



## Houston Equity Fund Wells Fargo Open for Business Grant Frequently Asked Questions **ROUND 3 - SMALL BUSINESS 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 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 1-100 (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 28 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 3 will open at 12:00 AM on March 12, 2024. The application will close at 11:59 PM on March 26, 2024.

### **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 30 days. Grant funds must be fully utilized within 30 days after the grant is awarded. A final report is due after the end of the 30-day 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?**

No, this third round of funding will be the final round of the Houston Equity Fund's Open for Business program.

### **Will the application be available in languages other than English?**

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

### **Will I be contacted before grant awards are disbursed?**

We strongly advise you to regularly check the email provided on your application, including your junk or spam folder. During the grant review process, you may be asked to provide additional documentation or answer a question regarding your application. If you do not respond by the stated deadline, your application may no longer be considered.

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

Award decisions will be announced by email in Fall 2024.

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

Funds awarded during Round 3 will be disbursed in Fall 2024.

### **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 third 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. Examples of improper use of grant funds include, but are not limited to, purchasing ineligible (e.g., payroll, rent, insurance, utilities, or other operating expenses) or unapproved assets with grant funds, failure to expend all grant funds, and failure to provide documentation to show items that were purchased with grant funds in a timely manner.

### **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 application and the contact info listed should be for the owner.

## **Supplemental Funding Opportunity**

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

For Round 3, the Houston Equity Fund (HEF) has allocated \$500,000 in grants ranging from \$75,000 - \$100,000 to approximately 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 apply 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:

1. A supplemental budget request and vendor quotes for the assets requested
2. Most recent Annual Balance Sheet
3. Most-recent Annual Profit & Loss Statement
4. Business Plan

## 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

### 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.

### Applicants must meet ALL the following criteria to be eligible to apply:

- Business established and registered with the State of Texas prior to December 31, 2022
  - Primary business location is within the 8-county region of Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties.
  - The tangible asset must be invested in and impacting a vulnerable community as identified in the [Geographic Eligibility Map](#)
- Have 1- 100 employees, including the owner, full-time, and part-time employees and 1099 contractors engaged in supporting your business
- 2022 and 2023 Annual Gross Revenue of \$3,000,000 or less
- Business owners must be 18 years of age and reside in Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties, as their primary home address.

**Mobile, Online, and Home Businesses** are eligible to apply and should read further details clarifying geographic eligibility below.

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, cannabis products, or tobacco sales
- Gambling businesses

- Pawn shops
- Check cashing 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
  - Businesses owned by someone whose primary residence is not located in of the following counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties

**Am I eligible to apply if my business opened after December 31, 2022?**

No, only businesses opened before December 31, 2022 are eligible to apply.

**If my business is located outside of the 8-county region but I serve customers within the 8-county region, can I apply?**

No, your business must be located in the 8-county region.

**If my business is a home, online, or mobile business located outside of the green area of the Geographic Eligibility map, but I serve customers within the green area of the map, can I apply?**

Maybe. Your business may qualify if:

1) You plan to invest your requested tangible asset(s) to sell products/services in-person within a vulnerable community within the City of Houston, as designated in green in the Geographic Eligibility map (supporting document for location must also be provided); **-AND-**

2) Your home address or primary business address is within the 8-County region, which includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties.

Only home, online, and mobile businesses that invest and impact vulnerable communities within the City of Houston and are owned by business owners that reside and have a primary business location in the 8-County Greater Houston region are eligible. Please see the Supporting Documents Checklist for examples of acceptable proof of address documents for these types of businesses.

**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. Diversity considerations include race/ethnicity, gender, age, immigrant status, LGBTQ+, educational achievement, income status, and more. Racial and ethnic diversity includes business owners who self-identify 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. Refer to the Small Business Guidelines for a full list.

**What do you mean by “diverse-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 Black/African American, Hispanic/Latino, Asian/Asian American, American Indian or Alaskan Native, Native Hawaiian or other Pacific Islander, or Middle Eastern/North African. The Grant Program also considers other dimensions of diversity including but not limited to age, gender, education and income levels with an aim to be inclusive of a range of diverse-owned businesses.

**My business sells alcohol or products containing alcohol. Am I eligible to apply?**

Maybe. Businesses that earn a majority of their revenue through alcohol sales are ineligible to apply. If your business makes less than a majority of your revenue through alcohol sales, you are eligible to apply.

**Funding Criteria**

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

Yes, the grant funds must be fully utilized within 30 days after the grant is awarded. 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. Grant funds may only be used toward paying down a loan specifically incurred to purchase an eligible 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 I’ve already purchased?**

Yes. Grant funds may only go toward high-interest debt that was incurred specifically to purchase an eligible tangible asset. \_\_\_\_\_

Please be prepared to provide supporting documentation for the asset and high-interest debt in the application. Supporting documentation must clearly show the tangible asset/item that was purchased, the remaining balance, and the most recent payment.

### Can I use grant funds toward rent, payroll, or other operating expenses for my business?

No, rent, payroll, employee benefits, insurance, utilities, and other operating expenses are ineligible. Grant funds may only be used toward the purchase of eligible tangible assets. Applications with ineligible requests will be declined.

### Can I purchase property with grant funds? What information will I be required to provide?

Yes, as long as the property purchased is within the [green area of the geographic eligibility map](#). In order to purchase land or property with grant funds, applicants must provide clear documentation showing the price and location of the property. Please note, grant funds must be spent within 30 days.

## Application Questions

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

We encourage you to use the Supporting Documents Checklist to confirm you have all supporting documents.

- Driver's License or some other government-issued ID as proof of personal identification
- Document to confirm where the tangible asset will be invested within the [green area of the \\_\\_\\_\\_\\_ Geographic Eligibility map](#) **AND** the primary business address **if it differs from where the tangible asset will be invested**. Documentation must contain the name of the business and/or business owner (utility bill, a signed lease, a business permit or license, an IRS EIN letter, or a certificate of insurance).
- Taxpayer Identification Number
  - o Employer Identification Number (EIN)
  - o Social Security Number (SSN)/ Individual Taxpayer ID Number (ITIN)
- Copies of 2021 and 2022 federal tax returns, with all schedules
  - o **For sole proprietorships:** 2021 and 2022 personal tax returns must include Schedule C.

Please remove or redact your SSN.

o **For all other business types:** 2021 and 2022 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 scope of work proposal, and/or proposed contract specifications.
- **For businesses with 5 or more employees:** Employee payroll records, such as IRS Form 941 for the fourth quarter of 2023, payroll registers, and other documentation with payroll details. Please remove all SSNs and identifiable information, to only include Initials and employee titles. Please detail full-time or part-time status.

### Is the \$3,000,000 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 fourth quarter of 2023, payroll registers, and other documentation with payroll details. Please remove all SSNs 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 per round. 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 per round.



**I was awarded a grant in Round 1 or 2 for my nonprofit, but I also have a small business. Am I eligible to apply for a grant on behalf of my small business?**

Round 1 and 2 Grantees who received a grant are eligible to apply for Round 3 of the Grant Program if they have met all of the following requirements:

- Attended mandatory activation sessions and reporting webinars.
- Submitted all required impact reporting.
  - Expended all grant funds and provided sufficient, accurate, and timely documentation on how grant funds were spent.

**Two members of my household own two separate businesses. Are we both eligible to apply?**

Yes. Businesses owned by two different individuals, operating under separate Tax Identification Numbers, are eligible to apply.

**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.

**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.

## **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 who 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 per round. 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 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 the business owner(s) has **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 must be in compliance with applicable federal, state, and local laws, regulations, codes, and requirements. Applicants should not owe any federal, state, or local taxes prior to July 31, 2024.

## 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 Small Business Eligibility Screener
  - a. If you are eligible, check your email for a link to the application portal
2. Complete your organization 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. If you are determined ineligible, you will not receive an email with a link to the application portal.**

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 small business is not eligible for this funding opportunity.

If you are ineligible, you will not receive a link to access the grant application portal. You will also be unable to click "Submit" at the bottom of the Eligibility Screener. Please refer to the eligibility criteria in the Small Business 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 and/or Round 2. Can I access a copy of my application(s)?**

Yes, you can access a copy of your Round 1 or 2 application by logging into the application portal. The Round 1 and Round 2 portals are no longer accepting submissions, but a copy of your previous application is accessible.

***Please note that the below instructions will only allow you to view previous applications. You will not be able to submit a Round 3 application.***

### **How to access your previous application(s):**

1. [Log in to the Round 1 application portal](#) or the [Round 2 application portal](#) with the same email and password you used when you applied.

2. Scroll down to the “Application Intake” section. You will see a box that says, “Round 1 Application – Small Business” or “Round 2 Application – Small Business”. Click “View” to see a copy of the application that was submitted during Round 1 or Round 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.

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

Once the application opens on March 12, 2024, 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](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.

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

Yes, you will be notified by email if your application is not approved for a grant award during the third round of funding.

### **Will I know why my 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.

**Are gift cards an eligible asset?**

No, gift cards are not eligible for funding.

**Are local government agencies such as police departments eligible for apply to support programs?**

Government agencies with a 501c3 foundation are eligible to apply.

**Is a non-profit with an annual budget of \$8M eligible to apply?**

Yes, there is no revenue cap for non-profit organizations to apply.

**Is a digital platform or software considered tangible?**

Yes, software is an eligible asset for funding.

My business was established in 2022, and I therefore do not have 2021 tax returns. Am I still eligible to apply?

As long as your business was established and registered before December 31, 2022, you are still eligible to apply. If your business was not in existence in 2021, please submit your 2022 business tax returns in addition to any 2021 financial statements, business plans, or planning documents that you may have. If you have none of these documents for 2021, please upload a word document or PDF explaining that your business was not established in 2021.

My business was established prior to 12.31.2022 and had no revenue what tax information do I upload?

Tax filing information is required for grant funding eligibility. Taxes are to be filed no matter the revenue amount.

I build apps for my clients and there's a monthly fee to keep those apps running, is this eligible for funding?

Monthly fees to keep apps running is not an eligible item for grant funding.

Is business marketing eligible for funding?

Marketing printable items are eligible for funding, digital marketing is NOT eligible for funding.

If I store my mobile business unit in a storage facility, can I use that address for the address of my tangible asset?

Yes, the storage unit can address can be used as the address of your tangible asset. You will also need to provide a mailing address, where mail can be received.