TN.GOV/ECD/BERO

FY2021

TN PLACEMAKERS PRE-GRANT GUIDANCE

TN Placemakers assists entrepreneurs and small businesses across the state create and grow their businesses

– art project–

The Mindfield
Brownsville, TN

TN Placemakers Entrepreneurship Fund | Purpose

Be A Placemaker

What is the TN Placemakers Entrepreneurship Fund?

A pool of monetary resources dedicated to assisting communities across the state, from rural to urban, to develop and train small businesses and entrepreneurs by allowing them to obtain funds for broad and diverse activities.

The two groups of funding are (1) Assess & Plan, Build & Sustain, and Support & Train, and (2) Pivot & Recover – a new funding group tied to the impacts of the pandemic.

Why does it matter?

We took our entrepreneurship and small business development initiatives and consolidated them into a single fund to improve the overall customer experience and streamline access to funds for our communities.

Talent is everywhere, opportunity is not, and availability does not equate to equitable access. TN Placemakers strives to help communities provide opportunity through true access for the small businesses and entrepreneurs that are and will be a part of their community. We know those businesses include microenterprises, minority, women and veteran-owned businesses, entrepreneurs with disabilities and those in underserved and underrepresented areas.

Who can apply?

- ❑ Nonprofits
- ❑ Educational institutions
- ❑ Government entities

This includes ED organizations, chambers of commerce, development districts, public-private partnerships, etc. Nonprofit applicants must be established for at least three years. This grant is not intended to support an individual business; it is for the benefit and support of businesses.

IMPORTANT:

- Individual businesses are not eligible for TN Placemakers funding. If you are looking for resources for individual business, visit BERO.
- To verify that your nonprofit is in good standing in TN, do a business information search here **before** applying.
- If you have questions, please email the TN Placemakers team.

Type of Grant: Reimbursement

Application Period: Open

Note: Applications are accepted and reviewed on a rolling basis until funding the program dollars are fully awarded.

TN Placemakers Entrepreneurship Fund | Funding groups

what else caught your attention?

Funding Groups

- ✓ There are two funding groups, 1 and 2
- ✓ Applicants may only apply for one funding group

Contract length: Up to 24-months

- ✓ Months 1-18: Implementation and utilization
- ✓ Months 19-24: Observation period, data reporting, and close-out of the grant
- ✓ It is ok to complete a grant earlier the end of the contract

Funding Group 1: 3 Categories

Funds may be allocated to one, some or among all three of the following categories of small business and entrepreneurial activity

Categories:

- Assess and Plan: Maximum funding allocation: $15,000
- Build and Sustain: Maximum funding allocation: $75,000
- Support and Train: Maximum funding allocation: $25,000

Funding Group 2: Pivot and Recover

Funds to support small businesses and entrepreneurs impacted by COVID-19 pivot and recover through technical assistance, operating expenses, technology or microgrant programs.

The maximum grant amount is $100,000 for technical assistance, operating expenses and/or technology with no match requirement; up to $50,000 for microgrants and requires a 1:1 or 50% cash match (in-kind matches are ineligible)

All projects must have a clearly defined small business/entrepreneurship development focus.

Comment
You can only apply for one funding group to benefit the small businesses and entrepreneurs in your community.

TN Placemakers Entrepreneurship Fund FG1and ideas

what else caught your attention?

Funding Group 1

Assess and Plan | Build and Sustain | Support and Train

- ✓ Funds may be allocated to one, some or among all three of the following categories of small business and entrepreneurial activity
- ✓ The maximum grant amount is $100,000.
- ✓ A 10% match required by grantees. Your match may include cash, dollars from private foundations, private sources and/or unmatched federal funds, verifiable salary/benefits, among others.

Funding Group 1: Details and uses

a. Assess and Plan:

Maximum funding allocation: $15,000/grantee

Assessing the small business and entrepreneurship landscape by assisting communities with information gathering and dissemination.

Eligible activities: Determine gaps in the community and plan ways to close them which may include, but are not limited to, retail development, tourism, agribusiness, coworking spaces, commercial kitchen incubators, entrepreneurship training services, etc.

Comment
Contact the TN Placemakers Team to discuss what you're thinking about before you submit your application.

b. Build and Sustain

Maximum funding allocation: $75,000/grantee

Increase the success of local small business and entrepreneurs through stabilization and expansion funds to grantees (and subrecipients) directly engaged in small business and entrepreneurial development.

Eligible activities: Furniture, fixtures, and equipment; offset of operational cost to reach sustainability (i.e. rent utilities, installation of technology like gig service into a building without it, etc.), applied primarily to physical locations, such as commercial kitchens, pop-up shops, coworking spaces, etc.

c. Support and Train

Maximum funding allocation: $25,000/grantee

Provide access to education, resources, and tools directly to future and existing small businesses and entrepreneurs.

Eligible activities: Small business and entrepreneurial development activities, including, but limited to, mentor-protégé program, coding classes, popup shops, craft and artisan development, food, agritourism (i.e., Etsy), pitch competitions, Co-Starters classes, Economic Gardening.

TN Placemakers Entrepreneurship Fund | FG2 and ideas

what else caught your attention?

Funding Group 2

Pivot & Recover

- ✓ Up to $100,000 for technical assistance, operating expenses, technology; no match requirement
- ✓ Up to $50,000 for microgrant program; requires a 50% or 1:1 cash match

Funding Group 2: Details and uses

Increase the success and stabilization of local small businesses and entrepreneurs impacted by COVID-19 through technical assistance, operating expenses, technology or microgrant programs.

Eligible activities

Technical assistance, operating expenses, technology or microgrant programs

Example activities

Technical assistance – additional technical assistance to small business owners and entrepreneurs to include strategic planning, legal assistance, financial assistance, etc. to address needs stemming from decrease in or change to business because of COVID-19

Operating expenses – funding for operating expenses for the applicant that are directly related to COVID-19. For example, additional staffing needed to start a new program or to expand a program

Technology – equipment or other technology needs to help businesses transition to working online

Microgrant – development and execution of a microgrant program to assist COVID impacted entrepreneurs and small businesses with operating expenses, technology needs, or other areas that are not supported by other federal and state programs.

Condition: (1) requires a minimum of a 1:1 or 50% cash match; (2) no more than $1,000 in State dollars per business, and (3) must include post grant technical assistance for the businesses awarded a grant.

All grantees are required to complete a disaster and continuity planning course provided or approved by TNECD as a condition of the grant award.

Comment
The budget is different for this category. Be sure you are completing the right section and provide expense details.

TN Placemakers Entrepreneurship Fund | Budget

what else caught your attention?

Funding Group 1: Assess and Plan | Build and Sustain | Support and Train

Funding Group 2: Pivot and Recover

Grantee: << Enter legal name of grant applicant

Grant Activity Summary:

Activities	Activity Type	Activity Name
Activity 1:	Microgrant Progr	
Activity 2:		
Activity 3:		

Maximum Grant Amounts:

Maximum Grant Funds Amount	$150,000.00
Maximum Non-Administration Amount	$138,000.00
Maximum Administration Amount (8% of maximum grar	$12,000.00
Minimum Grantee Match on Maximum Grant Amount	$10,000.00

Maximum Grant per Activity Type:

TA, Technology, Operating Exp.	$100,000
Microgrant Program	$50,000

Grant Match Rate

Minimum Grantee Match Rate (TA, Technology, Operat	0%
Minimum Grantee Match Rate (Microgrant Program)	50%

Grant Administration Criteria:

Maximum % of Grant Funds for Administration	8%
Maximum allowable grant administration with funds	$0.00

Grant Budget Summary:

Total Project Amount	$0.00
Grant Funds	$0.00
Grant % of Total Project Amount	0.00%
% Grantee Administration	0.00%
Minimum Grantee Match Funds	$0.00

2

Grantee: << Enter legal name of grant applicant

Grant Activity Summary:

Activities	Activity Type	Activity Name
Activity 1:		
Activity 2:		
Activity 3:		

Maximum Grant Amounts:

Maximum Grant Funds Amount	$100,000.00
Maximum Non-Administration Amount	$92,000.00
Maximum Administration Amount (8% of maximum grant)	$8,000.00
Minimum Grantee Match on Maximum Grant Amount	$10,000.00

Maximum Grant per Activity Type:

Assess & Plan	$15,000
Build & Sustain	$75,000
Support & Train	$25,000

Grant Match Rate

Minimum Grantee Match Rate (for each line item)	10%

Grant Administration Criteria:

Maximum % of Grant Funds for Administration	8%
Maximum allowable grant administration with funds	$0.00

Grant Budget Summary:

Total Project Amount	$0.00
Grant Funds	$0.00
Grant % of Total Project Amount	0.00%
% Grantee Administration	0.00%
Minimum Grantee Match Funds	$0.00

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Line Item Ref	Budget Line-Item	Total Project Budget	Total Grant Funds	Activity 1 (Microgrant Program)	Activity 2	Activity 3	Grantee Match: Required Minimum Match	Grantee Match: Grantee Match Funds	Notes/Comments	Grant Funds: % Grant Funds	Grant Funds: % Match Funds	Line-Item % of Total Project
1	Salaries and Wages	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
2	Employee Benefits & Payroll Taxes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
4	Professional Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
5	Supplies	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
6	Telephone	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
7	Postage/Shipping	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
8	Occupancy	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
9	Equipment Rental & Maintenance	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
10	Printing and Publications	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
11	Travel	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
12	Conference and Meetings	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
15	Grants and Awards	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
16	Specific Assistance to Individuals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
22	Grant Administration	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00			0%	0.00%	0.00%
	Total	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		0%	0.00%	0.00%

Warnings (see below):

Explain each line in your budget clearly in this section

Expectations | Before you begin the application

for the day, for the program

Documents you need: Budget Template and Grant Payment Form

Your application must include these documents in order to be reviewed.

We want you to succeed!

Good to know before you start:

- ❑ We strongly recommend that you (1) read all the information on the website carefully, (2) save your work regularly, and (3) ask us questions. Email us at TN Placemakers Team with your questions.
- ❑ Individual businesses are not eligible for TN Placemakers funding. If you are looking for resources for your individual business, visit BERO.
- ❑ Nonprofits: to verify that your nonprofit is in good standing, do a *business information search* here . If it is not here and active, then you are not an eligible nonprofit.
- ❑ It is better to contact us to ask questions *before* you apply. Your time is important, and we want to make the most it.

Comment
These dollars are not intended to assist an individual business – it is for the betterment of the community.

Expectations | Recommendations before you begin the application

for the day, for the program

We want you to succeed!

A few recommendations

As you think about your application and the information you will be including in it, follow these general guidelines:

- ❑ Data dumping is not helpful. Use data but be lean in how you do it. We use and have access to a lot of data. Instead, tell us about who you are working with and/or who you plan to reach, specifically, and why.
- ❑ Explain what you want to do; how you plan to do it; what it will look like when it is completed successfully; and how much it will cost do t.
- ❑ If you have key collaborators or partnerships, be sure to include who and how, specifically, you are working together.
- ❑ When explaining the potential challenges and roadblocks, do not humblebrag.
- ❑ Remember, you are a Placemaker. Talent is everywhere, but opportunity is not. As you bring opportunities to your community, ask if it is it truly accessible? Availability does not equate to access.

We are excited about the things you will do in your community for the small businesses and entrepreneurs that are and will be a part of it. We know those businesses include microenterprises, minority, women and veteran-owned businesses, entrepreneurs with disabilities and those in underserved and underrepresented areas.

Comment
These dollars are not intended to assist an individual business – it is for the betterment of the community.

Expectations | Now and Later

for the day, for the program

We want you to succeed!

For the pre-grant

- Understand the applications categories
- Clarify overall requirements
- Know the next steps
- Ask lots of questions

At the award of the grant

- Agree on the contract deliverables
- Complete the Title VI training
- Update your partners and be ready to secure support
- Enhance the business community
- Be communicative, throughout
- Know there will be challenges
- Stay flexible and keep your sense of humor

...more details to help you later.

Comment
Ask questions so you are clear on the process, and if you think it would help to talk to a past or current grantee, ask us!

The Feds | Clarify Low to Moderate Income

how to meet the national objective with your project

We want you to succeed!

A word on some Federal Regulations

- All CDBG funded projects must meet a National Objective (NO). For CDBG funded TN Placemakers grants, assistance is Low-to-Moderate Income (LMI) persons is the eligible NO (24 CFR § 570.483).
- LMI persons are those who live in households with incomes not exceeding 80% of the area median income of the area benefitting from the project.
  - Area median income is typically determined at the county level
- An applicant must be able to ensure a minimum of 51% project beneficiaries are at or below the LMI threshold.
- Grantees with CDBG-funded projects must have an active registration in the System of Award Management (SAM.gov)

Comment
Your grant's source of funding may impact some the requirements you meet.

TN State Government | Locating more resources

TN Grants Resources Calendar News

Resources

Best Practices

Definition of Rural and Economic Classifications

Rural Economic Dashboard

Resources

This site is intended to support local leaders as they work to improve their communities. Resources include a searchable catalog of easily accessible grants, best practice success stories, and a community specific Rural Economic Dashboard all made available to advance rural prosperity across the state.

Looking for some inspirations from other projects?
Take a look here.

tn.gov/rural/resources.html

There are a lot of resources!
You can find several on the BERO website here under "Community Resources," through various podcasts on your favorite platform, or reports like one from Brookings, "Why we need to invest in transformative placemaking."

From Grantees | Recommendations and Suggestions

If I knew then what I know now…

The grantees from the past rounds have some thoughts to pass along that may help as you consider your application for this program. You will note that there are some commons threads – take them in account…

What they recommend

- Be proactive, don't assume, and communicate as you go along.
- Encourage partnering among grantees – some programs dovetail each other.
- Think through the guidelines (uses of dollars) and logistics on the frontend.
- Understand your capacity and its limits – the plan is only as good as the participants.
- Run the grant through your organization like a for-profit business – understand what you can and can't spend your dollars on before you spend them!

Where they found challenges

- Getting the word out and ramping up the program took longer than anticipated
- Didn't think through grant thoroughly enough (logistics, etc.)
- Alignment of time, opportunity and expertise

Where they found successes

- Knowing you could reach out (to TNECD) with questions
- Program promotion by TNECD through newsletters, social media, word of mouth, etc.
- Reimbursement is easy, not cumbersome

TN Placemakers Entrepreneurship Fund | Key Terms 1

what does that mean?

"Cohort" refers to a group working through a curriculum at the same time (i.e. a class)

"DBE" refers to businesses owned by women, minorities, veterans and persons with disabilities (reference tn.gov/generalservices/procurement/central-procurement-office--cpo-/governor-s-office-of-diversity-business-enterprise--godbe--.html); as well as businesses operating in areas of low income and high unemployment in the state.

"Duplication of Benefits" occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. CDBG-funded projects, specifically those under Pivot and Recover, cannot under any circumstance create a duplication of benefit.

In the event a duplication of benefits occurs, the amount of assistance that is determined to be duplicative must be repaid to TNECD.

"Entitlement and Non-Entitlement"

State Community Development Block Grant (CDBG) funds cannot be used in Entitlement communities including Shelby County and Memphis, Jackson, Clarksville, Davidson County, Murfreesboro, Oak Ridge, Knox County and Knoxville, Chattanooga, Cleveland, Morristown, Kingsport, Bristol, Franklin, Hendersonville, and Johnson City. Entitlement communities receive funding directly from HUD; these communities are encouraged to work with their local governments to access their annual CDBG funds. The state and other communities can be of assistance in setting up this program. All other communities in the State are non-entitlement.

"Environmental Review/SHPO Clearance" is required for all federally funded projects must complete an Environmental Review; for projects that do not involve construction the environmental review will be quick. TNECD will provide training for grantees on the Environmental Review process.

"Exclusion and Debarment "

TN Placemakers grantees with projects that include federal funds, including CDBG cannot be debarred or have any active exclusions. Additionally, any subrecipients or subcontractors on federally-funded projects cannot be debarred or have any active exclusions.

"Low and Moderate Income" (LMI)

TN Placemakers grants funded with CDBG dollars require that certain federal guidelines must be met, specifically LMI. Detailed LMI information:

LMI is a CDBG National Objective that principally benefits persons of low and moderate income (LMI). For quick reference, LMI is defined as a household whose income is less than 80% of the area median income and located in a non-entitlement area.

Guidance for documenting how to meet the LMI requirements can be found on the TN Placemakers website. A focus session of the webinar series has been recorded and posted for reference.

The grantee can document that the business owners assisted are low income. This can be done by documenting the income of the business owner and comparing that to the community's average income as provided by HUD.

TN Placemakers Entrepreneurship Fund | Key Terms 2

what does that mean?

(LMI continued...) How to Count LMI Participants

The grantee can document that people hired with grant funding are low income. If the project will result in new hires, the business can commit to hiring at least 51% low-income people as documented by their incomes before starting the job compared to the county's average income.

There are a few ways that LMI may be met:

LMI Caveat: LMI data is independent of other income related data such as free and reduced lunch programs, unemployment and/or poverty rates, etc.

Applicants seeking to provide education, tools and resources to a set group or cohort of microenterprises/business owners, LMI status should be based on the individual owners. Applicants who propose to offer education, tools and resources that do not have a set group or cohort may wish to base LMI status on the service area. Any questions concerning the LMI requirements should be directed to TNECD before submitting an application.

"Microenterprise" is business with 5 or fewer employees including its owners

"Microgrant" is a small, one-time-only small sum of money distributed to an individual or organization with the intent of enabling the recipient to develop or sustain an income generating enterprise.

"Procurement" effects all contractors and services must be competitively procured according to federal or local procurement standards, whichever is more restrictive. Minority and female contractors should be invited to bid. For projects that involve construction, Davis-Bacon requirements must be included in bid documents. Bids must be opened publicly, and minutes must be kept of the meeting. Bids should be awarded to the lowest, most responsive bidder. If an organization elects not to use the lowest bidder, justification must be made to and approved by TNECD.

"System of Award Management (SAM.gov)"

TN Placemakers grantees with projects that include federal funds, including CDBG must have an active registration on SAM.gov.

Guidance on entity registration: sam.gov/content/entity-registration

"Underserved and Underrepresented" includes women, minorities, veterans, Individuals with disabilities, individuals previously incarcerated, and areas of low to moderate Income.

TN Placemakers Entrepreneurship Fund | Resilience and sustainability

Financial, disaster and resiliency planning

Strongly encourage your small businesses and entrepreneurs to take steps towards disaster and succession planning. What about your organization? Have you taken steps for disaster planning? Here are some places to start:

US Small Business Administration

- A back-to-business self-assessment can help you to assess your risks for common hazards such as hurricanes, wildfires, flooding, or even cyberattacks.

sba.gov/business-guide/manage-your-business/prepare-emergencies

- Succession planning, aka close or sell your business: Create a thorough plan to transfer ownership, sell, or close your business.

sba.gov/sites/default/files/files/PARTICIPANT_GUIDE_SELLING_SUCCESSION_PLANNING.pdf

SCORE, Counselors for America

- Disasters Happen- How to Prepare Your Business and Recover

score.org/event/disasters-happen-how-prepare-your-business-and-recover

- Disaster Preparedness and Continuity for Your Business

score.org/event/disaster-preparedness-and-continuity-your-business

- Personal finances for businesses

score.org/blog/7-budgeting-basics-small-business-owners

Additional Resources

- IRS (f): Disaster assistance and emergency relief
- TSBDC (s): help preparing SBA loans; provide Personal Finances for Small Business Owners, at various times
- UT Extension, Personal Finance (o): delivered through UT's county extension offices, county level
- Co.Starters' Recovery Guide (o): help small businesses regain their footing after disaster
- HelloAlice: COVID-19 Small Business Resource Center (o): funding and guidance on how to support entrepreneurs and small business owners

For ESOs, Communities, start here…

Restore Your Economy: provides resources and best practice information for public and private stakeholders who are seeking to rebuild their local economies after an economic disruption. restoreyoureconomy.org

TEMA: information on current disaster in Tennessee tn.gov/tema/recover/public-assistance.html

~ Q&A ~

Thanks!

TN Placemakers Team

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