Info Session for Round 1 Microgrant Applicants: Strategies for Completing a High Scoring Application

Thursday, January 19th, 2022
Objective

▪ The goal of this information session is to provide your organization with guidance and tips for improving the quality of your funding proposal

▪ We would like for you to be more successful not just in our funding round, but in applications for other opportunities as well!

▪ This is an optional opportunity for you to learn more
OFB Program Goal

- We aim to support **historically underserved** small businesses and nonprofits in Miami-Dade County **build resilience and generational wealth** through the **purchase and ownership of critical business assets**, such as technology, equipment, machinery, inventory, and property.

- Funded by a $20M grant from Wells Fargo devoted to asset building
  - Program runs through 2024
  - Miami is implementing the program alongside 4 other US communities
  - To support with lending and grants to for-profit businesses, Miami selected **Partners for Self Employment (PSE)** through a competitive RFP process.
OFB offers Miami small businesses and nonprofits three core financial products:

**Microgrants for Technology and Equipment**
- Grants between $100-$20K for nonprofits and small businesses to purchase hardware, software, machinery, and equipment.
- An annual total of ~$800,000 will be awarded to 40-60 organizations.

**Asset Building Loans for Entrepreneurs (ABLE) Fund**
- Low-interest, patient financing from $5K-$100K to buy vehicles or inventory, renovate space, refinance predatory debt, succession financing, or co-op conversion.
- An annual total of ~$2 million will be lent to 30-50 organizations.

**Collective Real Estate Ownership (CREO) Funding**
- Down payment and closing cost assistance up to $500K for shared commercial real estate in historically underinvested neighborhoods and corridors to root community businesses and nonprofits.
- An annual total of ~$2.2 million will be awarded to 4-6 partnerships.
Technology and Equipment Microgrant Funding Details

- The microgrant funding opportunity is a **one year grant** to purchase either: a) hardware, b) software, or c) equipment/machinery.

- While applicants can request **up to $20k**, we indicated that not all funding requests could be honored at the amount requested.

- Examples of allowable funding requests include:
  - **Hardware** (e.g., laptops, routers, cameras, printers, copy machines); OR
  - **Software** (e.g., subscriptions and licenses for products like QuickBooks, Microsoft, Square, etc.); OR
  - **Equipment and machinery** (fixed assets such as food & beverage prep, manufacturing tools, cleaning equipment, machines, etc.).
Demand for this first round of funding was very great

**Nonprofits:**
- 104 applications requesting $1.6M
- $300,000 available to award
- 26 orgs funded
- Acceptance rate: 25%

**For-profits**
- 173 applications requesting $3M
- $500,000 available to award
- 31 businesses funded
- Acceptance rate: 18%
Common reasons applications did not score as high

- Requested more than one category of funding (software and laptops)

- Requested funding for non-allowable categories (salaries, vehicles, etc.)

- Disregarding eligibility / pre-qualification requirements
  - More than $1M in revenue
  - Not owned by historically underserved entrepreneur
  - Not based in Miami-Dade County
  - Not operational for at least 2 years

- Lack of specificity in funding request
  - “Scanners” vs “HD Epson V850 Pro Photo Scanners (3@ $1,500 = $4,500)”

- Could not articulate impact of funding in narrative questions
Basic Eligibility Requirements

Applicants must meet all the following requirements to apply for funding:

- Small nonprofit or business located in Miami-Dade County
- Owned or led by an individual(s) from a historically underserved background (i.e., Black, Latino, LGBTQ+, veteran, person with disabilities)
- Been in existence for at least 2 years
- Annual revenue or operating budget of $1 million or less
Scoring and Review Criteria

After the application deadline, we assess each proposal and assign a score of 1-3 along the following dimensions:

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<th>Represents a historically underserved community</th>
<th>Serve the community</th>
<th>Have strong organizational and financial capacity</th>
<th>Employer firms that offer quality jobs</th>
<th>Will use the funding to transform trajectory</th>
<th>Located in underserved neighborhood</th>
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<td>Proprietor(s) embody more than 1 aspect of historical disadvantage (e.g., veteran, LGBT, and Latino).</td>
<td>Company understands how their good or service creates value.</td>
<td>Company has clear growth plan, projected revenue, or incoming donations.</td>
<td>Not required to apply, but companies with staff receive points during scoring.</td>
<td>Company has clear plan for growth that will be aided by grant funding.</td>
<td>Not required to apply, but companies in these areas receive points during scoring.</td>
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<td>Staff reflect the demographics of the community.</td>
<td>Company does not primarily serve international clients, work in ‘sin’ industry.</td>
<td>Operating budget and financial documents are clear and consistent.</td>
<td>Additional consideration given to companies whose staff have “quality jobs”.</td>
<td>Company has clear rationale for why funding is needed.</td>
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- Operating budget and financial documents are clear and consistent.
Scoring and Review Criteria

Example of how reviewers look at each scoring metric:

**Have strong organizational and financial capacity**

- **STRONG**: The financial statements show **steady growth or maintenance** of revenue YOY. The staff roster demonstrates the org is **adequately resourced**. The company’s understanding of their market share and growth potential is **reasonable**.

- **WEAK**: Budget shows **outstanding debt**, running at a deficit, or severe unexplained losses. The budget line items **do not add up** to stated expenditures (e.g., staffing/payroll). The company **cannot articulate** their growth potential and/or business plan.

**Will use the funding to transform trajectory**

- **STRONG**: There is a **clear understanding** of how the acquired asset will impact business (increased sales, productivity, outreach). There is a **specific and concrete plan** to acquire the asset. The **rationale** for acting to purchase the asset now is clear.

- **WEAK**: There is little demonstrated understanding of how the asset will impact business. There is **no specificity** about the asset(s) to be purchased (lack of price, vendor quote, etc.). It is unclear why the business is interested in this asset **right now**.
Example Responses from Nonprofit Proposals

Purpose: Describe in two to three sentences the proposed use of funds. Please include detail on the items you plan to purchase, how you will acquire them, and deploy them in your organization

High Scoring Proposal

We propose to use the funds to purchase 4 Tera Barcode scanners and 5 laptops that are able to read and interpret the data from the scanners. These scanners, in conjunction with these specific laptops (which are required to read & process the scanner data), will enable us to be more efficient.

When a family registers to receive groceries, each family member will receive a bar code to be scanned by this scanner, and it tracks zip code, ethnicity, role of person in family, number of people in household, and frequency of food pick-up. Obtaining these scanners will streamline data calculation and improve the accuracy of our metrics. It will also minimize paper waste.

Finally, accurate numbers will prevent duplicate food disbursements, and if one family is larger than others, the scanner will enable it to receive a larger amount of food for pick-up than the others.

Low Scoring Proposal

We will purchase laptops, computers, tablets and software to help us to run our operations to reach to more people in need. We will also use the funds for advertisement in order to bring in more funds to be able to assist the community in need.
High Scoring Proposal

Hardware purchased with this funding is expected to help each cohort’s maximum capacity, which will result in hiring one program manager to carry out lessons.

Over 250 underserved students annually will be exposed to better, more advanced hardware and lessons than currently used.

About 84, or a third of students served, will be able to become certified in Java and Python coding language. The hardware purchased with this funding will demonstrate to those students the coding used to program robots as an entry into the field.

Low Scoring Proposal

This new technology is very beneficial to our community because the […] machine will now open doors to a growing market of consumers that already exist. Create Job opportunities to our youth, adults and even elders. Great environment that is fun to learn and have fun all at the same time. Most people would begin this as a hobby and transition to a career. Its that Innovative.
Example Responses from Small Business Proposals

**Purpose:** Describe how you will be investing the funds you are applying for. Include a description of the asset and its use within your business, how the asset will increase / enhance your business, your plan for meeting increased demand, how you will reach new / additional customers, and how having this asset will help your business reach future goals.

### High Scoring Proposal

Assets will be used to purchase equipment such as; Commercial Espresso machine, cooler, ice maker, pro water filter head, commercial coffee grinder, pro exchange cartage espresso, K-Cup commercial machine, commercial blender and power generator.

E-Trucks will sell CBD coffee, Mushroom coffee, Collagen Coffee, Espressos and all packed products such as drinks, packed CBD Coffee, K-cups Coffee, Collagen powder, bites and water in aluminum bottle.

...is a proven concept, currently we can be found at 270 supermarket stores at the healthy living isle bringing brand awareness and sales.

We are promoting our products by given away samples at gyms in Miami and getting ... at gym coolers. This grass root marketing strategy has given our brand more exposure by allowing us to reach out directly to our consumer segment. The strategy is working, we keep adding gyms to our list increasing sales.

... E-Truck business model has been designed to be licensed. Once launched expectation is to have a total of 10 E-Trucks in the Miami area in a 12 month period. The strategy will help increase sales, generate revenue from licensing sales, create more jobs and bring more brand exposure.

### Low Scoring Proposal

This business will be using the $10,000.00 in funds in order to further and continue the growth of the business. Currently we purchases product from a distributor. With the help of this $10,000.00 grant it will allow us to begin producing our own Italian Ice product. Producing our own product will lower the price of product by having it made in house.
**High Scoring Proposal**
We have been servicing the Heritage neighborhoods of Liberty City, Little Haiti, and Overtown for the past seven years. We have made significant gains in art by providing high-quality jobs and over 1.2 million dollars to our local economy. We offer a safe space for our community to enjoy the arts and freedom of expression. The impact is immeasurable when people recognize themselves in you. No apologies or judgments over hair, color, content, beliefs, or indoctrination. Our social impact truly represents Miami’s true melting pot.

**Low Scoring Proposal**
- Regrettably, I don't think this will immediately generate FTE, but we are most certainly hoping that increased demand can generate a more permanent income for those we independently contract to work with us.

*Impact:* Please describe impacts of this funding beyond the acquisition of the asset. Include new jobs to be created, existing jobs to be retained, benefits to staff not previously available, climate implications, and increased community access to goods and services.
Next Steps

- The next round of Microgrant, ABLE loan, and CREO funding is expected to reopen the **first week of March**

- TA (technical assistance) **providers will be available** through the OFB program to assist applicants with proposals
  - These are organizations you can work with to improve your financial documents, business plan, and funding request

- We recommend you **subscribe to our newsletter** for the latest updates
Contact Info

- Nonprofit Microgrant Applicants:
  - Email: openforbusiness@miamifoundation.org
  - Website: https://miamiopenforbusiness.submittable.com

- Small Business Microgrant Applicants:
  - Email: openforbusiness@miamiofbloans.org
  - Website: https://miamiofbloans.org