

Microenterprise Grant Fund for Alaska Mental Health Trust Beneficiaries

POLICY & PROCEDURES MANUAL - FY15

Uses:

The purpose of the Microenterprise Fund is to increase access to Microenterprise and self-employment opportunities for persons with disabilities who are Alaska Mental Health Trust Beneficiaries. Grant funds may be used for costs associated with starting a new business, expanding a current business or acquiring an existing business. The business must meet the definition of a microenterprise, which is a business with total capital needs of not more than \$35,000 and fewer than 5 employees. Allowable costs include but are not limited to: business license, insurance, permits, inventory, raw materials to make a product, equipment, supplies, rent or lease for space to offer a service or product, utilities, furnishings, marketing activities, transportation costs not related to vehicle purchases, computer, computer software, accounting services and training/support services.

Eligibility & Application Process

Eligibility:

To be eligible for a grant from the Microenterprise Fund, applicants must:

Be an Alaska Mental Health Trust Beneficiary, as defined by the Trust:

- a.** People with mental illness: *Statutory definition [AS 47.30.056(d)]:*
- b.** People with developmental disabilities: *Statutory definition [AS 47.30.056(e)]:*
- c.** *People with chronic alcoholism: Statutory definition [AS 47.30.056(f)]:*
- d.** *People with Alzheimer's disease and related dementia: Statutory definition [AS 47.30.056(g)]*
- e.** *People with Traumatic Brain Injury*

Applicants are required to provide documentation of their beneficiary status, with the submission of their application, which can be:

- a. Medical documentation;
 - b. Social Security Disability Insurance or Supplemental Security Income disability determination;
 - c. Vocational Rehabilitation Eligibility statement based on beneficiary disability type;
 - d. Other legal documentation of disability as deemed acceptable by the fund administrator;
- (2) Reside in Alaska; and
 - (3) Have a support team or business technical assistance relationship in place (list team members and/or business technical assistance contact information).

There are no income or age requirements other than being of legal working age as defined by the State of AK.

Grant Amounts: Minimum - \$500 up to a maximum of \$10,000 lifetime award

Reapplication:

If you have previously applied for the Microenterprise Grant you are eligible to apply again. The maximum lifetime limit per applicant is \$10,000 in awarded funds. For example if you have previously applied and been awarded \$3,000 you would be eligible for a maximum of \$7,000 in additional funding if your application is approved. All application policies and procedures are the same. If you have previously been awarded \$10,000 (cumulative amount) you are not eligible for the Microenterprise grant.

Completing the Application:

You are required to complete the Microenterprise Grant application for all requests.

You must complete each question. There are a series of short answer/essay questions about your business (questions 5 – 10 and 13 - 16). You are required to answer each to the best of your ability. If you are applying for \$500 - \$1,000 this application is the only information the review committee has to make a funding decision, so it is recommended that you be thorough. If you are applying for \$1,001 - \$10,000 you must summarize information from your business plan when answering these questions. You may reference a page number in your business plan, but you must provide a brief summary on the application. ***If you do not summarize information on these questions and note “see attached business plan” or leave the area blank, your application will be determined incomplete and may not be forwarded to the review committee.***

Applications must be received NO LATER than 12PM (Noon) on the due date.

Matching Funds:

Grants require a dollar for dollar match. An up-front cash match—at least a portion of which is from personal funds—is preferred. However, use of funds from other programs, in-kind match (for example, equity in an existing business or the value of equipment owned by the applicant that will be used in the business), and alternative payment schedules for the match may also be approved by the Review Committee.

All items used as match (i.e. equipment, inventory) must be used in future business operation. Any item sited as match must be accompanied by a receipt if paid for by an individual or verification from another source (AKDVR, In-kind gift or contribution) as verification of the match amount. If an item is **more than 1 year old**, it is counted at its current market value, or the price that the item could be currently sold for. The cost of replacement will not be considered as match. Documentation must be provided to reflect the items current value (i.e. depreciated value on IRS tax return, quote from local vendor on current retail price, e-bay print out for same item etc.)

If you are using or planning to use funds from the **Alaska Division of Vocational Rehabilitation (AK DVR)** as a portion of your match please provide a Release of Information (ROI) for the ME Grant Review committee. You are **required** to have pre-approval from AK DVR if you are using funds from the division as a portion of your match. Supporting documentation from DVR is required (**Individualized Plan for Employment - IPE**) if you use DVR funds as match. If you have a Tier 1 or Tier 2 plan, support documentation signed by the appropriate DVR officials is required. If you are not pre-approved by DVR and do not meet the match requirements your application will not be forwarded to the review committee.

For other types of Match such as vehicles, items older than one year, or any questions about what can be used as match, please contact Larrisa Cummings, the Fund Administrator to confirm appropriate documentation.

The match funds must be spent in proper proportion to and simultaneous with spending of the grant funds and must be utilized for approved purchases within 90 days of receipt of award funds. If there is a need to delay spending match funds or funds that have been awarded beyond 90 days, a written request outlining why the funds have not been spent and a timeline for when they will be spent must be submitted and approved by the Microenterprise Fund Review Committee or the awarded funds must be returned to the fund administrator.

Grant funds awarded must be utilized for approved purchases within 90 days of check issuance. Copies of receipts must be submitted to the fund administrator no later than 100 days after receipt of grant funds. Grant awardees who fail to submit receipts or utilize awarded funds as agreed upon may result in legal action to recover the awarded funds.

Supporting documentation required with application:

Without the following supporting documentation your application will not be reviewed. You will receive notification via email or phone that your application is incomplete and it will not be forwarded to the review committee.

If you are able to provide the missing supporting documentation *within 3 business days* after it is requested by the fund administrator your application will be forwarded to the review committee; if it is not received within 3 business days your application is considered incomplete and will NOT be forwarded to the review committee.

If you are requesting \$500 - \$1,000 you are required to submit the application and the following supporting documentation:

- Proof of Mental Health Trust Authority Beneficiary Status
- Documentation of your dollar for dollar match
- If a portion of your match is from DVR: signed/approved documentation (Individualized Plan for Employment IPE) from the regional manager and/or chief of services stating approval **AND** a signed DVR Release of Information form
- Quotes and Specification sheets for items requested that the awarded funds will purchase

If you are requesting \$1,001 - \$10,000 you are required to submit this application and the following supporting documentation:

- Proof of Mental Health Trust Authority Beneficiary Status
- Documentation of your dollar for dollar match
- If a portion of your match is from DVR: signed/approved documentation (Individualized Plan for Employment IPE) from the regional manager and/or chief of services stating approval **AND** a signed DVR Release of Information form
- Quotes and Specification sheets for items requested that the awarded funds will purchase
- Business Plan including the following:
 - description of business
 - operating plan
 - financial management plan
 - feasibility research/plan
 - **profit and loss (3 years)**
 - **cash flow (3 years)**
 - marketing plan
 - description of support team

Business Plan:

Before the Review Committee reviews a funding application, a business plan must be in place unless requesting \$1,000 or less in which case the application serves as the business plan. The business plan can take many different forms, and may be very general or very specific, depending on the size and type of business proposed. At a minimum, all plans **must include** the following key elements:

- (1) Description of business
- (2) Operating plan
- (3) Feasibility research (the financial and non-financial factors associated with success of the business)
- (4) Financial management plan including a startup budget, profit / loss analysis for three years, expected cash flow by month for first year and at least quarterly for the next two years.
- (5) Detailed marketing plan.

The following is a guide to the type of business plan required:

500 - \$1,000	Application serves as business plan
\$1,001 - \$10,000	Complete business plan is required

Business License:

If you have a current business license be sure to include a copy with your application. If you do not have a current business license then it is recommended that this be one of the items you are requesting the grant award funds to pay for (question #14).

Submitting the Application and Supporting Documentation:

- 1. You can complete the fillable PDF document using Adobe Reader (free download). You should be able to save this document and work on it as time allows. When the application is complete you may attach the application or scan it and email it to: megrant@alaskachd.org or fax it – **Attention Larrisa Fax #: 907-274-4802**

****Applications and supporting documents must be received by 12PM (Noon) on the application due date****

- 2. Supporting Documentation can be submitted via email, fax, or mail/FedEx/UPS
- 3. Complete applications (including required documents) must be **received** by 12PM (Noon) on the deadline due date. It is preferred applications be turned in prior to the day of the deadline.

Contact information for the fund administrator:

Larrisa Cummings

UAA Center for Human Development
2702 Gambell St., Suite 103
Anchorage, AK 99503
800-243-2199 Toll Free
907-264-6279 Direct
907-274-4802 Fax
megrant@alaskachd.org

Review Process & Timeline

Review Procedures:

1. All applications are reviewed within 1 week of submission deadline for completeness of application and supporting documentation by the fund administrator.
2. Applicants are notified within 1 week via email or phone if their application is complete.
3. If an application is incomplete the applicant is notified via email or phone and has 3 business days to provide the requested documentation. If an applicant is unable to do so their application is deemed incomplete and not forwarded to the review committee.
4. All complete applications are forwarded to the review committee a minimum of 2 weeks prior to the review date for their consideration.
5. Applicants requesting \$500 - \$1,000 or less will be notified of the committee's decision within 1 week of the committee review date which is typically 5-6 weeks following the application submission deadline.
6. Applicants requesting \$1,001 - \$10,000 will be asked to phone in to a conference call. They will have 5 minutes to update the review committee on what has occurred with their business since submission of the application and any information that is not contained in their business plan. The committee will then ask the applicant questions to inform their funding decision. The use of a support person to assist during this verbal presentation and question session is acceptable to the review committee as needed. To encourage independence and self-advocacy we ask that supports limit their personal comments regarding the business to 5 minutes or less and allow the applicant the opportunity to interact with the committee and to explain the business details or answer committee questions.
7. After reviewing all documentation and information gathered during the review process the committee will reach a decision within 1 week of the final review meeting.

8. Applicants will be informed within 1 week of the committee's decision.

Disbursement of Funds:

Upon receipt of signed Grant Agreement, the fund administrator will prepare and forward the Grant Award letter, the vendor information, and the Grant award agreement, to Access Alaska who will begin processing funds. Funds will be disbursed to the grant award recipient withing 3-4 weeks of review committee decision. Once checks are issued the fund administrator will contact the Grant recipient to let them know, and will either mail the checks or hold them for pick-up.

Grant funds are disbursed via checks made out to the specified vendors for approved items in the business plan. Funds may also be provided directly to the applicant at the discretion of the Review Committee if they are for business related costs that are not easily given directly to a vendor or supplier and are not in excess of \$1,000. Considerations may include the applicants' borrowing history, opportunities to promote self-sufficiency, impacts on eligibility for public benefit programs, and administrative ease.

Funds dispersed directly to vendors or the applicant must be spent on items or services as stated in the application within 90 days of check issuance unless certain circumstances require otherwise and are approved by the fund administrator. Funds not expended in that period of time will be returned to the overall fund unless the fund administrator and/or review committee members grant an extension based on circumstances.

Reporting Requirements:

Grant recipients are required to complete an annual survey each year for a period of 3 years. The survey will be conducted by the fund administrator or designee. Grant recipients are encouraged to submit an annual report which may include photos, copies of newspaper articles, and other highlights in their business reports.

Review Committee:

Role: The Review Committee reviews funding applications and business plans three times per year (fall, winter, spring) with actual dates based on availability of funds and review committee member schedules. Applications will be reviewed and given priority based on the following criteria:

- (1) Written Business Plan
- (2) Business Viability
- (3) Unique fit to the applicant's disability related "conditions" of self-employment
- (4) Unique match of the applicant's contributions to the business and their definition of success
- (5) Verbal presentation (for amounts over \$1000)

The Review Committee makes funding decisions as described below.

- (1) **Approval:**
 - a. Full or partial award amount, including any required match (reserves the right to examine and alter the value of the match)
 - b. Type of match required:
 1. Whether match is cash or in-kind
 2. Whether match is required up-front or on an alternative schedule
 - c. Whether a support team and/or technical assistance relationship is in place.
 - d. Whether a benefits management plan is required.
 - e. To whom the funds will be disbursed
- (2) **Tentative Approval pending satisfaction of specified conditions:**

Conditions may include documentation of beneficiary status, business plan questions, review of financial status and management plan, documentation of matching funds, purchase of insurance, submittal of price quotes for items to be purchased, business team and related support needs, etc. Applicants will be given 3 business days (unless otherwise specified by the committee or fund administrator) from the review committee's request to satisfy specific conditions or their application will be disapproved.
- (3) **Disapproval:** The Review Committee must state the reason for disapproving the funding application.

Membership: The Review Committee may be comprised of representatives of the Alaska Mental HealthTrust Authority, the Governor's Council on Disabilities and Special

Education, UAA's Center for Human Development, Alaska Small Business Development Center, the State Division of Vocational Rehabilitation, Tribal Vocational Rehabilitation, and self-advocacy and beneficiary groups. Other members may be added to provide a broad array of expertise to the committee.

Operating Procedures: Review Committee meetings are convened by the Fund Administrator, three times per year to review completed application packages contingent upon the availability of funds and review committee member's schedules.

The Fund Administrator forwards the completed application to the Review Committee for review and response two to three weeks prior to the review meeting. The application will be considered with all other requests submitted for that review cycle (fall, winter, spring etc.). A minimum of 4 committee members must be available to participate (in person or telephonically) and at least 3 members must support the funding application in order for it to be approved.

In the event of an extra or "special" application period, funds must be spent within 30 days.

Fund Administrator

The Microenterprise Fund is administered by:

Larrisa Cummings

UAA Center for Human Development
2702 Gambell St., Suite 103
Anchorage, AK 99503
800-243-2199 Toll Free
907-264-6279 Direct
907-274-4802 Fax
megrant@alaskachd.org

The Fund Administrator:

- (1) Provides applications to potential applicants upon request and also makes the application forms and materials available in an electronic format available on the Micro Enterprise website;
- (2) Refers potential applicants to business planning assistance, vocational rehabilitation assistance, benefits management planning assistance, and financial literacy courses, as needed;
- (3) Reviews completed applications for completeness and accuracy and follows up with applicants as needed;
- (4) Convenes and facilitates the Review Committee meetings;

- (5) Informs applicants of the Review Committee's decision;
- (6) Arranges for the preparation of grant agreements and disbursement of grant award funds information to Access Alaska within 1 week of the Review Committee's final approval;
- (7) Oversees and accounts for the funds in the Microenterprise Fund and performs other necessary record keeping and reporting.