**Saint Paul Small Business Support Organization Grant Program**

**Program Size - $500,000**

**Program Overview**

Nonprofit small business support organizations provide an essential layer of economic development in the City of Saint Paul and assist hundreds of small businesses every year. While these organizations have been called upon to assist small businesses and entrepreneurs struggling throughout the COVID-19 pandemic, many of these business support organizations have not been eligible for emergency recovery funds due to their structure.

For the purpose of this program, “business support organizations” includes business associations, chambers of commerce, economic development organizations, cultural destination area organizations, and business incubators.

The City of Saint Paul is partnering with SPEDCO, a nonprofit economic development organization, on this program. SPEDCO serves as the Grant Administrator.

Application available at: <https://spedco.submittable.com/submit/aedc5547-7a28-43b0-9d39-7943843506b7/saint-paul-small-business-support-organization-grant-program>

**COVID Impact and Goals**

Many of these nonprofit business support organizations have themselves experienced business interruptions and been adversely impacted by COVID-19 due to a steep drop in revenue. Event revenues from ticket sales and sponsorship, common sources of funding, are not currently possible due to COVID-19.  Some organizations also depend on membership fees and funding that is in decline due to the economic insecurity facing many small business members and new funding priorities. By assisting business support organizations, we will provide relief to local economic development partners and indirectly support hundreds of businesses across the City that are also experiencing business interruption due to COVID-19 related business closures or affected by decreased customer demand as a result of the COVID-19 public health emergency.

**Grant Structure**

Grants of up to $15,000 for qualified nonprofits to use for eligible business expenses. If oversubscribed, there will be a random drawing for all eligible organizations. The awards will not be first-come first served.

**Eligibility**

To be eligible, organizations must:

* Provide technical assistance, training, commercial corridor marketing, and/or financial assistance to small businesses or be a membership-based business association or chamber of commerce.
* Have served at least 25 Saint Paul small businesses over the past 12 months.
* Provide evidence of revenue loss, increased operating costs, or other business interruption costs due to COVID-19 for the second quarter of 2020 (April 1 through June 30, 2020) in comparison to the second quarter of 2019 (April 1 through June 30, 2019). For organizations not yet in existence in the second quarter of 2019, use first three months of 2020 operations.
* Maintain a brick and mortar office within Saint Paul city limits or exclusively serve businesses with brick and mortar locations within Saint Paul city limits.
* Be a nonprofit organization in Good Standing with the Minnesota Secretary of State.

Organizations with 2019 operating budgets over $250,000 can apply for a grant up to $15,000. Organizations with 2019 operating budgets of $250,000 or less can apply for a grant up to $10,000.

The following organizations are not eligible:

* Banks and credit unions
* District Councils that already receive funding from the City of Saint Paul
* Organizations who are primarily engaged in political or lobbying activities

Eligible Uses:

The following expenses incurred between March 1 and September 30, 2020 are eligible:

* rent or, mortgage payments
* limited utilities (gas, electricity, telephone, business internet/cable, recycling, and security systems) already paid
* payroll
* earned sick and safe time relief to employees

Note:

* In no case will grant award exceed eligible expenses.
* Grant funds may not be used for expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds or another grant or loan program (SBA Payroll Protection Plan, SBA Economic Injury Disaster Loan, C-Star). For example, if an SBA PPP loan covered payroll in March and April, the organization’s eligible payroll expenses would be May through September.
* Grant funds may not be used to cover damages and/or expenses covered by insurance.
* Grant funds may not be used to meet tax obligations.
* Grant funds may not be used for unpaid utility fees.
* Grant funds may not be used for capital improvement projects.

The following are required to be submitted along with your application:

* Organizational IRS 990 for 2019 (or 2018, if 2019 not yet available)
* Second quarter financials for 2020 and 2019 (or if not in yet in operation during the second quarter of 2019, the organization should substitute financials for the first three months of 2020)
* Proof of services provided to Saint Paul businesses (annual report, list of clients, etc.)
* Detail of eligible expenses and other federal and CARES Act funding
* IRS Form W-9

Note:

* *City Staff will conduct check-ins, at times determined by the City, to monitor and/or audit the use of grant funds and to learn the effect of the grant and business outcomes.*
* *Applicants may be required to provide receipts for eligible expenses and ultimate grant recipients will be required to retain documentation of expenses reimbursed with grant funds.*