

Commonwealth of Massachusetts
EXECUTIVE OFFICE OF ECONOMIC DEVELOPMENT

Social Equity Grant Program
Cannabis Social Equity Trust Fund
FREQUENTLY ASKED QUESTIONS (FAQ)
As of 10/7/24

General Questions

Q: I received a grant in the previous (Immediate Needs) round. Can I apply to this program for another grant.

A: Yes. Applicants from a previous round may apply to the Social Equity Grant Program as long as they are eligible under the program guidelines and have successfully closed out their previous grant contract with EOED.

Q: When will grant recipients be announced?

A: All applicants will be notified in writing about grant decisions before the end of December 2024. Updates will be posted on the website and social media channels.

Eligibility Requirements

Q: My business holds several licenses and/or I am majority owner of more than one social equity business. Can I submit more than one application?

A: Yes. For the purposes of Tiers 2, 3 and 4, a business is permitted to submit one application for each license they hold and may receive only one grant award per license. Tier 1 applicants may only submit one application per business entity. **NOTE: Each application will be evaluated independently on its own merits.**

Q: Can I apply to different tiers if I have multiple licenses?

A: Yes, if you have multiple licenses, you may apply for different tiers as long as each business meets the criteria for the specific tier. Separate applications are required for each license.

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

A: Ownership agreements should be finalized prior to the submission of grant applications. Applicants must ensure ownership documents are up to date and verifiable.

Q: Can I apply for a grant if 40% of ownership in the business has social equity status?

A: No, the applicant business must have a majority, or more than 50%, total ownership by designated Economic Empowerment Priority Applicants or Social Equity Program Participants to be eligible to apply for a grant.

Q: I have an application pending before the CCC for a provisional license and hope to attain a license soon. Can I apply to this program in Tiers 2 or 3 as a Provisional Licensee.

No. Unfortunately, current pending license applications cannot be considered for eligibility purposes. A cannabis business that has not yet attained licensure from the CCC may only apply through Tier 1.

Q: Can you clarify the 30-day requirement for the letters of good standing from the Massachusetts Secretary of State, Department of Revenue (DOR), and Department of Unemployment Assistance (DUA)?

A: Applicants are required to upload Certificates of Good Standing that were issued no more than 30 days prior to the application submission date. We understand that some applicants may not be able to attain a certificate from DOR or DUA for various reasons. Applicants may submit a letter providing an explanation for the unavailability of the document(s).

Online application portal

Q: What information will applicants need to have available when creating their account on Submittable?

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

Q: Is there an application fee?

A: No, there are no application fees required to apply for the Social Equity Grant Program.

Q: Can multiple users access the application portal?

A: Yes, multiple users can access a Submittable application using the Collaboration Tool. (Sharing the same login is not advised, as this may result in session conflicts and inadvertent deletion of responses already entered.) Once the application is started, you can use the “invite collaborators” tool to add team members.

Q: Would I be able to make corrections and/or submit additional documents or information after the application deadline has passed?

A: No. All required documents and information must be submitted with the application by the deadline (October 17, 2024 @ 11:59 PM). After the deadline, the application portal will be closed. Late or incomplete submissions will not be accepted. Applications will be evaluated based on the information submitted by the deadline.

Q: Some of my documents have multiple pages. Will I be able to upload them as multiple attachments?

A: No. The system will allow for one upload for each of the required documents. Applicants should scan all responsive documents into one PDF to upload.

Eligible Use of Funds

Q: What expenses am I able to cover with a grant from this program?

A: Eligible expenses differ based on the Tier. Refer to the [NOFA](#) for details about which expenses are eligible and covered by each Tier.

Q: Can I apply for funds to cover past expenses?

A: Yes. Along with proposals for future expenses, EOED will accept receipts for any eligible expense based on the corresponding Tier that were incurred on or after July 1, 2024. This “past expenses” allowance is available to all four tiers.

Q: What is the expectation for meeting the cash match requirement in Tier 4?

A: The match requirement for Tier 4 does not require the applicant to have cash on hand at the time of application. No documentation or evidence of the match is necessary for the application; however, the applicant will need to indicate in Section 5.6 of their application what line items they will contribute towards the relevant expenses. If awarded a grant in Tier 4, the grantee will be expected to participate in a cost share arrangement (on a 50/50 basis) for any expenses requested beyond the initial \$250K.

Q: Can the grant request in Tiers 3 and 4 include operating expenses such as payroll and rent?

A: Yes, but with certain limitations. An “Immediate Needs” budget category has been added to both Tiers 3 and 4. Applicants in these tiers will be able to request up to \$50,000 of the grant for the Allowable Use of Funds categories available for Tier 2, such as payroll, lease or mortgage costs, utility costs, debt service, etc.

Q: Can funds be used to purchase real property such as a building or land?

A: Yes, applicants eligible for Tier 4 may use funds to support the purchase of real property.

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

A: Ineligible expenses include, but are not limited to, marijuana products, personal or non-business-related expenses, and any expenses already covered by other financial aid sources. Please refer to the [NOFA](#) for a full list of prohibited uses.

Q. Can grant funds be used to pay rent for Tier 1 applicants?

A: Yes, Tier 1 allowable use of funds are intended for expenses that support entry into the regulated cannabis industry, including rent.

Funding and Timelines

Q: Is this grant only on a reimbursement basis?

A: Yes, these grants operate on a cost reimbursement basis. Expenses must be incurred or obligated first. Evidence of the expense can be submitted to request a drawdown of funds. This may include receipts, contracts, purchase orders, etc. EOED will then disburse payment based on that evidence. Grantee will then be required to submit proof of payment in their final report to demonstrate that grant funds have been spent. For example: An applicant to Tier 3 or 4 is awarded \$250,000, of which \$50,000 is for an eligible vehicle purchase. The grantee can submit a negotiated price agreement. EOED would disburse the funds based on that agreement. The grantee would then make the purchase and submit the purchase receipt to substantiate the use of the funds in their final report.

Q: Could there be penalties or a recapture of grant funds?

A: Yes, if a grantee does not comply with the terms of the grant contract, such as using funds for unauthorized purposes, the grant may need to be repaid, and further penalties could apply. Please refer to [400 CMR 8.00](#), the NOFA, and your grant Contract once approved.

Q: How will the grant funds be disbursed?

A: All grant funds will be disbursed via Electronic Funds Transfer (EFT). Recipients will need to establish a state vendor code and complete EFT enrollment if not already set up.

Q: How long does it take to receive reimbursement?

A: Disbursements typically takes up to 45 days from the time eligible expenses are submitted and approved.

Q: Can items approved for the use of funds be changed later?

A: Any changes to the approved use of funds must be requested and approved by the program administrators. Adjustments will be considered on a case-by-case basis and must be for an allowable use of funds within the grantee’s approved Tier.

Other Concerns

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

A: Yes, government grants are generally considered taxable income under federal and Massachusetts tax laws.

Q: If I miss the deadline to submit my application this round, will there be other opportunities to apply?

A: Yes, the Executive Office of Economic Development (EOED) intends to provide additional funding opportunities from the Cannabis Social Equity Trust Fund.