

PROMISE ACT GRANTS

PURPOSE

The Minnesota Legislature has awarded the Northwest Minnesota Foundation \$2.3 million to fund grants for businesses and nonprofits in Northwest Minnesota. The PROMISE Act funding will provide one-time grants up to \$50,000 to selected businesses and nonprofits to be used for working capital to support payroll expenses, rent or mortgage payments, utility bills, equipment, and other similar expenses that occur in the regular course of business. This program drives fair economic recovery by boosting small, rural, and minority-owned businesses, which face the largest barriers to accessing capital and resources.

ELIGIBLE APPLICANTS / GEOGRAPHY

Small businesses and 501c3 nonprofits located within the Northwest Minnesota Foundation service area that includes Red Lake Nation, White Earth Nation, and 12 counties (Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau). The primary business operation must be located within this service area.

If your business is located outside this service area you can go [here](#) to learn more about the availability of Promise Act Grant in other communities.

PROJECT SUMMARY

Thanks to the PROMISE Act, created and funded by the Minnesota Legislature, one-time grants up to \$50,000 will be awarded to businesses and nonprofits to invest in existing operations or planned growth. There are two rounds of awards. This is round one.

This will be a competitive grant process; not all applicants can expect to be selected. This is not a first-come, first-served process. The grant round will be open for at least 30 days. We expect to receive more applications than available funding, and in that case all full applications will be entered into a random assignment process to select the final awardees.

Businesses can use funds for working capital to support payroll expenses, rent or mortgage payments, utility bills, equipment, and other similar expenses that occur in the regular course of business.

Applicants will be able to access free technical support in preparing for and applying to this program.

TIMELINE

The grant application will open no later than April 1st, 2024, and remain open through April 30th, 2024. Please check our Open Grants list at <https://nwmf.org/grants-scholarships/grants/>. Awards will be announced and delivered in June.

ELIGIBILITY

To be eligible to be considered to receive a PROMISE Grant an applicant must meet all the following minimum requirements:

- Be a for-profit business or a nonprofit organization that earns revenue in ways similar to a business. (Eligible nonprofits earn 30% or more of their revenue on an ongoing basis through a non-tax-deductible sales or dues in a fee-for-service model similar to for-profit businesses. "Business like" revenue that counts towards meeting the 30% threshold: program service revenue, membership dues, unrelated or other business income. Revenue that does not count towards the 30% threshold: contributions, gifts, grants, fundraising events, asset sales, investment income.)
- Have primary business operations located in the state of Minnesota.
- Be located in a community that has been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, a loss of population or an aging population, or a lack of regional economic diversification.
- Have a gross annual revenue of \$750,000 or less based on 2022 taxes.
- Have a minimum of \$10,000 in revenue based on 2022 taxes.
- The business maintains ongoing operations in 2024 as of the application date.

Preference shall be given to eligible applicants based on meeting the definition of the following criteria:

- The applicant received \$10,000 or less in assistance total from the following programs: Small Business Emergency Loan; Small Business Relief Grants; County Relief Grants; Movie Theater and Convention Center Grant. *(Verification of this will be performed by NMF staff's review of a state award database.)*
- The applicant demonstrates they meet one or more of the definitions for financial hardship: 1. a 10 percent or greater decrease in gross revenue from 2021 to 2022, or, 2. a decrease in net income from 2021 to 2022. *(Verification of this will be performed by NMF staff's review of your 2021 and 2022 tax returns.)*

Additional consideration may be given to businesses that meet any of the following criteria:

- Businesses that provide details of how grant funds would be used for payroll, rent/mortgage, utilities, equipment, or other expenses.
- Businesses that provide a brief description of how these funds will support the success of the business.
- Businesses that demonstrate that they have been adversely impacted by: discrimination based on race/ethnicity, gender, veteran-status or disability of the owner; civil unrest; lack of access to capital; loss of population in your local community; aging population in your local community; lack of economic diversification in your local community.

- Businesses that are majority-owned (51%) by individuals who are Black, Indigenous, or People of Color; veterans; or women. (Nonprofits: 51% of the Board of Directors must be of these groups.)

AWARD AMOUNTS

For round one, award amounts will be based on the 2022 tax year and will not exceed the following amounts:

- Up to \$10,000 for businesses with a gross revenue of \$100,000 or less
- Up to \$25,000 for businesses with a gross revenue of more than \$100,000 but no more than \$350,000
- Up to \$50,000 for businesses with a gross revenue of more than \$350,000 but no more than \$750,000

For details on the grant process and how to apply, please visit <https://nwmf.org/grants-scholarships/grants/> If you have any questions or need assistance completing the application, please email or call Mic McCrory at micm@nwmf.org or 218-558-5325 to be connected with a consultant.