



COVID-19 UPDATE | OCTOBER 23, 2020

NEW COVID-19 GRANTS AVAILABLE FOR MASSACHUSETTS SMALL BUSINESSES

On October 22, the Commonwealth of Massachusetts announced that it has made \$50.8 million in grants available to support small businesses impacted by the COVID-19 pandemic.

The funds are divided into two programs administered by the Massachusetts Growth Capital Corporation (MGCC)—one program for small businesses with 5 or fewer employees, and one for small businesses with 50 or fewer employees. Preference will be given to small businesses whose owners are women, minorities, veterans, members of other underrepresented groups, who are focused on serving the Gateway Cities of Massachusetts, and those most negatively impacted by the pandemic. Preference will also be given to applicants that have not been able to receive aid from other federal programs related to COVID-19.

The application window for both programs opened at noon on October 22, 2020 and will close at noon on November 12, 2020. Below is an overview of each program:

Small Business Grants for 5 or Fewer Employees

- **Amount of Funding**
Up to \$25,000
- **Approved Use of Funds**
Funds may be used for working capital to cover business costs, such as rent, staffing, utilities, and technical assistance, general support and stabilization of the business. Funds may also be used for purchasing personal protective equipment (PPE).
- **Non-Approved Use of Funds**
Major equipment purchases, purchase of real property, construction activities, business expansion, lobbying. Grantees must also prevent the duplication of benefits, which means that these grant funds may not be used to pay expenses if another source of financial aid as paid that same expense.
- **Eligible Businesses**
In order to be eligible, a business must meet the following criteria:
 - Has 5 or fewer employees (1 or more of whom owns the business)
 - Provides goods or services to multiple clients or customers
 - Owner(s) of the business must qualify under the Low-Moderate Income (LMI) Limited Clientele national objective criteria. They must earn an annual income equal to or less than [80% of the Area Median Income \(AMI\)](#) based on family size.
 - Has a physical establishment in Massachusetts
 - Is a for-profit entity (sole proprietorship, partnership, corporation or LLC)
 - Is able to document a loss of income due to COVID-19 equal to or greater than requested assistance amount
 - Is currently in operation, or if not in operation, must have an intent to reopen
 - Was established prior to June 30, 2019

- o Is in good standing with the state and city/town, including being current on all taxes through March 1, 2020; has active and valid state licenses/registrations; and is not a party to litigation involving the Commonwealth or municipality in which the business operates.
- **Ineligible businesses**
The following businesses are ineligible:
 - o Real estate rentals/sales businesses
 - o Businesses owned by persons under age 18
 - o Businesses that are chains
 - o Liquor stores
 - o Weapons/firearms dealers
 - o Lobbyists
 - o Cannabis-related businesses

Small Business Grants For 50 or Fewer Employees

- **Amount of Funding**
Businesses can receive up to \$75,000 but capped at up to 3 months of operating expenses, as evidenced by 2019 Federal Tax Returns. Grant amounts will be considered for actual expenses for 2020 during the pandemic. Expenses can be considered since March 10, 2020, given that it does not exceed 3 months of operating expenses evidenced by 2019 Federal Tax Returns.
- **Approved Use of Funds**
Employee payroll and benefit costs, mortgage interest, rent, utilities and interest on other debt obligations.
- **Non-Approved Use of Funds**
Major equipment purchases, purchase of real property, construction activities, business expansion, lobbying. Grantees must also prevent the duplication of benefits, which means that these grant funds may not be used to pay expenses if another source of financial aid as paid that same expense.
- **Eligible Businesses**
In order to be eligible for this program, a business must meet the following criteria:
 - o Has 50 or fewer full-time equivalent employees (FTE), (1 or more of whom owns the business)
 - o Has a physical establishment in Massachusetts
 - o Is a for-profit entity (sole proprietorship, partnership, corporation or LLC)
 - o Is able to document a loss of income due to COVID-19 equal to or greater than requested assistance amount
 - o Is currently in operation, or if not in operation, must have an intent to reopen
 - o Was established prior to June 30, 2019
 - o Is in good standing with the state and city/town, including being current on all taxes through March 1, 2020; has active and valid state licenses/registrations; and is not a party to litigation involving the Commonwealth or municipality in which the business operates.
- **Ineligible businesses**
The following businesses are ineligible:
 - o Real estate rentals/sales businesses
 - o Businesses owned by persons under age 18
 - o Businesses that are chains
 - o Liquor stores
 - o Weapons/firearms dealers
 - o Lobbyists
 - o Cannabis-related businesses

Applications for both programs are available on the [MGCC website](#).

CRR is closely following all guidance being released on these programs in order to best support our clients. Please don't hesitate to contact us at info@crrcpa.com with any questions you may have, or visit our COVID-19 Resource Center at www.crrcpa.com/covid19 for the latest updates, alerts and impacts.

We're in this together.