**NY Small Business Funders Collective**

*a collaborative fund for collective impact*

TIMELINE:

Eligibility Survey & Planning Grant RFP Release: September 7, 2022

Virtual Information Session for Applicants: September 22, 2022

Applications Due: Rolling submissions, ending no later than October 14, 2022 at midnight EST

Finalist Interviews (virtual): Weeks of November 14 & November 28 (excluding Thanksgiving)

Funding Decisions: Week of December 5

Announcements: January 2023

Agreements and Initial Award Disbursements: January 2023

Note: Applicants may direct questions to [inquiries@nysmallbusinessfunders.org](mailto:inquiries@nysmallbusinessfunders.org). In addition to the information session on September 22, the Collective will also publish FAQ on the website to share and reflect questions submitted from applicants.

HOW TO APPLY:

After reviewing this information, if you believe your project is a good fit for this planning grant, please visit [www.nysmallbusinessfunders.org](http://www.nysmallbusinessfunders.org) and click on the “apply” link which will take you to the online application portal, beginning with an Eligibility Survey. The website also has links to an Application Preview, Scoring Rubric, and other information.

BACKGROUND:

With a commitment to increasing equitable access to social, financial, and knowledge capital for Black, Latinx, Indigenous, and Asian & Pacific Islander small business owners in the region, the NY Small Business Funders Collective (SBFC) has launched its inaugural round of grantmaking.

As a pooled fund seeking collaborative solutions, the Collective aims to spark innovation in delivery of capital and technical assistance by providing one-year planning grants for small business intermediaries to design or advance collaborations that serve and resource entrepreneurs of color who are poised for growth. Through prioritizing partnership, the Collective seeks to reveal and resource needs within the small business ecosystem via grassroots and highly-localized connections. The geographic focus of this RFP is Bronx, Kings, Richmond, New York, and Queens counties. The Collective seeks to fund one project per borough but remains open to multiple awards within a borough and/or organizations spanning multiple boroughs. A 501c3 lead-applicant will coordinate the effort by incorporating meaningful voices and contributions from co-applicants. Lead applicants will be responsible for grant submission and reporting. In all cases, the ultimate beneficiary will be Black, Latinx, Indigenous, and API entrepreneurs in the region – and therefore everyone who lives, works, and calls New York home. Planning grant awardees will be invited to participate in an implementation grant proposal process during a second phase of grantmaking in Year Two.

The Work We Want To Do Together

The NY Small Business Funders Collective recognizes that COVID relief and other stimulus programs unleashed many new sources of capital for our targeted group of business owners during the last 2+ years, but many of them were hard to access and reinforced systemic biases. In contrast, the SBFC seeks to lower barriers made evident by those efforts, rectify biases and prohibitions that made them ineffective or burdensome, and complement ongoing programs and initiatives where gaps exist or additional supports would be helpful.

It should be noted that the grant program is designed to support collaboratives and partnerships between organizations that can, or already do, contribute to the ecosystem supporting entrepreneurs of color in the New York region. The SBFC is itself such a group, with multiple funders coming together with their own agendas and perspectives but a shared vision. As such, we hope to grow and learn alongside our grantees about the challenges and possibilities of coordinated efforts for innovative and sustained impact.

PROBLEM OVERVIEW

We know that disparities for Black, Latinx, Asian & Pacific Islander and Indigenous entrepreneurs are deep and persistent. A capital gap of $45 billion annually exists for small business entrepreneurs. This gap is magnified for entrepreneurs of color, for whom equitable access to social, financial, and knowledge capital is often out of reach. Black and Latinx residents make up 24% and 29% of the population, respectively, but own 3% and 7% of businesses, in but one measure of these gaps. These very same business owners have the ability to transform the local economy, bolster the ecosystem and close the racial wealth gap. In New York City alone, more than 227,000 small businesses employ 1.6 million workers, creating jobs, opportunity and wealth. Further, an estimated 68% of revenue generated by local businesses stays within the community through employment of community residents. We know the problem. We know the possibilities. We’re seeking partners and solutions.

A SOLUTIONS STRATEGY

By providing one year of flexible funding for partnership and planning, this Request for Proposals targets organizations pursuing the next step in their programs and collaborations. Many small businesses in the region are poised for growth - in revenue, hiring, expanded operations, and other measures. The SBFC seeks to encourage this growth by strengthening the ecosystem in which these small businesses operate. Specifically, this RFP provides funding for lead applicants to identify and/or foster a collaboration with organizations who serve small businesses in their community. Our desire is for one (or several) of the partners joining in the application to operate at the grassroots, local level, and be intimately familiar with the challenges Black, Latinx, Indigenous, and API entrepreneurs face in their community. Partners may be informal in structure, meaning that *only* the lead partner needs a formal legal structure and 501c3. Together, the lead organizations and partner organizations will create a roadmap for addressing one or more of the interventions related to four pillars of work surfaced in the original research. Proposals will be evaluated using a scoring rubric, which is available as part of the proposal packet.

[Research](https://nextstreet.com/research-and-publication/meeting-small-businesses-where-they-are-nyc/) identified critical needs in equitable access to capital and customers and gaps in the business support landscape that were reaffirmed by local stakeholders. The small business ecosystem must meet small businesses owned by people of color where they are, provide them with services that have a transformational impact on their businesses, and create wealth and vibrancy in their communities.

To do this, applicants may undertake one of the following five interventions in support of Black, Latinx, Indigenous, and API entrepreneurs:

1. CAPITAL ACCESS: Extending, designing, and/or growing mechanisms for delivering inclusive capital for businesses
2. CUSTOMERS: Assisting businesses with strategies to grow their customer base, increase contracts, and achieve access to markets
3. DIGITAL DIVIDE: Providing tools, training, technical expertise to small businesses so they can fully participate in the online and digital marketplace
4. JOBS: Supporting the enhanced ability for entrepreneurs to offer and maintain Quality Jobs for retention and recruitment of employees, and their well-being
5. TECHNICAL ASSISTANCE – Providing tactical business tools and support and for small business growth and scaling

A competitive proposal to the SBFC will involve creating a roadmap for implementing one or more of the above interventions (related to the original research) at a grassroots/local level in coordination with partner organizations. This coordination should involve meaningful contributions from all parties included in the application. Awardees will work with the Collective to select measurable objectives for their project. Awardees will also participate in a learning cohort facilitated by the Collective for the period of one year, offering the opportunity for peer networking and shared best practices among business support organizations, small business owners, or a combination of both (to be determined by the applicant).

Modeling the collaboration we seek from applicant groups, the Collective exists through the commitment of its five inaugural funders, [JPMorgan Chase](https://www.jpmorganchase.com/impact), [M&T Bank](https://www3.mtb.com/), [Principal Foundation](https://www.principal.com/sustainability/financial-inclusion), [Santander Bank](https://www.santanderbank.com), and [Surdna Foundation](https://surdna.org/), who themselves are engaged in a participatory learning and impact journey.

What We’ll Do First: *Year One Grantmaking*

Terms: One-Year Planning Grants

Size of Awards: up to $100k

1. The Collective will award planning grants up to $100,000 each (with the intention to fund implementation grants in subsequent rounds).
2. Award disbursements are anticipated to be in single installments, with interim and final reporting required.
3. The Collective seeks to fund one project per borough, but remains open to organizations that serve multiple boroughs and will ultimately fund those projects that best fit the grant guidelines.
4. Preference will be given to lead organizations that are a 501c3 with Black, Latinx, API or Indigenous individuals currently in the top staff role. We are also interested in partner organizations with diverse leadership teams.
5. Applicant must demonstrate that it can identify and/or foster a collaboration with partner organizations who serve small businesses in their community owned by Black, Latinx, API and Indigenous entrepreneurs.
6. Partner entities do **not** need to be 501c3s and can be loosely organized and informal in structure. For those partners that are informal in structure, the Collective desires to see capacity building during the grant period toward a level of formality that ensures the ability to serve the community in a sustainable way over the long term, such as 501c3 status, program acquisition, merger, or fiscal sponsorship.
7. In coordination with partners, lead applicants will create a roadmap for addressing one or more of the above interventions (related to the original research) at the local level.

Who’s Eligible:

* Individual business support entities, or groups of two or more business support entities, which can include for-profit, non-profit, academic, government, or other types, **with a 501c3 organization as lead applicant.**
  + Examples of collaborators can include: CDFIs, chambers of commerce, CDCs, social service agencies, academic institutions, hospitals, transit authorities, etc. Be creative.
  + Preference given to support organizations led by and serving people of color; the majority of small business owners served through your project must be Black, Latinx, API and Indigenous entrepreneurs.
  + All industries and business sectors within the small business ecosystem are welcome to apply.

Who’s Exempt/Ineligible Uses:

* Organizations may only serve as a lead applicant for one partnership, but members of a partnership may be included in more than one application
* Partnerships may include capital providers, but funding from this grant may not be used for direct lending or capital purposes.
* This grant opportunity is primarily intended to support programmatic service delivery partnerships.
* A secondary purpose to effect policy and systems change is welcome, but proposals that are solely focused on policy or systems change will not be considered.
  + Funds may not be used for any direct lobbying activity
* Grant funds cannot be used for inherently religious activities or programs

To be eligible for a grant award, an applicant must be:

* A nonprofit organization with evidence that it (a) has been recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Code; (b) is fiscally sponsored by a Section 501(c)(3) organization; (c) or is a governmental unit within the meaning of Section 170(c)(1) of the Code;
* Located within and/or primarily serving residents of Bronx, Kings, Richmond, New York, Queens counties.

***Hypothetical Examples***

***What a competitive proposal may look like:***

We’ve provided these two fictional examples to get your wheels turning and demonstrate the range and types of projects that will be considered.

1. *CATALYZE.ORG is a decades-old nonprofit provider of technical assistance and business support in Southwest Brooklyn. Catalyze has investigated interest by local business owners to enter into a cooperative or land trust wherein they might individually or collectively own their shops and/or the land beneath them. Catalyze is requesting $100k to conduct 12 months of planning, training, and community engagement around forming/implementing a cooperative. Outreach will include Business Improvement Districts (BIDs), Community Development Financial Institutions (CDFIs) and Small Business Development Centers (SBDCs), etc. The focus will be on the formation of a collective investment vehicle to purchase commercial retail spaces as an investment tool and rent to local businesses at subsidized rates.*
2. *QUEENSBIZ.ORG is a CDFI that wants to provide digital tools and assistance to the businesses in its portfolio. It envisions a partnership with TechTools.org, a local 501c3 that recruits cohorts of small businesses to use its community-tech curriculum where they receive training, technology, and technical assistance related to their online presence. TechTools will fan out into the community to find entrepreneurs who launched or pivoted during the pandemic but have not been able to build or expand the technological infrastructure they need in order to grow their business. QueensBiz and TechTools will use a 12-month 100k planning grant to conduct a three-phase survey:*
   1. *Survey existing data from 100 small business owners for capital needs and to understand previous financing declinations;*
   2. *Survey borough-specific capital providers to create a database of capital sources; and*
   3. *Survey 100 small business owners to gather data on a specific issue raised by small business clients, but not yet addresses/studied*

*Stipends will be paid to community members who participate in the planning and design, and cash grants paid to groups participating in the design and implementation.*

Link to original research: <https://nextstreet.com/research-and-publication/meeting-small-businesses-where-they-are-nyc/>