



## Pilot-Small Business Development Grant Program

<b>Program Guidelines for Fiscal Year 2025</b>
<b>Lead Division:</b> Business and Community Development
<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> <b>Revised</b>
<input checked="" type="checkbox"/> <b>Grant</b> <input type="checkbox"/> <b>Loan</b> <input type="checkbox"/> <b>Tax Credit</b> <input type="checkbox"/> <b>Technical Assistance</b>

### **Introduction**

**Background:** The Small Business Development Grant Program (SBDG) encourages communities and economic development partners through financial incentives to invest in their small businesses by developing innovative programs aimed directly at supporting small businesses and small business creation. WEDC believes we can foster creative, new program ideas by challenging our communities and partners to think outside the box to develop new programs and ideas rather than the typical top-down approach to program development. WEDC, in the follow up to its previous small business-related programming, including the historic Main Street Bounceback program, consistently received feedback that access to capital continues to be a primary issue.

**Purpose:** The Small Business Development Grant is a competitive program that assists local and regional Economic Development Organizations (EDOs), municipalities, tribal governments, and counties to support small business development in their areas. The goal of the Small Business Development Grant Program is to support local and regional economic development programs that are aimed at providing greater access to capital to small businesses in the state of Wisconsin.

### **Eligibility Requirements**

**Eligible Applicants:** Local and regional Economic Development Organizations, municipalities, tribal governments, and counties are eligible applicants.

**Ineligible Applicants:** Member-based small-business centric organizations, such as Chambers of Commerce, are not eligible to apply for the Small Business Development Grant.

**Eligible Use of Funds:** Include but are not limited to matching grant programs (start-up, façade, expansion) and small business financing for firms with fewer than 25 full-time employees. Costs are only eligible after WEDC approval.

**Matching:** WEDC will not require matching funds for the Small Business Development Grant Program. However, matching funds will be considered during the scoring process, as well as other attributes including whether the project is in a rural/distressed area, whether the small business is diverse owned, and other attributes outlined on the SBDG scoring rubric.

### **Available Incentives**



**FY25:** \$2,000,000

**Award Sizes:** Between \$50,000 and \$250,000.

**Awards per Applicant:** One award per application for the fiscal year.

### **Activities and Expected Outcomes**

Awards will be made to a minimum of eight and a maximum of 40 communities.

**Impact:** Create a set of innovative solutions to support small businesses at the community level that can be shared state-wide. This includes ideas that may increase access to capital for small businesses and new ways to deliver technical assistance.

### **Metrics:**

- Leverage – Total.
- Individuals Served/Engaged, new business started and obtained EIN.
- Pass-through Businesses Assisted (Financial).
- Pass-through Businesses Assisted (Technical), new business formed and hiring.
- Pass-through Leverage Total.
- Pass-through Job Creation.
- Performance Milestone, Number of vacant commercial spaces filled.

### **Application Guideline**

**Timeline:** Applications will be accepted, evaluated, and awarded during the second half of 2024. The Small Business Development Grant is a competitive program.

**Scoring Criteria:** WEDC will include, but not limit the SBDG scoring to the following:

- The extent to which the proposed effort provides a model to maintain grant funding for long-term use in the applicant's service territory.
- The extent to which the applicant's program provides customized business advising and technical assistance follow-up to small businesses in the applicant's service territory in conjunction with business financing.
- The extent to which the applicant's program will address a local economic challenge (e.g. number of localities served, geography, businesses served, etc.).
- The extent to which the problem has been approached through regional collaboration with other economic development groups and other local jurisdictions.
- The extent to which the applicant demonstrates community demand/support/need for program.
- The extent to which the applicant demonstrates the critical need for WEDC financial support.
- The extent to which the program as proposed will support local, small business growth.
- The extent to which the project will provide an impact to economically distressed communities or rural areas of Wisconsin.
- The extent to which the project will impact historically underserved populations.

- The extent to which the proposed effort can be replicated throughout Wisconsin.
- The extent to which the applicant budget is complete and displays how funds will support small businesses. Funds cannot be used to cover administrative costs or the provision of technical assistance.
- The extent to which the applicant has secured match funds (a match is not required).
- The extent to which the applicant has demonstrated experience administering loan/grant funds.
  - If a Revolving Loan Fund is proposed then objectives, financing strategy (terms, eligibility, use of funds), Operational procedures (application process, underwriting, disbursement, loan monitoring, marketing plans), a full summary of the applicant's organizational capacity to run an RLF must be provided.
- The extent to which the applicant has a plan to disburse grant funds within the first 18 months of the project window.

**How to Apply:** An interested applicant should contact a WEDC Account Manager to determine if their project is right for the program. Upon review of the project, and alignment with eligibility criteria, an applicant will be invited to submit their application through Network Wisconsin.

**Award Process:** The completed application will be assigned to a scoring committee for review and recommendation. A WEDC underwriter will be assigned to review each recommended award and go through the award review process.

**Performance Reporting:** Awardees will submit periodic performance reports via Network WI documenting specific project activities and any other contract deliverables. WEDC requires two performance reports throughout the project: an annual report and one at the end (assuming a 24–36-month project period).

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report and financial records must be maintained by the Recipient for at least three (3) years after the last performance report is due.

WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with contract deliverables.

### **Revision History**

**Program Inception** – Fiscal Year 2025