



COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

Social Enterprise Capital Grant Program

FREQUENTLY ASKED QUESTIONS (FAQ)

As of: April 17, 2024

Reminders

Deadline: **Wednesday April 24, 2024 at 11:59pm**

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, EOED may make partial awards, depending on the number and strength of the applications received.

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 EOED 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 (employees), and plans to provide them to future participants (employees):**

- 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 April 1, 2024.

Q: My organization received a Social Enterprise Capital Grant in the last round (July 2023 – June 2024) - are we eligible for the current round?

A: Yes. Any eligible nonprofit 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: Does the existing social enterprise (that has been operating for at least 12 months) need to be the same one that would be the beneficiary of the grant?

A: Yes.

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

A: At a minimum, EOED requires an applicant to have identified a specific property and be in the process of acquiring said property. EOED 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 grant funds be used for a site assessment/planning? What about a feasibility study?

A: Funded project categories are either purchase or renovation of real estate, and competitive applications will be able to complete the purchase or renovation during the FY2025 grant period. While site assessment, planning or feasibility isn't per se ineligible, it is unlikely to be competitive as it isn't fully aligned with the purpose of the grant.

Q: Can the grant funds be used to cover the cost of stipends or other operating costs?

A: No. This is a capital grant program. Funds may only be used on the purchase or renovation/repair of real estate, or for the purchase of capital equipment to be installed in real estate owned by 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: Do all of the required services need to be provided at the site being purchased or renovated? Can I apply for funding for a site that does not primarily serve the social enterprise?

A: No, not all services must be provided at the site. However, the site must be used for the social enterprise in order to be considered. Applications for grant funds for sites used primarily for administrative or other purposes will not be competitive.

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.