable opportunity.

Can prior Social Enterprise Capital Grant recipients apply again?

Yes. An otherwise eligible nonprofit organization may apply in the current round even if it received funding in a prior round.

Eligible Uses of Funds

What types of projects can be funded?

Applicants may request funding for one or both of the following: acquisition of real estate to be owned by the nonprofit and used for the social enterprise, and repair, rehabilitation, and/or renovation of real estate owned and operated for the social enterprise. Renovation projects may include necessary industrial equipment.

How much funding can an applicant request?

Applicants may request up to $500,000 for real estate purchase and up to $250,000 for repair, rehabilitation, and/or renovation.

Is this a reimbursement grant?

Yes. Grant funds are disbursed on a cost reimbursement basis. After award, EOED will work with grantees to develop a final scope and budget.

Can grant funds be used for work or purchases completed before the contract period begins?

No. Applicants should plan for grant-supported costs to fall within the FY2027 performance period, July 1, 2026 through June 30, 2027.

Can the grant be used as a down payment for property acquisition?

Yes. Applicants may request funds for the outright purchase of a property, up to the grant maximum, or for only a portion of the purchase such as a down payment. If the grant request would cover only part of the purchase, the applicant should be prepared to demonstrate how the remaining costs will be covered.

Can grant funds be used for site assessment, planning, or a feasibility study?

The program is intended to support acquisition and renovation of real estate for an eligible social enterprise, with projects expected to be completed during the performance period. Planning or feasibility costs are not the primary purpose of the grant and are unlikely to be competitive on their own.

Can grant funds be used to cover staff salaries or other operating costs?

No. This is a capital grant program: funds may only be used for eligible capital costs related to acquisition, repair, rehabilitation, renovation, and associated eligible industrial equipment.

Can an organization seek funding for more than one building?

Generally, if an organization is seeking grant funds for more than one building or location, it should submit a separate application for each building or location.

Do all required services need to be provided at the site being purchased or renovated?

No. Not all required services must be provided at the specific site. However, the property must be used for the social enterprise. Applications for sites used primarily for administrative or other non-social-enterprise purposes are unlikely to be competitive.

Property Requirements

Does the applicant need to own the property?

Yes. The applicant must be either the current owner or the contracted future owner of the property to be purchased, repaired, rehabilitated, and/or renovated. Proof of current or contracted future ownership is required with the application.

Can an organization apply if it is under contract to purchase a property?

Yes. Organizations with contracted future ownership may apply, provided they meet all other eligibility requirements and submit the required documentation.

How can an applicant demonstrate contracted future ownership?

At a minimum, the applicant should identify a specific property and provide documentation showing it is in the process of acquiring that property. Stronger applications will generally include more concrete documentation, such as a signed purchase and sale agreement or an accepted offer, though other evidence of an active acquisition process may also be submitted.

Can an organization request renovation funding for leased space?

No. The program is limited to facilities owned, or to be owned, by the nonprofit and used for the social enterprise. Leased space would generally not meet this ownership requirement.

Application Process

How do I apply?

Applications must be submitted through Submittable, the online platform linked on the EOED program webpage. Applications submitted by email, fax, or mail will not be accepted.

What is the application deadline?

Applications are due by Tuesday, May 5, 2026 at 11:59 p.m. EOED technical support will be available until 4:00 p.m. on the deadline date.

What documents are required?

A complete application includes the Submittable eligibility screen and application forms, plus uploads for a recent audited financial statement, the budget form, and proof of current or contracted future property ownership.

Is there a word or character limit on application responses?

Yes. Application questions include response limits in Submittable. Applicants should review each question carefully in the online form and stay within the stated limit for that response.

Are matching funds required?

No. The FY2027 RFP does not require matching funds. Applicants may include other sources of project funding in the budget form if applicable.

Should I submit letters of support with my application?

Letters of support are optional. Applicants may submit them as part of the optional attachments upload, but they will not be scored as part of the formal application evaluation.

Are design plans and quotes expected with the application submission?

They are not required. However, applicants should be prepared to describe the scope of work and the level of project readiness in their application.

Are optional attachments allowed?

Yes. Applicants may submit optional materials, such as program materials or support letters from community partners, as a single PDF. However, these materials will not be scored or counted as part of the evaluation.

Can I save my application and return to it later?

Yes. Applicants can save a draft in Submittable and return later to complete the application.

Can multiple people work on the application?

Yes. Applicants can use Submittable's collaboration feature. Applicants should not share login credentials.

Review and Selection

How will applications be evaluated?

Eligible and complete applications will be scored on a 110-point scale based on four main areas: Target Population, Organization Capacity and Purpose, Programmatic Impact, and Track Record and Capacity to Succeed. Up to 10 bonus points are available for Advancing Equitable Opportunities.

Will EOED make partial awards?

Yes. EOED reserves the right to make partial awards.

Webinar and Questions

Was the informational webinar recorded?

Yes. The webinar was recorded and is currently posted on the Social Enterprise Capital page on Mass.gov.

How should applicants submit questions?

Questions should be emailed to eohedgrants@mass.gov. Questions will be aggregated and responses will be periodically posted on the EOED webpage.

Will EOED be available to hold meetings with prospective applicants during the application period?

EOED staff are unable to hold private conversations about the program while the application period is open. Applicants should rely on the written RFP, webinar recording and FAQ.