

FREQUENTLY ASKED QUESTIONS

Direct Grants

I completed the Small Business Support Hub (SBSH) Grant Program Application and was approved as a Participant. Do I automatically qualify to receive a Direct Grant?

No. While your admittance into our SBSH Grant Program gives you direct and free access to all the programs, courses, and events we are providing under our program, it does not automatically qualify your business to receive a Direct Grant. For a full list of our programs, courses, and events, please visit our website: <https://www.sbam.org/programs/>.

When will I know if I am eligible to apply for a Direct Grant?

You will be notified via Submittable when your business has received at least six points, and you are eligible to apply for a direct grant.

Please note: Effective October 1, 2024, participants who miss two or more sessions without proper notice will no longer be considered for a Direct Grant. Proper notice requires emailing the SBAM Foundation at info@SBAMFoundation.org at least 72 hours prior to the scheduled course, program, or event. This will give us time to offer your slot to someone on the waiting list, ensuring full participation.

Additionally, effective January 1, 2025, participants who miss five or more sessions without proper notice after October 1, 2024, will be removed from the SBSH Grant Program and their credentials will be revoked.

How do I apply for a Direct Grant under the SBSH Grant Program?

The Direct Grant Application can be found on our Submittable platform (the same platform you used to complete the SBSH Grant Program Application). Follow these instructions to access the Direct Grant Application:

INSTRUCTIONS:

1. Log into your Submittable account.
2. Click on your business name (Shown under the "Submissions" header.)
3. Click on the "Forms" tab.
4. Click on "Direct Grant Application: SBSH Grant Program from SBAM Foundation" under the "Additional Forms" section.

Please note that your Direct Grant Application is linked to your account, so you will not need to reenter any information from your initial SBSH Grant Application.

What if the needs of my business have changed? Can I edit my Direct Grant Application?

We understand the needs of your small business may have changed since you submitted your Direct Grant application. We have created a supplemental application if your proposal in your original Direct Grant Application has changed, or if you would like to provide more detail on your original Direct Grant Application.

Follow these instructions to access the Supplemental Direct Grant Application:

INSTRUCTIONS:

1. Log into your Submittable account.
2. Click on your business name (Shown under the "Submissions" header.)
3. Click on the "Forms" tab.
4. Click on "Supplemental Direct Grant Application: SBSH Grant Program from the SBAM Foundation" under the "Additional Forms" section.

The submission of the Supplemental Direct Grant Application will REPLACE your original Direct Grant Application. Your original Direct Grant Application and the related scoring by our Direct Grant Application Review Team will be DELETED.

What items are given consideration when reviewing our Direct Grant Application?

The intent of the Direct Grant is to promote growth, and/or assist in the achievement of stability during recovery from the COVID-19 pandemic, and/or maintaining stability for your company. Requests that demonstrate these characteristics will be given the strongest consideration.

How will Direct Grant applications be reviewed and processed?

All Direct Grant Applications (original and supplemental) are reviewed by our Direct Grant Application Review Team. Each team member reviews and scores the applications independently. The individual application scores are then compiled and compared to scores of all other applications

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received in the current and previous tranches. The highest scores are then selected as awardees.

To ensure that all Direct Grant Applications are given equitable consideration, and that Participants are provided equitable access to our Direct Grant program throughout the terms of the SBSH Grant Program, the SBAM Foundation (SBAMF) has established the following schedule:

Direct Grant Tranche #	Application Open Enrollment Date	Tranche Application Deadline	Available Funds
1	8/1/2024	10/31/2024	\$53,289.50
2	11/1/2024	1/31/2025	\$53,289.50
3	2/1/2025	4/30/2025	\$53,289.50
4	5/1/2025	7/31/2025	\$53,289.50
5	8/1/2025	10/31/2025	\$106,579
6	11/1/2025	12/31/2025	\$106,579

In general, what does the Direct Grant Application Review Team consider when reviewing applications?

We are looking for proposals that demonstrate a positive impact on the applicant's business. We are also looking for proposals that are clearly laid out.

For example:

1. Here is my proposal.
2. Here is how the grant will be used to satisfy the needs of the proposal.
3. Here is how the proposal will have a positive impact on my business.

Can I use an A.I. tool to write my Direct Grant Application?

Yes, but it is not necessary. Our Direct Grant Application Review Team is not looking for proposals that are written in a professional manner. We are looking for those that are clearly stated and detail the impact receiving the Direct Grant funds will have on the business.

Do I need to attend the programs, courses or events provided under the SBSH Grant Program to apply for a Direct Grant?

Yes. Each program, course, and event in our catalog (<https://www.sbam.org/programs/>) has a point value of 1 to 5. A point value of one indicates a program or course that is less intense in nature, and has a lower time requirement for you, the Participant. By contrast, a point value of five indicates a program, course or event that is more intense or will require more time on your part. To qualify for a Direct Grant, you must compile a point value of at least six (6) by completing programs, courses or events in our catalog. Please note that you must apply for a Direct Grant within six (6) months of completing your last program or course from our catalog. You will be notified via Submittable when your business has received at least six points, and you are eligible to apply for a direct grant.

I own multiple companies and each one was approved for participation in the SBSH Grant Program. Can I apply for a Direct Grant for each company?

Yes, provided that each company compiles a composite point value of at least six (6). Each company is accepted into the SBSH Grant Program separately. As such, the qualification for Direct Grants is based on each company. For example, if you own three companies (Company A, Company B, and Company C) and all three were admitted into the SBSH Grant Program, you can apply for a Direct Grant for each approved company that attains a composite point value of at least six (6). In the example below, Company A and Company C would be eligible to apply for a Direct Grant. Company B would not.

Company Name	Composite Point Value	Direct Grant Eligible
Company A	17	Yes
Company B	5	No
Company C	6	Yes

Point values may not be split, transferred, or shared between companies, even if they share common ownership.

Is the Direct Grant application process competitive in nature?

Yes. Once a Direct Grant application is received, it will be reviewed and compared to other Direct Grant applications received in that tranche. We will then select the most compelling applications from that group for further review and approval.

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Does the point value that I accumulate affect my Direct Grant application?

Possibly. IF SBAMF receives two or more Direct Grant applications for consideration during a given tranche period that are all equally compelling, consideration may be given to the company that as compiled the highest composite point value from attending programs, courses, and events in our catalog.

If my company does not receive a Direct Grant in the tranche in which I applied, what happens next?

All eligible Direct Grant Applications will be held until the completion of the Grant Program on December 31, 2025, and will be re-reviewed in competition with other Direct Grant Applications as they arrive. To be considered "eligible" your Direct Grant Application must be completed within six (6) months of completing your last program, course, or event from our catalog. For example, if you apply during Tranche #1 and your Direct Grant Application does not receive an award, it will be considered eligible so long as you attend at least one (1) program, course, or event from our catalog within 6 months of the tranche application deadline in which your Direct Grant Application will be reconsidered.

You may also consider submitting a Supplemental Direct Grant Application.

When should I consider completing a Supplemental Direct Grant Application?

We would encourage you to complete a Supplemental Direct Grant Application when one or more of the following conditions exist.

- If your proposal in your original Direct Grant Application has changed. (For example: You proposed buying a table and chairs in your original Direct Grant Application, and you have made the purchase since completing your original application.)
- If you would like to provide more detail to the proposal you offered in your original Direct Grant Application. (For example: You feel that your original Direct Grant Application was lacking detail or did not fully explain the positive impact being awarded a Direct Grant would have on your business.)
- If the date of your original Direct Grant Application is more than 6 months from the last program, course, or event you attended in our SBSH Grant Program.

If I complete a Supplemental Direct Grant Application, what will become of my original Direct Grant Application?

The submission of the supplemental direct grant application will REPLACE your original direct grant application. Your original direct grant application and the related scoring by our direct grant application review team will be DELETED.

What is the maximum Direct Grant I can obtain through your program?

The minimum request is \$500.00 and may not exceed \$4,999.00.

Is preference given to members of the Small Business Association of Michigan (SBAM), or other trade organizations?

No. Membership in SBAM, or any trade organization is NOT a factor when reviewing submitted Direct Grant Applications.

How many Direct Grants will be awarded?

Direct Grants will be awarded by tranche period to the limit of available funds for that tranche. Direct Grant funds not awarded in a tranche period will be rolled over the subsequent tranche period. Assuming that all Direct Grants are approved at the maximum value of \$4,999.00, we estimate that roughly 85 grants will be awarded.

How will I be notified if my company has been awarded a Direct Grant?

Each applicant will be notified as to the status of their Direct Grant Application within 30 days of the application deadline for each tranche period. Direct Grant awardees will be provided with a copy of the Direct Grant Agreement which must be completed, signed, and returned to SBAMF by the date specified. A specimen copy of the Direct Grant Agreement can be downloaded by following this link: <https://www.sbam.org/wp-content/uploads/2024/07/Direct-Grant-Participant-Agmt-SPECIMEN-072220241-1.pdf>

Applicants who are not awarded a Direct Grant in a specific tranche period will be advised as to what action they must take to keep their Direct Grant Application "eligible" for future consideration.

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If I am not selected as an awardee, will I be provided with any feedback as to how my application could be improved.

We expect to process hundreds of Direct Grant Applications through the end of our program (December 31, 2025). As such, we are not able to provide constructive feedback regarding any applications. Email and phone requests for such feedback will not receive a response.

What happens after I am selected as a Direct Grant awardee?

Here is the flow of events after you are selected as an awardee:

1. You will receive an email from the SBAM Foundation congratulating you on being selected. The email will have specific instructions as to the supporting documentation we need from you to create a Direct Grant Agreement between the SBAM Foundation and your company.
2. You will provide the supporting documentation by the deadline specified in the email.
3. The SBAM Foundation will create a Direct Grant Agreement that reflects how you plan to use the Direct Grant funds.
4. The Direct Grant Agreement is sent for your electronic signature.
5. Once your electronic signature is obtained, the Direct Grant Agreement will be signed by our Executive Director who will, in turn, send a confirmation email permitting you to make the purchases detailed in the agreement.
6. You make the purchases detailed in the Direct Grant Agreement and collect all receipts detailing your purchases. Once all of your receipts have been collected, you will remit them to us for review, approval, and reimbursement.

If I am awarded a Direct Grant, do I need to continue to attend the programs, courses, or events provided by the SBSH Grant Program?

Although not required, we strongly encourage you to continue your attendance at the programs, courses, or events offered through our SBSH Grant Program event after receiving a Direct Grant. We are constantly working to build curriculum designed to foster growth and sustainability for your business.

Can Direct Grant funds be used as a down payment or a partial payment for something my company needs?

No. Direct Grant funds may only be used to purchase items up to \$4,999.00 in value. Direct Grant funds may not be combined with other funds. Direct Grant funds must purchase the entire item or items. This should include tax and shipping.

How can the funds awarded to my company be used? Are there restrictions?

Yes, there are restrictions as to how Direct Grant funds can be used. The restrictions for awarded Direct Grant funds are established by the U.S. Department of the Treasury and are not set by SBAMF or SBAM. In general, Direct Grant funds may be used for “eligible costs”. As detailed in the requirements from the U.S. Department of the Treasury, “eligible costs” shall mean the following:

- Purchases of equipment, inventory, software, or hardware up to \$4,999.00 per unit;
- Highly specialized consulting services or other services which cannot be contracted directly with, or provided by, the Entrepreneurial Hub by December 31, 2024; and
- Any other cost that is not an Ineligible Cost approved by SBAMF, in its sole discretion, related to supporting the business operations or growth needs of the Participant.

By contrast, the U.S. Department of the Treasury, defines “ineligible costs” as follows:

- A general infrastructure project that does not respond to a negative economic impact of the COVID-19 pandemic.
- A program or service that includes a term or condition that undermines efforts to stop the spread of COVID-19 or that imposes conditions on participation or acceptance of the service that would undermine efforts to stop the spread of COVID-19 or discourage compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19.
- Expenditures that violate the conflict-of-interest requirements in the federal OMB’s Uniform Guidance including any self-dealing or violation of ethics rules. Eligible Costs that will be or have been reimbursed by another MSF, MEDC, or federal program.
- Building-based construction costs (i.e., any activity that disturbs the ground or modifies a structure).
- General economic development costs unrelated to directly supporting the services under Section 2.5(b)(ii) of the Grant Agreement.

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In real terms, what prohibitions are there on how I use Direct Grant funds?

The following examples are offered to provide clarity about the restrictions placed on the use of Direct Grant funds. These lists are not designed to be exhaustive, and order does not indicate importance. Questions about the eligibility of use should be directed to SBAMF at info@sbamfoundation.org.

Ineligible costs examples:

- Construction costs: Construction is generally defined as “any activity that disturbs as surface”.
- Payroll expenses: Including wages, taxes, and benefits.
- Any expense that was incurred in whole or in part prior to the effective date of the Direct Grant Agreement.

Eligible costs examples:

- Marketing expenses.
- Website development.
- Capital expenses may not exceed \$4,999. Please note that Direct Grant funds cannot be combined with other funding sources to make a capital purchase. For example, a computer costs \$3,000. This would be an acceptable use of Direct Grant funds. However, if the computer cost \$7,000, Direct Grant funds could NOT be used as they do not cover the entire purchase price.
- Costs associated with hiring software developers, AI developers, and similar services when outsourced, are eligible.
- Expenses related to the purchase of hardware and software are eligible.
- Funds can be used to send employees to receive specific industry certifications. Direct Grant funds used for certification or licensing fees must result in receipt of the corresponding certification or license by September 30, 2026. Travel expenses related to training are also allowable.

I recently had a new website developed for my company that cost \$3,500. Can I use Direct Grant funds to pay for this expense?

No. Expenses incurred prior to the effective date of the Direct Grant Agreement signed between your company and SBAMF are ineligible for payment using Direct Grant funds.

My company has applied for Direct Grants with other Small Business Support Hubs within the state of Michigan. Can I combine the awarded Direct Grants from other hubs with the Direct Grant funds awarded through SBAMF?

No. Your company may only receive one (1) Direct Grant award from one (1) hub in the SBSH Grant Program. In other words, if you accept an awarded Direct Grant from SBAMF, you are prohibited from accepting another Direct Grant award from any other hub in the SBSH Grant Program.

My company previously received a Business Accelerator Fund (BAF) grant through a SmartZone. Is my company prohibited from receiving a Direct Grant through the SBSH Grant Program.

No. If your business has received a BAF grant through a SmartZone you are not excluded from receiving a Direct Grant through the SBSH Grant Program.

My company has been awarded a Direct Grant from SBAMF. When can I make the purchases I described in my Direct Grant Application?

Direct Grant funds shall be awarded to your company on a reimbursement basis. You will be required to submit to SBAMF receipts or other acceptable written proof evidencing your payment of eligible costs within 30 days of purchase (the Receipts). SBAMF shall, within forty-five (45) days after receipt of your receipts, reimburse your company for eligible costs paid, up to the amount of the Direct Grant award. Direct Grant awards may not be split or issued to Participant in phases, and all Direct Grant funds shall be made payable in the name of approved company. Direct Grant funds must be reimbursed by SBAMF no later than June 30, 2025.

Are Direct Grant awards subject to income tax?

Possibly. Please consult your tax advisor. You, as the awarded Participant, are responsible for any local, state, or federal taxes, including timely report filing, associated with receiving a Direct Grant award.

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