



Houston Equity Fund

Wells Fargo Open for Business Grant

Frequently Asked Questions

SMALL BUSINESS FAQ

What is the Wells Fargo Open for Business Program?

The Wells Fargo Open for Business Fund is a roughly \$420 million national small business recovery effort with a focus on racially and ethnically diverse small business owners, who have been disproportionately affected by the pandemic. The fund was created from the gross processing fees that Wells Fargo received from Paycheck Protection Program loans made in 2020. Wells Fargo has donated funds to Community Development Financial Institutions (CDFIs) and local nonprofits across the nation.

In February 2022, Wells Fargo announced a \$20 million donation to the Houston Fund for Social Justice and Economic Equity, known as the Houston Equity Fund to provide small business owners with new ways to grow and own more of their businesses. The Houston Equity Fund will distribute the funding in the form of grants towards the purchase of property, equipment and other tangible assets, supporting economic development in underserved communities.

The purpose of the Open for Business Grant Program (i.e. OFB Grant Program) is to advance the mission of the [Houston Equity Fund](#) to enact transformational change by investing resources into organizations and initiatives that empower and uplift communities of color.

The OFB Grant Program will focus on serving mission-aligned diverse-owned small businesses with employees of 1-50 (including the owner) and are located in and positively impact vulnerable communities within the City of Houston.

Who is the Houston Equity Fund?

The Houston Equity Fund's mission is to enact transformational change by investing resources into organizations and initiatives that empower and uplift communities of color. The Houston Equity Fund's four pillars are Social and Racial Justice, Economic Development, Youth Empowerment and Education, and Community Building.

Who is the Greater Houston Community Foundation?

Since 1995, Greater Houston Community Foundation has helped Houston thrive by convening philanthropic resources and knowledge to drive philanthropy in community, distributing over \$2 billion in grants over the past 26 years. Greater Houston Community Foundation is widely considered to be the go-to partner for high-profile philanthropic partnerships and major disaster relief initiatives in the Greater Houston area.

The Greater Houston Community Foundation is partnering with the Houston Equity Fund to administer the OFB Grant Program.

Application & Award Timeline

When and how do I apply for this grant?

Please visit the [Houston Equity Fund's website](#) to find a link to the application portal.

The online application portal for Round 1 will open at 9:00 AM on August 9, 2022. The application will close at 11:59 PM on August 23, 2022.

What are the terms of the grant?

Grants will range from \$10,000 - \$65,000. Grant award amounts will be made on a case-by-case basis.

The grant period is 12 months. Grant funds must be fully utilized and/or committed within 6 months when the first report is due. A final report is due after the end of the 12-month grant period.

If I am awarded, will I receive the full grant amount requested?

Full and partial grant awards are possible. We anticipate funding requests exceeding total available funding. In the application, we ask applicants to list assets in priority order and may support a subset of items requested.

Will there be other opportunities to apply for funding?

Yes, the Open for Business program will be administered through 2024, and funds will be disbursed in three rounds. Round 2 will take place in 2023, and Round 3 will take place in 2024. You will find information about when and how to apply for Round 2 and Round 3 at houstonequityfund.com.

Will the application be available in languages other than English?

Yes, the application will be available in Spanish, Chinese (Simplified), and Vietnamese.

When will I know if my small business is awarded a grant?

Award decisions will be announced by email in Fall 2022.

When will disbursements for this grant be issued?

Funds awarded during Round 1 will be disbursed in Fall 2022.

Will I be notified if I am not approved for a grant?

Yes, you will be notified by email if your application was not approved for a grant award during the first round of funding. This email will include information with details about being considered for future rounds of funding in 2023 and 2024, if applicable.

If selected, do I have to pay the grant back?

No, grant funds awarded under this program will not need to be paid back. Repayment of the grant would only be required if funds are not used for agreed upon grant purposes.

Can a third-party, such as a CPA, submit an application on behalf of a business owner?

You are welcome to get assistance in completing the application from a third party, however, the business owner should submit their own application and the contact info listed should be for the owner.

Eligibility & Funding Criteria

Do I have to be a Wells Fargo customer to apply?

No, you do not need to be a Wells Fargo customer to apply.

What types of small businesses are eligible for funding?

Businesses classified as sole proprietorships, limited liability companies (LLCs), corporations, and partnerships are considered eligible to apply for funding.

Small business must also meet additional funding criteria to be eligible to apply:

- Must be established and registered with the State of Texas prior to December 31, 2021
- Must be located within the City of Houston
- Must be located in and impacting socially vulnerable communities that score 0.5 or above on the CDC's Social Vulnerability Index ([Open for Business SVI Map](#))
- Must have 1-50 full-time employees, including the owner
- Must have annual gross revenue for your 2021 fiscal year of \$1,500,000 or less
- Business Owners must be 18 years of age and reside (primary home address) in Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties

The following types of businesses are **NOT ELIGIBLE** for this funding opportunity:

- Adult entertainment and sexually-oriented businesses
- Businesses whose main source of revenue comes from alcohol or tobacco sales
- Gambling businesses
- Government-owned entities or elected official offices
- Businesses primarily engaged in political or lobbying activities
- Illegal businesses and enterprises
- Business owners under the age of 18 years old
- Business owners whose primary residence is not located in of the following counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties

What is the Social Vulnerability Index and how do I know if my business is located in a socially vulnerable community?

The Social Vulnerability Index uses U.S. Census data to determine the relative social vulnerability of every census tract.

Please refer to the [Open for Business SVI Map](#) to determine if your business is located in a socially vulnerable community. Please see the following instructions on how to use the map:

- First enter the physical address associated with your small business that is in the community impacted by the requested tangible asset(s) investment.
- Then navigate back to the application portal and answer the vulnerable community question in the Eligibility Questionnaire section.
- Answer "Yes" to the screening question if the address you entered is located in a blue community (moderate to high or high vulnerability with an SVI score of 0.5 or more).
- Answer "No" to the screening question if the address you entered is not located in a blue community (indicating lower vulnerability with an SVI score of 0.49 or less).

Am I eligible to apply if my business opened after December 31, 2021?

No, only businesses opened before December 31, 2021 are eligible to apply.

If my business is located outside of the City of Houston but I serve customers within the City of Houston, can I apply?

No, your business must be located in the City of Houston.

Are only minority-owned or women-owned small businesses eligible to apply?

No. The grant program aims to support diverse-owned businesses that reflect the full diversity of Houston. The grant program does prioritize Black, minority, and women-owned businesses. Other diversity considerations include age, immigrant status, LGBTQ+, educational achievement, income status, and more. Refer to [Small Business Guidelines](#) for a full list.

What do you mean by “minority-owned”? Do we have to be a certified minority-owned business?

No, you do not have to be a certified minority-owned business. This is defined by an applicant that self-identifies as a person of color.

Are there limitations on how grant funds can be used?

Yes, the grant funds must be fully utilized and/or committed within 6 months. Additionally, grant funds awarded to small businesses must be used to acquire or upgrade tangible assets. Tangible assets are defined as:

- Purchase of or improvements to land
- Construction of new buildings or facilities
- Renovations of existing buildings or facilities
- New or upgraded machinery, equipment (including vehicles)

- New or updated technology
- Purchase of inventory
- Improvements or modernization of streets, utilities, parking lots, landscaping

Can I use grant funds for a down payment on a loan for a tangible asset?

Yes. Please be prepared to provide supporting documentation for the loan in the application.

Can I use grant funds to pay down high-interest debt for a tangible asset I've already purchased?

Yes. Please be prepared to provide supporting documentation for the asset(s) and high-interest debt in the application.

What documents will I be required to provide with my application?

We encourage you to use this [Checklist](#) to confirm you have all supporting documents.

- Driver's License or some other government-issued ID as proof of personal identification
- Proof of business address in the City of Houston (utility bill, a signed lease, a business permit, or business license)
- Taxpayer Identification Number
 - **For sole proprietorships:** Employer Identification Number (EIN)
 - **For all other business types:** Social Security Number (SSN)/ Individual Taxpayer ID Number (ITIN)
- Copies of 2020 and 2021 federal tax returns, with all schedules
 - **For sole proprietorships:** 2020 and 2021 personal tax returns including Schedule C. Please remove or redact your SSN.
 - **For all other business types:** 2020 and 2021 business tax returns
- Quote or documentation related to cost and value of tangible asset(s) that would be purchased with these grant funds (if awarded). Acceptable documentation can include a PDF or screenshot from an online vendor, a purchase order, a proposal, draft lease agreement, scope of work, and or proposed contract specifications.
- Employee payroll records, such as IRS Form 941 for the first quarter of 2022, payroll registers, and other documentation with payroll details. Please remove all SSN and identifiable information, to only include Initials and employee titles. Please detail full-time or part-time status, in addition to 1099 contractors that support your business in an ongoing way.

Is the \$1,500,000 revenue limit based on gross or net revenue?

It is based on gross revenue. If you file a Schedule C, use Line 1. If you file an 1120, use Line 1a. If you file an 1120-S, use Line 1.

Should 1099 contractors be counted as employees?

Yes. We ask that you submit the number of 1099 contractors you engage in an ongoing way to support your business through the application. We ask that you share the number of full-time, part-time, and 1099 contractors separately.

If I am the only employee of my business, do I need to submit a payroll report or other proof?

No, only small businesses with 5 or more employees must submit payroll records. This can include IRS Form 941 for the first quarter of 2022, payroll registers, and other documentation with payroll details. Please remove all SSN and identifiable information, to only include Initials and employee titles. Please detail full-time or part-time status.

What if my small business does not have payroll documentation?

Please develop a document that details a list of employees or contractors, titles, hourly or annual wages, and full or part time status. [Click here for a downloadable resource to use.](#)

I use a PO Box on my business registration and/or my tax return. How will you verify my physical business address?

You will be asked to submit a document to verify your physical address, such as a current business utility bill, a signed lease, a business permit, or a business license as part of the application.

My business is home based and all of my utilities are in someone else's name. Is there another way to verify?

You may still submit the home utility bill. As long as the address on the utility bill matches the other documentation provided that is linked to the business owner, a home utility bill can serve as verification of business location.

If I have 2 businesses, can I submit an application for each business?

No, one business owner may submit only one application in total.

If I have more than one business, how is the annual revenue amount calculated?

The annual revenue amount will only be reviewed for the location listed on the application and not the total of all businesses owned by the applicant.

My business was established in 2021, and I therefore do not have 2020 tax returns. Am I still eligible to apply?

As long as your business was established and registered before December 31, 2021, you are still eligible to apply. If your business was not in existence in 2020, please submit your 2021 business tax returns in addition to 2020 financial statements or planning documents.

If awarded, are small businesses liable for taxes associated with this grant?

Greater Houston Community Foundation will request W-9s from grantees prior to issuing a grant. In addition, the Foundation will issue a Form 1099 to grantees. Grantees should consult with their own tax professionals and/or legal counsel to determine reporting requirements and tax impacts of any grant that may be provided under this program. All taxes associated with the acceptance and/or use of a grant under this program are the sole responsibility of the individual grantee.

If I am not eligible for this grant, are there any other resources for me?

Yes, please visit the [Houston Equity Fund's website](#) for information about technical assistance opportunities for small businesses.

Online Application Portal Questions

How do I submit my application?

There are 2 main steps for you to complete to successfully submit your application:

1. Complete the self-screening eligibility questionnaire
2. Complete the grant application, including supporting documentation

If you are an eligible organization based on both the eligibility questionnaire and organization profile criteria, you will gain access to the grant application for this funding opportunity. Ineligible applicants are not able to submit an application for this program.

Why am I unable to move forward or access the application?

Based on the information you've entered in the self-screening eligibility questionnaire and organization profile; your business is not eligible for this funding opportunity. If you are ineligible, you will be unable to complete your Profile or access the grant application. Please refer to the eligibility criteria in the [Small Business Guidelines](#).

How can I ensure my application has been successfully submitted?

To submit your application, you will need to do the following:

1. Complete your organization's Profile
2. Complete the grant application
3. Upload supporting documentation
4. Mark as complete.
5. Click "Submit."

IMPORTANT: Your application is not fully submitted until after you click "Submit."

After you click "Submit," you will receive a confirmation email from the Open for Business Grants Management Team. If you cannot find a confirmation email, please check your spam or junk folder.

I forgot my password; how do I proceed?

If you do not remember your password, you may reset it by clicking on "Forgot Password" on the portal's home page.

Can I save my application and continue later?

Yes, at any point you may click on “Save as Draft” to save your progress and return to it later. Please be sure to document your username and password.

I made an error on my application. How can I fix it?

You are unable to edit your application after submission. Unfortunately, due to the volume of applications submitted, we cannot offer assistance to update an application.

Who do I contact if I have additional questions about the online grant application?

Once the application opens on August 9th, 2022, if you experience a technical difficulty with the online portal, please [submit a question using this form](#). Please allow 1-2 business days for a team member to respond to your question. Translation support for technical questions is available.

For all other questions, please visit the Houston Equity Fund website at www.houstonequityfund.org and review the [Open for Business Grant Program page](#). We encourage applicants to sign up for the Houston Equity Fund **newsletter** at the bottom of the home page and to refer to the **Frequently Asked Questions (FAQ)** document, which will be updated during the application process.

Due to the high volume of applicants expected, the Houston Equity Fund will respond weekly to questions about the application through updated Frequently Asked Questions posted online.

How will I know if my application has been received?

You will receive a confirmation email from the Open for Business Grants Management Team once your application has been submitted. If you cannot find a confirmation email, please check your spam or junk folder.

If you cannot find a confirmation email in your spam or junk folder, please go back to your application and confirm you have clicked “Submit”.

The grants management team at the Greater Houston Community Foundation will reach out to you if there are any questions about your application.

If my business is a DBA am I eligible for the grant?

Yes, DBA businesses are eligible for the grant application.

If I have an online or mobile business, what address do I use?

All online and mobile business owners will use their home address to apply.

If my business filed a tax extension to September 2022, am I eligible to apply?

At this time your business is not eligible to apply for the grant.

If I am applying to purchase land and do not have the identified land under contract. What proof of documentation is needed in the absence of an executed contract?

A signed letter from the selling agent stating you are in active negotiation, is sufficient proof of documentation.