

# Flagstar's Pontiac's Big Idea Grant Program

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## FREQUENTLY ASKED QUESTIONS AND PROGRAM GUIDELINES

### **WHAT IS PONTIAC'S BIG IDEA GRANT PROGRAM?**

The Pontiac's Big Idea Grant Program (PBIGP) is a program of Flagstar Bank and is supported by CEED Lending and the Main Street Pontiac program.

We believe that a great idea can become a great business or can help a good business grow. Pontiac's Big Idea Grant Program celebrates doing business in the city of Pontiac – rewarding those with the best ideas for growth. Each year, for 5 years, in addition to business support, PBIGP will provide a total of \$700,000 in support of small businesses through grants and loans.

PBIGP is not interested in just giving out cash. PBIGP is interested in inspiring and enabling your ideas. Applicants must consider the purpose of the program: to sustain businesses, strengthen neighborhoods, grow ideas, diversify economies, and grow jobs for residents of Pontiac. The best applications will have ideas for growth, consistent with this purpose, that are impactful, courageous, unique, achievable, memorable and clear.

We see ourselves in partnership with you to make Pontiac stronger and to grow its economy. We strive to treat you as a partner with respect and by being timely and responsive to you.

### **DOES THE GRANT PROGRAM HAVE PARTNERS?**

Yes. This program was specifically developed to support Pontiac residents and businesses. Therefore, Flagstar Bank has formed partnerships with local leaders; CEED Lending, the Main Street Pontiac program, and the City of Pontiac, to make sure Pontiac is best served.

CEED Lending is a Small Business Administration (SBA) intermediary micro-lender with a mission to champion women, minorities and small business owners. We understand that securing a loan for a small business can be difficult, so Flagstar partnered with CEED Lending to make this easier by offering grants to accompany the loans to increase the chances of a loan approval and provide the business with additional financial support.

The Main Street Pontiac program supports downtown Pontiac through promotion, design, organization and economic development. Flagstar's PBIGP has provided a grant to the Main Street Pontiac program to support their growth and to serve as the PBIGP grant administrator by issuing checks to grant

recipients on behalf of Flagstar. Main Street Pontiac will serve as a support for the small businesses and their owners that receive grants, and their website is an entry point to the grant program. A member of the Main Street Pontiac program sits on the PBIGP Advisory Council.

The City of Pontiac, Mayor Waterman, and the Pontiac City Council are partners in supporting business growth and development in Pontiac by advocating for the PBIGP to new businesses considering Pontiac for their businesses.

### ***HOW MUCH GRANT MONEY IS AVAILABLE?***

Each year, beginning in 2017, PBIGP will provide \$700,000 in grants and loans into Pontiac.

Our lending partner, CEED Lending, will provide about \$250,000 in small business loans each year and Flagstar will provide \$100,000 in grants to accompany those loans.

In addition to the loan/grant program with CEED Lending, the PBIGP Advisory Council will provide another \$265,000 each year in grants to small businesses and to fund the development of an entrepreneurial ecosystem for supporting small businesses. Each quarter of each year, the Advisory Council will review grant applications and make about \$66,000 in grants to the community to support small business ideas and growth.

The remaining \$85,000 is for annual administrative fees required to run the PBIGP program.

### ***HOW BIG ARE THE GRANTS TO BUSINESSES?***

Grant applicants may be awarded between \$1,000 and \$10,000. The PBIGP Advisory Council will determine the amount based upon the quality of your responses on the grant application, available grant dollars in the program, and how well your business meets the objectives of the PBIGP.

### ***SHOULD I APPLY FOR A LOAN & GRANT COMBINATION, OR JUST A GRANT?***

This is up to you and the financial needs of your business. A grant is intended to inspire an idea or stimulate business growth, and most grants are between \$1,000 - \$10,000. A loan and grant combination are for businesses that need more. Loans can range from \$5,000 - \$50,000 and the grants that accompany them are determined by the financial needs of the business.

### ***HOW DO I APPLY FOR A LOAN/GRANT COMBINATION?***

Flagstar developed a program with CEED Lending, an SBA intermediary micro-lender, that enables the applicant to receive a loan/grant combination that helps to secure a small business loan with less pay back. Example: the business may need \$60,000 to expand but Flagstar will provide \$10,000 of that in a grant so the recipient only has to pay back \$50,000. The loan/grant amount is determined by the needs of the business and CEED Lending in their evaluation of the business.

The Loan/Grant combination application and requirements can be found at [www.mainstreetpontiac.org](http://www.mainstreetpontiac.org) or at [www.greatlakeswbc.org/programs/ceed-lending/flagstar-pontiac-grants](http://www.greatlakeswbc.org/programs/ceed-lending/flagstar-pontiac-grants)

### ***HOW BIG OR SMALL DOES A BUSINESS NEED TO BE TO RECEIVE A GRANT?***

It doesn't matter how small, or new, your business is to receive a grant. However, your business cannot gross more than \$1,000,000 annually to be eligible.

The PBIGP Advisory Council doesn't review your application based on the size of your business. They review it based on the strength of your business idea to contribute to Pontiac's economic growth.

### ***HOW DO I INCREASE MY CHANCES OF RECEIVING A GRANT AWARD?***

PBIGP is not interested in just giving out cash. PBIGP is interested in inspiring and enabling your ideas. Applications must consider the purpose of the program: to sustain businesses, strengthen neighborhoods, grow ideas, diversify economies, and grow jobs for residents of Pontiac. The best applications will have ideas for growth, consistent with this purpose, that are:

**IMPACTFUL.** Tell us how your idea will - first and foremost - grow your business. Then, tell us how that growth can impact where you are located and who you are serving. The idea that increases your business's bottom line may also be one that positively effects your customers, clients, or community; and/or one that can positively change your building, block, neighborhood, or city.

**COURAGEOUS.** Tell us how your idea reinforces the passion for what you do. It may be one that allows your business to take a little more risk; one that challenges your vision for growth; or one that encourages innovation. Don't be afraid to be practical. Practical ideas are courageous too.

**UNIQUE.** Consider your competition. There are likely more applicants that have the same type of business. Show us a unique or innovative idea that sets you apart from the others and you are more likely to get our attention. We also like to see businesses that have the ability to attract others to visit Pontiac.

**ACHIEVABLE.** You only have a certain amount of time and money to turn idea into reality. Choose your ideas wisely. If they are grand or complex, pick apart the most manageable parts and make your pitch. Show us the research behind your business idea and let us know any other resources or supports you may seek to help your idea succeed.

**MEASURABLE.** Most good ideas and businesses are measured to ensure you are meeting your objectives and goals. This may be the number of customers you serve, or target goals within your budget, or specific accomplishments you set. Show us your plan for measuring your business to meet your business goals.

**CLEAR.** The PBIGP Advisory Council that reviews your idea is made of a diverse group of individuals who may or may not be familiar with your industry or your request. Describe your idea for growth clearly so that anyone can understand it.

**HERE IS SOME BASIC ADVICE:** We do not know your business like you do, so, whatever the idea, it's up to you to tell us. Be concise, specific, and honest.

***ARE THERE ANY TIPS FOR APPLYING?***

Be sure to fully read this document (Frequently Asked Questions (FAQ's) and Grant Guidelines) as details of the program and insight into how grant decisions are made are clearly stated.

Follow the directions and make sure your application is complete and signed.

Make sure to include a contact name, an email address and phone number on your application.

When asked on the application how would up to \$10,000 grow your business, it is important that you itemize specifically how you would spend the money.

When asked on the application if the grant award will help your business to produce jobs for people within Pontiac, please be very specific on how that will happen.

The business name on the application must match the records with the State, County and City. Your business must be in good standing with the State, County and City.

If you have additional questions, you may send us an email at [grants@mainstreetpontiac.org](mailto:grants@mainstreetpontiac.org).

***HOW MIGHT MY BUSINESS IDEA, OR SMALL BUSINESS, CONTRIBUTE TO PONTIAC'S ECONOMY?***

Stimulating Pontiac's economy and empowering individuals to build businesses is the intent of the PGIBP because of the positive impact small businesses can have upon the economy. Your business can provide you an income, potentially support your family, increase the tax base for Pontiac, attract other businesses to Pontiac, and stimulate people to visit Pontiac. These factors contribute to growing an economy.

When the PBIGP Advisory Council reviews your application, they will look for indicators in your narrative responses that your business can achieve some, or all, of these economic factors.

***WHAT TYPES OF BUSINESSES ARE ELIGIBLE TO APPLY?***

Businesses across all industries are encouraged to apply. Eligibility requirements include:

PBIGP is for new and existing for-profit businesses physically located and operating in the city of Pontiac.

Majority owners must be legal residents of the United States who are 18 years of age or older.

Businesses must be in good standing with the IRS, State, County and City.

Home-based businesses are eligible to apply.

Independently owned businesses that participate in retailers' cooperatives are eligible to apply. Regional businesses that are based in Southeast Michigan are eligible to apply; however, award funds must be directed to their Pontiac-based operations.

PBIGP is for new and existing businesses that gross, or are expected to gross, less than \$1,000,000

annually that have ideas to grow. Businesses may be Sole Proprietorships, General Partnerships, Corporations (Inc., Corp.), Limited Liability Companies (LLC)\*, or Limited Liability Partnerships (LP, LLP).

***WHO IS NOT ELIGIBLE TO APPLY?***

Businesses that will not operate or physically be located within Pontiac.

Franchises and not-for-profit organizations are not eligible to apply.

Employees of Flagstar Bank and PBIGP Advisory Council members past and present.

Current contractors affiliated with Flagstar Bank.

Spouses and dependents of:

- (a) employees of Flagstar Bank and PBIGP Advisory Council members;
- (b) current contractors affiliated with the PBIGP; and
- (c) current PBIGP Advisory Council;

Employees of PBIGP grantee organizations,

Flagstar Bank Trustees.

***DOES MY BUSINESS STREET ADDRESS HAVE TO BE THE SAME AS WHERE IT'S REGISTERED?***

On a PBIGP Application, the "Business Street Address" should reflect where a business is physically located and operating. This may be different from where a business is registered or incorporated.

***THE DATE MY BUSINESS WAS FOUNDED IS DIFFERENT FROM THE DATE IT WAS REGISTERED.***

On a PBIGP Application, businesses should consider the number of years operating when listing "Date Business Founded." This may be different from the number of years registered or incorporated.

***HOW DO I APPLY FOR A GRANT?***

Grant applications are to be electronically submitted through the Main Street Pontiac website, [www.mainstreetpontiac.org](http://www.mainstreetpontiac.org). The application can be completed online and will be immediately submitted to the PBIGP Advisory Council. You may not hand your application to a member of the PBIGP Advisory Council, Main Street Pontiac or anyone associated with the PBIGP.

***WHO DETERMINES WHETHER I GET A GRANT IN PBIGP?***

The PBIGP Advisory Council reviews all submitted grants applications. It is comprised of 10 social and economic influencers of Pontiac who demonstrate a deep passion and care for Pontiac's residents, the growth of economic opportunities and vibrancy of the city.

***IF I AM NOT AWARDED A GRANT, CAN I CHALLENGE THE DECISION?***

We welcome your feedback and thoughts, however all grant decisions from the PBIGP Advisory Council are final. If you are not awarded a grant, we encourage you to reapply at another time.

***WHO DO I TALK TO ABOUT THE GRANT DECISION OF MY APPLICATION?***

You may contact the PGIBP Advisory Council by sending an email to [grants@mainstreetpontiac.org](mailto:grants@mainstreetpontiac.org).

A member of the Advisory Council will respond to you within one week.

**WHAT IS THERE TO GAIN FROM PBIGP, ASIDE FROM A CASH AWARD?**

PBIGP is about more than just the money. PBIGP is intended to help all applicants – those that are awarded and those that are not. All businesses are welcomed into the PBIGP network, where they may access further opportunities in the entrepreneurial ecosystem we are trying to develop and strengthen within Pontiac. We encourage you to be part of this business support network.

**HOW DO I BECOME INVOLVED IN THE PBIGP BUSINESS SUPPORT NETWORK?**

You can send an email to [grants@mainstreetpontiac.org](mailto:grants@mainstreetpontiac.org) and we will share events and business support resources available to you. You will get to know other entrepreneurs who may have experience and ideas for addressing some of your small business concerns. Pontiac’s business support network is growing. We encourage you to be part of it to learn and to help others.

**WHAT IS AN ‘EXISTING’ BUSINESS?**

An *existing* business is one that is at least one year old at the time of completing a grant request application.

**WHAT IS A “NEW” BUSINESS?**

A *new* business is one that is less than a year old.

**DO I NEED A BANK ACCOUNT IN MY BUSINESS NAME TO RECEIVE A GRANT?**

Yes. Grant awards are issued to the name of the business on the application.

**WHAT DOES A “BIG IDEA” MEAN?**

A “Big Idea” means the business has the potential to grow its revenue each year and can demonstrate how the growth will happen in their grant application.

**IS APPLYING FOR A GRANT A LOT OF WORK?**

The PBIGP application process is catered to the busy business owner. Whether a business owner has previously applied for a grant or not, this is a chance to practice pitching an idea for growth through a very simple application process.

**WHERE CAN I FIND HELP COMPLETING AN APPLICATION?**

Applicants can get help completing an application or learn more about the program by attending Main Street Pontiac’s monthly community meeting on the 3<sup>rd</sup> Wednesday of every month. A PBIGP help desk is established between 4:30 – 5:30 pm each month at the Alley Cat Café at 31 N. Saginaw Street (entrance on Lawrence Street) in downtown Pontiac.

Applicants can also email questions to [grants@mainstreetpontiac.org](mailto:grants@mainstreetpontiac.org).

On a PBIGP Application, businesses may “Designate a Contact Person” who is not a business owner. In cases where an individual has assisted on an application or applied on behalf of a business owner, PBIGP recommends that they are listed as the designated contact person.

***I HAVE AN IDEA; HOW DO I MAKE IT A REAL BUSINESS?***

If you'd like to turn your idea into a real business but are unsure how to, below is a resource that can help you.

The *Financial Empowerment Center* is a free service that can help you prepare to start a business by helping you increase your credit score and reduce debt. You may contact Reda Nafso at JVS to learn more - (248) 858-5218 or (248) 233-4373 or [rnafso@jvsdet.org](mailto:rnafso@jvsdet.org)

***WHAT ARE THE AVAILABLE RESOURCES FOR HELPING BUSINESSES IN PONTIAC SUCCEED?***

Please see the Main Street Pontiac website for a list of business resources. [www.mainsteetpontiac.org](http://www.mainsteetpontiac.org).

***WHO SHOULD I CONTACT WITH TECHNICAL DIFFICULTIES SUBMITTING MY APPLICATION?***

Email [grants@mainstreetpontiac.org](mailto:grants@mainstreetpontiac.org).

***HOW OFTEN ARE GRANT REQUESTS REVIEWED BY THE PBIGP ADVISORY COUNCIL?***

Grant applications will be reviewed quarterly by the PBIGP Advisory Council (April 15, July 15, October 15, January 15). Upon the review of grant requests, applicants will be notified within a week with the determination made by the council.

***IS THERE A DEADLINE FOR SUBMITTING MY APPLICATION?***

Yes. Grant applications must be submitted within each quarter to [grants@mainstreetpontiac.org](mailto:grants@mainstreetpontiac.org) by 5:00 pm on March 31<sup>st</sup>, June 30<sup>st</sup>, September 30<sup>th</sup> and December 31<sup>st</sup>. Applications received after 5:00 pm on these dates will be held until the next quarterly grant review.

***WHAT HAPPENS AFTER SUBMITTING AN APPLICATION?***

Applicants will receive an automatic confirmation email after submitting to [grants@mainstreetpontiac.org](mailto:grants@mainstreetpontiac.org). Upon the review of grant requests, applicants will be notified within a week. Please note that an email address and telephone number are **necessary** to notify applicants.

Grant awardees will be issued a check payable to the business name on the application within two weeks of being notified.

***WHY WAS MY BUSINESS NOT SELECTED TO RECEIVE A GRANT?***

There are many possible reasons why your business did not receive a grant. These include:

The business is not in good standing with the State, County or City at the time of review.

The PBIGP application was not complete, clear or concise.

The PBIGP Advisory Council has limited funds and cannot award a grant to every application.

The grant Advisory Council may feel that your business may be better served to pursue a loan/grant combination through our lending partner, CEED Lending.

***IF I RECEIVE A GRANT CAN I TELL OTHER PEOPLE ABOUT IT?***

Yes. We encourage you to share the good news of receiving a Flagstar PBIGP grant with as many people as you can. It will be up to you if you want to share the grant amount, or not. Social media is a terrific outlet for spreading the word. Our goal is to stimulate Pontiac's economy. The PBIGP can attract others to conduct business in Pontiac and inform the region that Pontiac's economy is growing.

***I APPLIED TO PBIGP IN THE PAST AND DID NOT WIN AN AWARD. AM I ELIGIBLE TO APPLY AGAIN?***

Yes. Previous applicants that were not awarded a grant are encouraged to apply to PBIGP the following year. However, a second submission does not guarantee a grant award. Each submission is reviewed independently of previous submissions.

***HOW MANY TIMES CAN A BUSINESS RECEIVE A PBIGP GRANT?***

Businesses are limited to one grant a year. Preference will be given to new applicants over those who have previously been awarded a grant.

***CAN A NOT-FOR-PROFIT ORGANIZATION APPLY?***

No. Not-for-profit organizations are not eligible to apply. The PBIGP is intended to stimulate Pontiac's economy through small business development.

***CAN A LOW-PROFIT LIMITED LIABILITY COMPANY (L3C) APPLY?***

Yes. Low-Profit Limited Liability Companies are eligible to apply.

***WHAT IS REQUIRED OF GRANT WINNERS?***

Grant recipients will be expected to attend events where they will be connected to other grantees and resources. They will also be asked to share their story through a variety of media opportunities. These types of opportunities will be determined after grantees are announced.

PBIGP recipients are expected to use their award within 1-year of payment and provide a final report to the use and impact of the award. All awards are taxable income.

PBIGP winners must allow PBIGP representatives of the Advisory Council to visit the business on occasion and gather information and data on the use and impact of the grant dollars.

PBIGP also asks each grant winner to share the good news of receiving a PBIGP grant on their social media outlets.

You may be asked if you'd be willing to mentor other entrepreneurs or would like a mentor to help you further develop your business.

***WHAT REPORTING IS REQUIRED OF GRANT WINNERS?***

All grant winners are required to complete a quarterly and annual report. The purpose of these reports is to help us monitor the program while keeping us in touch with you. All information you provide us in the reports and kept confidential and will never be shared.

**WHAT ARE THE REQUIREMENTS FOR SUBMITTING AN APPLICATION?**

Applicants must sign their grant submissions, either manually or electronically. A signature acknowledges the following:

All grant awards are taxable income and you are responsible for showing this on your tax filing.

The applicant understands that the PBIGP Advisory Council reserves the right to make the final determination of any person's or organization's eligibility and/or qualifications for program benefits, and to make allocation of program benefits as it may, in sole discretion deemed appropriate.

The applicant understands that the PBIGP Advisory Council is comprised of Pontiac residents and stakeholders who will independently determine the approval or denial of grants without the influence of any person or entity associated with the PBIGP.

The applicant represents they are duly authorized by the organization to submit the application. The applicant understands that the purpose of this program is to encourage and serve underserved and underrepresented persons or communities in Pontiac to encourage job growth.

The applicant understands that receiving a grant is predicated on doing their best to fulfill the intentions of the grant as they've described within the application. They understand that failure to meet these terms may result in repayment of the monies they received to the grantor.

**IS THE INFORMATION AND DATA WITHIN MY APPLICATION HELD PRIVATE?**

Yes. Individual applicant information and data will not be shared beyond the purposes of review during the award selection process and providing business support. Applicant data will not be sold. Aggregated applicant data may be reported for evaluation and knowledge-sharing purposes. Whether applicants receive grants or not, PBIGP wants to help businesses grow through connections to business support.

**ARE PBIGP AWARDS TAXABLE INCOME?**

Yes. All awards are taxable income and a W-9 form is required.

**I AM A PAST GRANT RECIPIENT OF PBIGP, AM I ELIGIBLE TO RECEIVE ANOTHER GRANT?**

Yes. Past grant recipients will be considered eligible to receive a second grant; however, the grant Advisory Council will consider new applications against your prior award.

**DISCLAIMER**

The information contained herein is subject to the actual grant award documents and the written terms and conditions of the PBIGP which may be amended from time to time. The PBIGP Advisory Council also reserves the right to make the final determination of any person's or organization's eligibility and/or qualifications for program benefits, and to make allocation of program benefits as it may, in sole discretion deem appropriate.