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**To:** [sbdclients3.31.20@lists.uwec.edu](mailto:sbdclients3.31.20@lists.uwec.edu)

**Subject:** [EXTERNAL] SBDC Updates

The update today focuses on the upcoming \$2,500 WEDC Grant and the application process. We have learned more on the grant that I included here but there is more to come. My advice is if you are interested in the grant, gather what you can now for the application process and we will continue to give you more guidance as we learn more.

## **Here is what we know about the WEDC We're All In \$2,500 Grant Program**

The Wisconsin Economic Development Corporation (WEDC) will be accepting applications online from 8:00 AM on Monday, June 15 to 11:59 PM on Sunday, June 21.

### **General application process:**

There are around 95,000 companies in Wisconsin with 20 or less employees and only 30,000 grants available. Because of this, some eligible businesses that apply may not receive a grant. Here is the process of determining who is going to receive the grant.

- **The grant will not be first come, first serve.** WEDC will take applications throughout the application period and will accumulate them and hold them until the end of the application period. Then WEDC will run all the applications through a scoring process.
- It is our understanding that scoring will favor businesses in the most distressed industries and locations. That is why WEDC is asking you to categorize your business based on the NAICS code system. Therefore, it is very important that you indicate your NAICS code and select the code that best matches your business. See more about NAICS below.
- Also it is our understanding that the scoring process will include consideration if the business already received other COVID disaster relief funding. If you have received the PPP loan or the SBA EIDL grant or loan, you are still eligible to apply for these grants, but this may lower your application score.

## To be eligible, businesses must:

- Be a Wisconsin-based, for-profit business;
- Employ 20 or fewer full-time equivalent (FTE) employees, including the owner;
- Earn greater than \$0 but less than \$1 million in annual revenues (gross sales and receipts); and
- Have started operating prior to Jan.1 2020, and have been in business in February 2020

Businesses will **not** be eligible for the grant if they are:

- Part of a national chain, unless the business is a third-party franchise;
- Industries covered by other Wisconsin CARES Act Coronavirus Relief Fund programs are ineligible for this program. These are:
  - Crop Production
  - Animal Production or Aquaculture
  - Lessors of Residential Buildings and Dwellings  
([doa.wi.gov/Pages/LocalGovtsGrants/COVID-Grants](http://doa.wi.gov/Pages/LocalGovtsGrants/COVID-Grants))

## To apply, you will need:

- 2018 or 2019 federal tax return for business (If you started your business in 2020, you are not eligible for this grant). Applicable tax returns are:
  - IRS form 1065 Partnership Return (no K-1s required)
  - IRS form 1120 Corporation Return (no schedules required)
  - IRS form 1120S S Corporation Return (no K-1s required)
  - IRS form 1040 (sole proprietors) and the following:
    - Schedule C, Profit and Loss from Business
- Signed W-9 form available at [www.irs.gov/pub/irs-pdf/fw9.pdf](http://www.irs.gov/pub/irs-pdf/fw9.pdf) (WEDC will issue each grant recipient a FORM 1099 for tax purposes. The grant is taxable income to your business subject to both state and federal taxes. If you do not have a properly completed W-9 you will not get the grant. Make sure you sign the W-9 form.)
- A letter or email of acknowledgement from a community organization indicating your business was in operation in February 2020. The letter or email can be from any of the following:
  - Chamber of commerce

- Main Street or Connect Communities organization
  - Local business improvement district
  - Neighborhood economic development association
  - Local economic development organization
  - County economic development association
  - Municipality, including tribal government
  - County
  - Local bank, credit union or community development financial institution
  - Regional UW Small Business Development Center
    - ***By early next week, the SBDC will have a process in place for you to click a link and fill out a request for a letter of acknowledgement. When that process is ready we will let you know.***
  - U.S. Export Assistance Center – Wisconsin
  - Regional economic development organization
  - Regional Planning Commission
  - Trade association
- **NAICS Code**
    - You will need to know the three-digit North American Industry Classification System (NAICS) code that best fits your business. This information may be included in a business's tax return, or you can find it on the NAICS website: [www.naics.com/naics-code-description](http://www.naics.com/naics-code-description).
    - Only the first three digits of the NAICS code listed via the link above will be needed on the application.
    - Right now it is our understanding that the codes you can choose from will be listed on the application via a drop-down box. Also, the SBDC is expecting to receive from WEDC a PDF form that will list the three-digit NAICS codes. When we get that code information we will send it to you. **Therefore if you do not know your NAICS code right now we should have more guidance to you before the application process begins.**
    - **Again, please pay close attention to this step, as application scoring will take industry type into account.**

**Eligible grant uses:**

Grant funds can be used for any operating costs, including but not limited to wages and salaries, rent, mortgages and inventory; and/or for health and safety improvement.

**Note that if you receive a grant, you will need to provide by October 31, 2020, a follow-up report on how funds were used. Therefore, make sure to keep all receipts related to the use of this grant money. It is expected that WEDC may randomly audit some of the businesses that receive the \$2,500 grant.**

To learn more about this grant you can visit <https://wedc.org/programs-and-resources/wai-small-business-grant/>.

We will make sure to keep you updated as we learn more.

Thanks,  
Luke



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