TMF THE MERCHANTS FUND

Stabilization Grant Program

Purpose

To provide funding (up to $10,000) to help a business stabilize in the face of adversity, take advantage of an opportunity to grow, or increase profitability.

Program Summary

Funding Priority	In recognition of historical and systemic disinvestment in some communities, as well as inequitable access to capital experienced by some business owners, TMF prioritizes support to address historical disparities and build wealth in our communities.	
Eligible Use of Funds	Funds must be used for a specific project, e.g.: ◦ Purchasing a piece of equipment ◦ Repairing a store's interior or storefront ◦ Completing a specific growth project	Ineligible uses include: ◦ Working capital (bills, payroll, rent, etc.) ◦ Owner compensation or building cash reserves ◦ Back taxes, fines, or other penalties
Business Eligibility	• Located in Philadelphia • Independently owned & operated • Operates a storefront/physical location (food trucks & kiosks are eligible) • In compliance with all federal, state, and local taxes (or on approved payment plan)	• Has the required federal, state, and local licenses/permits to operate legally • Annual sales between $50,000 - $750,000 • Has been in operation for a minimum of two years • Must be able to demonstrate financial need for a grant
Ineligible Businesses	• Businesses that received a stabilization grant within the last 24 months (excludes emergency grants) • Businesses that applied for a stabilization grant within the last 12 months • Non-profits, churches, and other religious institutions • Professional service businesses such as medical/therapeutic/counseling, legal, insurance, website dev., architects, etc.	• Real estate development or rental property businesses • Child care centers • Home health aid companies • Private clubs and businesses that limit the number of memberships for reasons other than capacity • Government-owned entities engaged in political or lobbying activities • Businesses without a physical location • Businesses engaged in any illegal activity
What You'll Need to Apply	• Basic business information: ◦ Type of business ◦ Annual sales ◦ Debt schedule ◦ Number of employees ◦ Ownership structure • Signed W-9	• Last two years of federal business tax returns • Last two years of federal personal tax returns • Year to date Profit and Loss Statement ◦ We have templates to assist with this if you do not have bookkeeping software • A clear grant request and supporting documents like quotes, equipment costs, etc.
Other Things to Know	• The application is available in multiple languages • You can answer narrative questions in your native language • A strong application will: ◦ Clearly demonstrate need for a grant ◦ Clearly explain the plan for how a grant will be used, including short & long-term goals for stabilization or growth	• Common reasons applications are <u>not</u> funded: ◦ the business isn't viable (e.g. barely making any revenue or expenses far exceed sales) ◦ a grant is likely to have little impact (e.g. need is greater than what our grant can address) ◦ the applicant knowingly withholds important information or is not truthful on the application ◦ the application is incomplete and/or does not provide the required information

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Grant Request Information and Tips

Below are common grant requests and tips for how to prepare. Each applicant is allowed to include up to three requests in an application, ranked in order of importance. For each request, you will be asked to explain the expected benefits and to upload supporting documentation.

Exterior Renovations	For signage or exterior renovations, first determine eligbility for the City of Philadelphia Storefront Improvement Program (SIP). SIP will cover up to 50% of eligible projects costs. If eligible, TMF requests that you apply to SIP as well.
Equipment	If interested in purchasing equipment, you will be asked to proof of cost by uploading a vendor quote, pricing list, or screenshot from a website.
Interior Property Repairs	If interested in repairing, upgrading, or replacing property fixtures (e.g., HVAC, flooring), you will need to provide *at least* one estimate from a licensed contractor. It can take time to get this, so please don't wait until the application deadline.
Inventory Purchases	Day-to-day inventory purchases are not eligible, as they are considered working capital expenses. In limited circumstances, TMF **will** provide an inventory grant for a bulk order that creates a new revenue stream and/or greatly reduces costs.
Marketing	Marketing projects are typically ineligible or low priority. A strong marketing request includes a plan with specific uses and intended outcomes (e.g., a first time website or strategy to increase e-commerce sales).
Ineligible Requests	Before you begin, ask: *"Is my grant request for a working capital (day-to-day) expense?"* Bills, rent, supplies, payroll, owner compensation, and routine purchases are all ineligible. Stabilization grants should support investments that strengthen a business's long-term sustainability or create new growth opportunities.

Additional Information

- **If the cost of your project exceeds $10,000,** we will ask you to explain how the remaining costs will be covered. This could be through money in the bank, owner investment, a small business loan, etc. This allows TMF to be sure that the project is feasible if a grant is made. For example, if it will cost $13,000 to replace the floors, you will need to prove that you have $3,000 for the project before TMF releases funds.
- **If you rent your storefront,** TMF may ask to see your lease. A fair and up-to-date lease between your business and your landlord protects you and your investments, especially when you make property repairs or improvements. If a lease is month-to-month or is ending shortly, the business owner is at risk of missing out on the benefits of the upgrades they made. TMF wants to make sure that a grant will help your business well into the future and may ask to see a renewed lease before releasing grant funds.
- **Be prepared, not afraid!** Running a business is complicated, and all businesses face a unique set of challenges. Do your best to submit a clear application that is truthful. TMF staff are available to answer questions and provide guidance before you submit your application; this makes our review process easier. If we have questions after you apply, we'll reach out and work with you, but timely responses are necessary to keep the grant process on schedule.
- *Need-based financial assistance is considered a gift under Section 102 of the Internal Revenue Code, and is therefore not considered taxable income. TMF is not providing tax advice. Please consult a tax professional regarding how this grant is reported.*

Questions about eligibility or preparing a strong application?
Schedule a free 15-minute coaching call to discuss your needs and goals.
Visit merchantsfund.org/coaching