



## **Houston Equity Fund Wells Fargo Open for Business Grant Frequently Asked Questions ROUND 2 - NONPROFIT FAQ**

### **Grant Program Overview**

#### **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, including nonprofit organizations, 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 nonprofits with employees of 0-100 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 2 will open at 5:00 AM CST on May 15, 2023. The application will close at 11:59 PM CST on June 7, 2023. The grant application deadline has been extended.

### **What are the terms of the grant?**

Grants will range from \$5,000 - \$65,000. Grant award amounts will be made on a case-by-case basis. Additionally, grants ranging from \$75,000 - \$100,000 will be awarded to approximately 6 or fewer high-scoring, qualifying applicants. Please refer to the "Supplemental Funding Opportunity" section of this FAQ for more details.

The grant period is 12 months. Grant funds must be fully utilized and/or committed within 6 months after the grant is awarded. 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. Partial awards 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 in three rounds. Round 3 will take place in 2024. You will find information about when and how to apply for Round 3 at [houstonequityfund.org](http://houstonequityfund.org).

### **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 nonprofit is awarded a grant?**

Award decisions will be announced by email in Fall 2023.

### **When will disbursements for this grant be issued?**

Funds awarded during Round 2 will be disbursed in Fall 2023.

### **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 second round of funding.

### **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.

## **Supplemental Funding Opportunity**

### **What is the Supplemental Funding Opportunity?**

For Round 2, the Houston Equity Fund (HEF) has allocated \$500,000 in grants ranging from \$75,000 - \$100,000 to 6 or fewer high-scoring applicants who qualify to purchase **capital-intensive tangible assets** with the potential to have a catalytic impact in their communities.

Capital-intensive tangible assets include any of the following:

- Purchase of or improvements to land
- Construction of new buildings or facilities
- Renovations of existing buildings or facilities
- New or upgraded machinery, equipment
- Improvements or modernization of streets, utilities, parking lots, landscaping
- Down payment assistance to acquire a larger loan for eligible tangible assets listed above

### **Am I required to apply for this Supplemental Funding Opportunity?**

No. You will be asked to opt-in to applying for this opportunity by answering “YES” and completing a Supplemental Proposal through the application portal.

### **How do I apply for a grant of \$75,000 - \$100,000?**

If you wish to apply for this opportunity, you will be required to complete the application and a Supplemental Proposal through the application portal. You will be required to answer two additional narrative application questions and upload additional documents.

### **What additional documents will I need to submit if I would like to apply for this opportunity?**

All applicants who opt-in to applying for this opportunity will be required to upload the following documents:

- Most recent Annual Audited Financial Statements or Annual Financial Statements (if audit not available)
- Any **ONE** of the following documents currently available for the nonprofit:
  - Current Strategic Plan
  - Most recent Annual Report
  - A copy of a grant proposal submitted to another funder

**If I am not awarded a grant for \$75,000 - \$100,000, will I still be considered for an award of \$5,000 - \$65,000?**

Yes. All applicants who choose to apply for a larger award will first submit an asset request for \$5,000 - \$65,000. Applicants who are not selected for an award of \$75,000 - \$100,000 will be automatically entered into consideration for an award of \$5,000 - \$65,000.

**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 are the eligibility requirements for nonprofit organizations to apply for funding?**

To be eligible to apply for funding, **nonprofits must meet ALL** the following criteria to be [eligible to apply](#):

- 501c3 status (or fiscal sponsorship) prior to December 31, 2021;
- 0-100 employees, including part-time and full-time employees and 1099 contractors engaged in an ongoing way to support your nonprofit; and
- Located and/or serving vulnerable communities within the City of Houston

Additionally, nonprofit organizations must meet **ONE** of the following additional funding criteria to be considered:

- Invest the tangible asset(s) in and serve a community included on our [Geographic Eligibility Map](#) -OR-
- Have a mission-aligned program or focus area that supports the ecosystem for ongoing success of small businesses within the City of Houston, to develop a pipeline of future employees and entrepreneurs through such programs as incubators, internships and apprenticeships, mentorships, educational programs, small business grants and other investments, as well as training and/or technical assistance.

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

- Religious institutions and nonprofit organization(s) that primarily operate programs associated with faith-based activities, including, but not limited to, bible study, mission trips, or proselytizing are not eligible to apply. Nonprofit organizations may not require participation in religious or faith-based activities as a requirement to receive services or benefits.
- Nonprofits that were awarded a grant in Round 1.

**My nonprofit is NOT located within [the green area of the Geographic Eligibility map](#), but I run a program in a vulnerable community that is included in the map. Do I qualify?**

Maybe. Nonprofits may qualify through its geographic location if the nonprofit:

- 1) **Serves and invests tangible assets** that will be used to support vulnerable communities within the City of Houston, as shown in green in the [Geographic Eligibility Map](#); AND
- 2) Has a **primary nonprofit address** located within one of the following qualifying 8 counties - Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties (No P.O. boxes).

**Programmatic Exception:** All nonprofits that are located in the City of Houston and support the ecosystem for ongoing success of small businesses and develop a pipeline of future employees and entrepreneurs through such programs as incubators, internships and apprenticeships, mentorships, educational programs, small business grants and other investments, as well as training and/or technical assistance are eligible to apply, even if not located within the green area of the Geographic Eligibility Map.

### **Are only diverse-led nonprofits eligible to apply?**

No. The grant program aims to support diverse-led nonprofits that reflect the full diversity of Houston.

The grant program will prioritize nonprofit organizations that advance the charitable mission and four pillars of the Houston Equity Fund and that are historically underserved, including grassroots and community-led organizations founded by and/or led by someone who self-identifies as black/African American, Hispanic/Latino, Asian/Asian American, American Indian or Alaskan Native, Native Hawaiian or other Pacific Islander, or Middle Eastern/North African. Special consideration will be given to organizations with limited access to philanthropic capital.

Grassroots and community-led organizations include organizations with limited staff that rely heavily on volunteer contributions and personal investments of time and resources. These organizations typically have founders or leaders who are from the neighborhoods they serve.

Organizations with limited access to philanthropic capital are those without access to institutional funders, such as from foundations and government sources, and/or have limited individual donor networks.

### **Are there limitations on how grant funds can be used?**

Yes, the grant funds must be fully utilized and/or committed within 6 months after the grant is awarded. Additionally, grant funds awarded to nonprofits and 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. Grant funds may only be used toward paying down a loan specifically incurred to purchase a tangible asset.

Please be prepared to provide supporting documentation, such as a recent statement from your loan provider, for the loan in the application. Supporting documentation must clearly show the tangible asset/item that was purchased with the loan, the remaining balance on the loan, and the most recent payment toward the loan.

### **Can I use grant funds to pay down high-interest debt for a tangible asset?**

Yes. Grant funds may only be used toward paying down a loan specifically incurred to purchase a tangible asset.

Please be prepared to provide supporting documentation, such as a recent statement from your loan provider, for the loan in the application. Supporting documentation must clearly show the tangible asset/item that was purchased with the loan, the remaining balance on the loan, and the most recent payment toward the loan.

## **Application Questions**

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

Non-profit applicants must provide the following documents to verify eligibility:

- IRS Letter of Determination
- Two 990s for most recent years available (990-Ns/990-EZs allowable)
- 2022 Operating Budget
- Quote or documentation related to cost and value of tangible asset(s)
- Other financials may be requested or obtained during a final review process

### **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 organization through the application. We ask that you share the number of full-time, part-time, and 1099 contractors separately.

### **If my organization only submits a 990-N, am I required to provide my 2022 revenue amount?**

The 990-N document only confirms a nonprofit receives less than \$50,000 in revenue or gross receipts annually. All applicants, regardless of their 990 filing requirements, are required to provide the actual 2022 total revenue or gross receipt amount. Applications that upload a 990-N, might be required to submit additional financial documentation to verify their 2022 gross receipts.

### **How do I provide supporting documents for the Form 990-N if it is submitted electronically?**

For more information on downloading a copy of your organization's 990-N please reference IRS Publication 5248, available online here: <https://www.irs.gov/pub/irs-pdf/p5248.pdf>

**Am I eligible for this funding opportunity if my organization does not have two 990's from recent years to submit?**

As long as your nonprofit was established before December 31, 2021, you are still eligible to apply. Please submit two years' worth of most recent 990s, annual financial statements (audited preferred) or planning documents.

**Are organizations that use a fiscal sponsor eligible to apply?**

Yes, organizations that use a fiscal sponsor are eligible to apply and receive grant funding. In the application, there will be a question where you can enter your fiscal sponsor's contact information and upload an MOU or agreement describing the arrangement with your fiscal sponsor.

**If I have 2 nonprofits, can I submit an application for each nonprofit?**

No, one nonprofit leader may submit only one application in total. Applicants who submit multiple applications, whether for the same entity or different entities, will be declined.

**I own a business and lead a nonprofit. Are my business and my nonprofit both eligible to apply?**

No. Business owners and nonprofit leaders may only apply on behalf of one entity.

**I was awarded in Round 1 for my small business, but I also have a nonprofit. Am I eligible to apply for a grant on behalf of my nonprofit organization?**

No. Round 1 Grantees who were awarded and received a grant are not eligible to apply for Round 2 of the Grant Program. However, Round 1 Grantees who fulfill all reporting requirements will be eligible to apply for Round 3 in 2024.

**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 nonprofits.

## **Additional Rules and Conditions**

**What are other important rules and conditions for this program?**

All applicants must observe the following rules and conditions to be considered for funding. Applicants that fail to meet these rules and conditions will be declined from consideration of this grant opportunity.

- **One Application Per Person.** No person or entity shall submit more than one application. Applicants who own or lead two or more different entities (businesses or nonprofits), even if they operate under separate Tax Identification Numbers, may only apply for a grant for one entity. Applicants who submit multiple applications, whether for the same entity or different entities, will be declined.

- **No Contact.** Applicants who directly contact the Houston Equity Fund Board of Directors, Program Staff, or the Grant Administrator (GHCF) to request support, endorsement, or preference for their application will be immediately declined.
- **Shared Application Information.** Applications that share duplicated information, whether exact or approximate, will be declined. Application information should be unique to your specific business.
- **Ineligible Asset Requests.** Applications requesting **any** ineligible asset(s), such as rent, operating expenses, payroll, or employee benefits, will be declined. This policy applies to all applicants, including those who request both eligible and ineligible assets within the same application.
- **Incorrect or Inaccurate Supporting Documents.** All applicants must verify that the information provided in their supporting documents is accurate before submission. Supporting documents will be reviewed to verify information provided in your application. Applications with incorrect or inaccurate supporting documents will be declined.
- **Clean Hands Policy.** Applicants should be aware that Grantees will be asked to affirm that they have **not** been convicted or named as a defendant in any criminal or civil matter involving fraud, theft, embezzlement, perjury or misrepresentation. If such a conviction or charge has occurred against the Grantee and/or an applicable lawsuit has been filed against the Grantee, the grantee must fully advise the Houston Equity Fund of the facts and circumstances surrounding such conviction, charge, and/or lawsuit to determine whether applicant remains eligible to receive the grant.
- **Good Business Standing.** Applicants that are **not** in compliance with applicable federal, state, and local laws, regulations, codes, and requirements will be declined. Applicants should not owe any federal, state, or local taxes prior to July 1, 2023.

## Online Application Portal Questions

### How do I submit my application?

There are 3 main steps for you to complete to successfully submit your application:

1. Complete the Nonprofit Eligibility Screener
  - a. If you are eligible, check your email for a link to the application portal
2. Complete organizational profile
3. Complete the grant application, including supporting documentation

If you are an eligible organization based on the Eligibility Screener, you will receive an email with the link to the online application portal. Ineligible applicants are not able to submit an application for this program.

If you are eligible and do not receive an email from [noreply@houstonequityfund.org](mailto:noreply@houstonequityfund.org), please check your spam or junk folder. If your issues persist, please [submit a technical support inquiry](#).



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

Based on the information you've entered in the Eligibility Screener, your nonprofit is not eligible for this funding opportunity. If you are ineligible, you will not receive a link to access the grant application portal. Please refer to the eligibility criteria in the Nonprofit Guidelines for more information regarding your eligibility.

### **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 and all required fields
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 [noreply@houstonequityfund.org](mailto:noreply@houstonequityfund.org). 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.

### **I applied in Round 1. Can I access a copy of my application?**

Yes, you can access a copy of your Round 1 application by logging into the Round 1 application portal. The Round 1 portal is closed, but a copy of your application is accessible.

#### **How to access your Round 1 application:**

1. [Log in to the Round 1 application portal](#) with the same email and password you used when you applied during Round 1.
2. If you do not remember your password, you may use the "Forgot your password" feature in the grant portal. This will send a reset link to the email address associated with your account.

Scroll down to the "Application Intake" section. You will see a box that says "Round 1 Application – Nonprofits." Click "View" to see a copy of the application that was submitted during Round 1.

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

Once the application opens on May 15, 2023, 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 reach out to the Houston Equity Fund at [www.houstonequityfund.org](http://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 not have capacity to individually respond to inquiries. Frequently Asked Questions (FAQ) will be addressed in an FAQ document updated to the extent possible.***

### **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.”

If you have verified that you clicked “Submit” on your application and that you did not receive a confirmation email, you can [submit a technical support inquiry](#).

The grants management team at the Greater Houston Community Foundation will reach out to you if there are any questions about your application. <http://www.houstonequityfund.org/>

### **Will I know why my Round 1 or Round 2 application was declined?**

No. With a high volume of applications, we are unable to provide specific feedback to applicants as to why their application was declined.

We recommend downloading a copy of your Round 1 and/or Round 2 application to review alongside the program materials to see how your application can be improved. Additional resources are available to applicants through in-person and virtual information sessions. Please visit the [Houston Equity Fund's website](#) for the full schedule.

### **I already submitted my application early before the deadline. Can I gain access to my application to edit?**

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.