



COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

## Social Enterprise Capital Grant Program

### FREQUENTLY ASKED QUESTIONS (FAQ)

*As of: March 24, 2023*

#### Reminders

**Deadline:** **Thursday April 6, 2023 at 5pm**

**Submission:** A completed application must be submitted online via Submittable. Attachments can be included within the form.

#### General

**Q: Will this program make partial grant awards?**

*A: At its discretion, EOHED may make partial awards if needed, depending on the number and strength of the applications received.*

**Q: Will this grant be available next year?**

*A: This program is in the state's capital improvement plan and is expected to be available again for grants in FY2025. However, any future grant resources are subject to appropriation by the Legislature and approval by the Executive branch, so funding availability is not guaranteed.*

#### Definition Questions

**Q: How is "social enterprise" defined?**

*A: For purposes of this program, an employment social enterprise is defined as a discrete or embedded business venture operated by a mission-driven nonprofit organization with programming focused on employing and assisting people who face barriers to employment.*

**Q: What does EOHED consider to be "industrial equipment" purchases?**

*A: Industrial equipment is defined as an article of nonexpendable, tangible property with an acquisition cost of \$5,000 or more per unit, and a useful life of more than one year. Additionally, for purposes of this program, it must be installed as a fixture in a building owned by and used for the social enterprise.*

**Q: Are trucks, vans, and other vehicles considered industrial equipment?**

*A: No. For this grant, only equipment that will be installed as a fixture in a property owned by the social enterprise is considered industrial equipment.*

**Eligibility Questions**

**Q: Is my organization eligible to apply?**

*A: Eligible applicant organizations must meet all the criteria outlined in the RFP. These requirements are cumulative. See the excerpt from the RFP below.*

To be considered for funding, the applicant organization must meet all the following requirements:

- be a Massachusetts non-profit corporation in good standing, and
- successfully operating an employment social enterprise for at least 12 continuous months prior to the time of application, and
- offering paid employment opportunities to low-income individuals, with priority to socially and economically disadvantaged populations who experience complex needs and barriers to employment that require intensive interventions, and
- paying participants in the social enterprise no less than the Massachusetts minimum hourly wage for their employment, and
- be the current or imminent owner of the real estate to be used for the social enterprise.

Applicant will also be required to affirm and demonstrate that it currently provides the following services to social enterprise participants, and plans to provide them to future participants:

- Outreach to targeted populations.
- On-the-job training and skill development, including worksite supervision and performance coaching.
- Comprehensive supportive services for at least 1 year (including, but not limited to, case management, aimed at helping to overcome barriers to employment).
- Assistance to obtain external employment.
- Job retention services, which include follow up with beneficiaries for at least 1 year and employers to support job retention and advancement.

**Q: Is this grant only for existing social enterprises?**

*A: Yes, this grant program is only for social enterprises that have been in continuous operation for at least 12 months as of March 13, 2023.*

**Q: My organization received a Social Enterprise Capital Grant in the last round (July 2022 – June 2023) - are we eligible for the current round?**

*A: Yes. Any eligible organization in good standing may apply in a current round, regardless of whether they received funding in a previous round.*

**Q: Is there a limit to what types of social enterprises may apply?**

*A: No, any employment social enterprise that meets the eligibility criteria and services outlined in the RFP may apply.*

**Q: Does the applicant organization need to be the one operating the social enterprise?**

*A: Yes. The applicant organization must be both the employer of social enterprise participants and the intended recipient of the grant funds.*

**Q: My organization is not a non-profit. Are we eligible for grant funds?**

*A: No. To be eligible for this program, the applicant organization must be a nonprofit organization.*

**Q: Are business incubators eligible for this grant program?**

*A: No, an organization operating as a business incubator is not eligible for this grant program.*

**Q: Can my organization apply on behalf of another organization, as a fiscal sponsor?**

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

**Q: What are the grant program's wage requirements?**

*A: In order to be eligible for the program, the organization must pay social enterprise participants at least the Massachusetts minimum wage and provide verifying information about entry-level participant wages. Beyond these requirements, there are no further grant program stipulations about wages, other than any local, state, and/or federal rules that may otherwise apply to your organization.*

**Q: My organization has a certificate that permits us to pay a subminimum wage. Can we still apply?**

*A: Simply possessing a certificate does not prevent your organization from applying per se, but all employees in the social enterprise must be paid at least Massachusetts minimum wage (not a subminimum wage) for your organization to be eligible.*

## **Applications**

**Q: Is there a word or character limit on application responses?**

*A: Yes, each question has its own character limit, usually between 250-500 words. If you log in to the application form, you will see each in the bottom right-hand corner of the question response box.*

**Q: Are matching funds required?**

*A: Match funds are not required. However, proposals that include funding support from other non-state sources (local/federal government, philanthropy, private donors, etc.) will get priority consideration.*

**Q: Should I submit letters of support with my application?**

*A: Letters of support are not required, as they are not scored and are not part of the formal application evaluation process. However, applicants may opt to submit letters through the “optional attachments” upload button in Submittable.*

**Q: Are design plans and quotes expected with the application submission?**

*A: No, these documents are not requested for the application. However, EOHED expects that applicants will possess these items and be able to describe what has been done to prepare – such as designs, permitting, etc. – for the work they are requesting funds to undertake.*

**Q: Is this like Urban Agenda where we can only submit one application per community?**

*A: No, it is not. There can be multiple applications and awards from the same city/town or neighborhood. Each application will be evaluated on its own merits. However, all applications will essentially be competing against each other.*

**Q: How do I demonstrate that my organization will be the “imminent” owner of real estate?**

*A: At a minimum, EOHED requires an applicant to have identified a specific property and be in the process of acquiring said property. EOHED understands that there are a variety of stages in real estate acquisition. As this is a competitive grant program, the strongest applications will have a signed purchase/sales agreement or at least an accepted offer to purchase real estate. Other documentation from less binding purchase stages is acceptable but less competitive. If awarded, the organization must be able to demonstrate the purchase has taken place to receive reimbursement.*

**Use of Funds**

**Q: Can grant funds be used to renovate buildings that the organization leases, but does not own?**

*A: No, the applicant must own (or be in the process of purchasing) the property for which they are seeking grant funds to renovate.*

**Q: Can grant funds be used to purchase real estate?**

*A: Yes, grant funds can be used to purchase real estate to be owned by the nonprofit and used for the social enterprise.*

**Q: Can organizations use grant funds on more than one building?**

*A: Generally, if seeking grant funds for more than one building, the organization should make a separate grant application for each building/location.*

**Q: Can the grant funding be used as a down payment for property acquisition? Or does it need to cover the entire property amount?**

*A: Applicants may apply for grant funds to cover the entire purchase price of a property, assuming this does not exceed the grant maximum. Alternatively, yes, organizations may apply for a grant to fund only the down payment for a property. However, in that situation, the applicant would need to demonstrate the ability to pay the remaining costs, from other sources, to acquire the property.*

### **Social Enterprise Participants/Employees**

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

*A: Social enterprise participants may be either full or part-time employees (or a mix of both). However, they must be employees and cannot be independent contractors.*

**Q: Is there a minimum number of people the social enterprise is required to employ?**

*A: No, there is no minimum. However, the most competitive applicants will be able to show that the grant funds, if awarded, would allow the social enterprise to serve more people, particularly in proportion to the amount of funding requested.*