

Thrive Maine: Pandemic Recovery Business Forgivable Loan Program

Informational Webinar for Cycle 2

WEDNESDAY, MAY 10, 2023

PRESENTED BY:

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Q&A Transcript

General Program Questions

Q: When did cycle 1 happen?

A: The first application cycle occurred in October 2022.

Q: How much of the \$58 million is left for the second cycle?

A: Half of the funding was allocated in the first cycle, and half is available for the second.

Q: Is there a maximum amount that can be applied for?

A: The minimum loan amount request is \$10,000 and the maximum is \$500,000.

Q: Can you request more than your pandemic related losses?

A: Yes, your request corresponds to your future looking strategic plan. The COVID-related negative economic impact must be at least \$10,000 to be eligible to apply. The forgivable loan request can be between \$10,000 and \$500,000.

Q: Will it be possible to get partial funding if there is not enough money to be awarded the full amount requested in our application?

A: Yes, the amount awarded may be less than what was requested in your application. We will work to fund as many awards as possible and to the amounts requested that cover the critical needs for each of the impact plans. Superfluous amounts requested are likely to not be funded in order to assist more companies. Thrive Maine aims to help as many Maine businesses as possible while further strengthening the state's economy through impactful investments in the future.

Q: Can we use this funding in addition to other funding sources if we don't get the full amount needed for a project?

A: Yes, though applying for funding simultaneously is not allowed. This could result in double the funding. In the application, you'll need to certify that you are not awaiting funding for the same uses from another source.

Q: Is a match required for the forgivable loan?

A: No, there is no match required.

Q: When will awardees be notified and when will payment be available?

A: The review process is expected to take 6-8 weeks. However, depending on the volume of applications received, this process could take longer. All applicants will be notified at the same time. Once approved, the funds will be sent out as soon as possible.

Q: Will any aspect of our first application be carried over?

A: If you applied in the first application cycle, the information you entered will be saved and pre-populated in the application where applicable. There will be some new fields that you will need to complete.

Q: Are letters of support from partners and stakeholders allowed or required?

A: No, letters of support are not required to apply and will not be reviewed as part of the scoring of your application.

Q: Is there an estimate of how long it will take to complete the application?

A: The application should take 2-3 hours to complete, though developing your organizational improvement plan may take longer if it is not already created.

Q: How do you ensure that the fund will not be used up by a small number of businesses with \$500K loans and will be distributed more equitably?

A: We have several buckets of funding, depending on full time employee count. We reduced the maximum loan size to ensure that we'll be able to reach many organizations within each bucket.

Q: If we weren't a Maine company during the pandemic, can we apply? COVID slowed down the ramp up and launch in a dormant facility - the process to create and locate the subsidiary began in 2019.

A: The business must have been established in Maine prior to August 31, 2022.

Q: Can new businesses, incorporated and just getting up and running in 2022, apply?

A: If you were incorporated by August 31, 2022, then you may be eligible to apply.

Q: Is there a detailed application example available right now?

A: An example application will be available on our website by the time of our second webinar on May 16.

Q: With the Federal Government providing the funds to be administered, is the criteria and amount of the awards determined by FAME?

A: While the American Rescue Plan Act is a federally funded program, the disposition of the funds is directed by the State as the recipient of those funds. The State of Maine, through PL 483, S.P. 577 – L.D. 1733, Part A ([getPDF.asp \(mainelegislature.org\)](https://www.mainelegislature.org/getPDF.asp)), directed the State's Department of Economic & Community Development to provide the funds associated with this program through the Finance Authority of Maine. As the subrecipient

of these funds, FAME is responsible for managing the application process to include the awarding of funds to beneficiaries in keeping with guidance from the Department of Economic & Community Development, the State of Maine, the U.S. Department of Treasury, and other federal regulations including 2CFR200, Grants and Agreements (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>).

Q: Thank you so much for hosting this webinar. I was just wondering if any art museums or arts organizations were funded in round 1 given the industry priority?

A: The first application cycle did not prioritize industries and a variety of businesses were funded.

Q: Is Thrive Maine the same as the MTI Prime Award?

A: No, Thrive Maine is a forgivable loan program administered by FAME and the PRIME Fund is administered by Maine Technology Institute. Both programs are funded by the American Rescue Plan Act (ARPA).

Other Pandemic Funding

Q: If a business has previously received ARPA-funded grants/loans from another State, Federal, or local agency, are they still eligible to apply?

A: Yes, you may be eligible to apply. Any previous federal pandemic relief funds received will be subtracted from the amount of COVID-related negative economic impact reported. If your business has \$10,000 or more in COVID-related economic negative impacts after accounting for the federal pandemic relief funds received, your business is eligible to apply.

Q: Does the Maine Agricultural Infrastructure Investment Program grant (through DACF) count as federal pandemic relief funding? We had to show COVID impact, but the awarded funds were not to be used to recoup COVID losses.

A: Yes, that would count as pandemic relief funding.

Q: Can we apply if we got an EIDL loan that is not forgivable?

A: Yes, pandemic related financing that is not forgivable or a grant does not need to be included in your calculation of COVID-related loss since it does need to be paid back.

Q: Is ERTC (Employee Retention Tax Credit) considered in the pandemic loss?

A: ERTC is not required to be considered when calculating outstanding pandemic loss.

Calculating COVID-Related Negative Economic Impact

Q: What are the specific dates related to the pandemic time frame that we need to show the \$10,000 loss?

A: The loss must have occurred in 2020 through August 31, 2022.

Q: What types of information are needed in the more narrative version of identifying the more than \$10K of loss from COVID? Will there be a template of some sort to roughly follow?

A: Yes, there will be a template in a word document format in the application that you can use as a guide.

Q: Are there places to go online to help a company gauge how to calculate the damages caused by pandemic? If the pandemic slowed down your expected growth, for example, how do you prove that?

A: The application will give examples of potential impacts. You can also read the example applications.

Q: Is COVID impact still a straight up cash flow/EBITDA or investment inflation impact calculation or can it be a bit more qualitative - many businesses held up plans for investment and growth during COVID - but had concrete plans.

A: It can be more qualitative, but you'll need to explain and give specifics about your situation, what happened, and the financial impact.

Q: Will EBITDA be used to calculate the amount requested as it was in the first cycle?

A: You may use EBITDA to prove a COVID-related negative economic impact of at least \$10,000, but the forgivable loan amount request will be based on your impact statement and may be more or less than the amount lost.

Q: Can the COVID-related negative economic impact be a decrease in projected revenue due to the pandemic?

A: Projected loss does not qualify. The company must show losses through a decrease on actual annual numbers, year over year.

Q: If sole proprietor got COVID unemployment, does that count too?

A: Yes.

Q: In eligibility guidelines, does the bankruptcy apply to the owner of the business, personally, or the business itself?

A: Businesses that are bankrupt may not apply. Personal bankruptcy does not impact the application.

Q: Our company was forced to delay launching our primary product due to COVID risk and uncertainty, resulting in loss of revenue, we were required to delay several revenue generating projects, and we were restricted in our ability to reach existing and new customers in person. What documentation or due diligence would be required for us to adequately communicate these negative impacts? What level of narrative or P&L impact would be useful?

A: The application will include a short narrative to input these details, along with more specifics. You will also attach the P&Ls to the application. In your narrative, you should connect the qualitative to the quantitative in your P&L. There is also an option to add other additional documents that support your narrative, if you feel it is necessary.

Q: I am an oyster farmer. My farm had to drop the price of the oysters to move product through the pandemic. However, we showed increased revenue in 2020 vs 2019 because we produced many more oysters. The oyster price has stabilized now and returned to the price before the pandemic. Will my drop in sales price qualify as a demonstrating a loss?

A: No, since you made up for the lost revenue with volume, you didn't have losses. If profit decreased, that could show financial losses.

Q: Can it be justified to demonstrate the adverse effects of COVID-19 on construction costs, such as instances where projects were abandoned due to cost escalation or ended up costing significantly more than anticipated? And if so, what would be the appropriate methodology to calculate the impact?

A: This is not a justifiable adverse effect of COVID for purposes of the loan application.

Q: I don't understand how a non-profit focused on social justice might demonstrate economic impact. Could you elaborate?

A: Nonprofits can show economic impact through decreased revenue or donations compared to prior years. They can show increased costs of materials or pandemic expenses spent to keep employees, patrons, and members healthy. There are a number of ways that a nonprofit could show economic impact due to the pandemic.

Q: What if your losses are a break in your manufacturing chain with FUTURE impacts in addition to pandemic losses? I am dealing with a HUGE impact, and this is an investment opportunity which will actually benefit my whole sector.

A: You can describe that in your narrative space. Use numbers to show the duration of break and the cost. The pandemic impact will technically focus on the impact made between 2020 and the end of August 2022, so make sure to quantify that portion as best as possible.

Q: Can we still apply for pandemic damage in addition to strategic future-looking plans if we didn't apply for financial damage in cycle 1?

A: The second application cycle is open to all businesses who did not receive a loan in the first cycle, whether you applied or not. Forgivable loan amount requests will be based on and justified by the forward-looking plans and impact statement rather than the COVID-related negative economic impact dollar amount.

Employee Count

Q: If I have no employees, can I apply?

A: Yes, sole proprietors are eligible to apply.

Q: Is the maximum amount 500 FTEs or employees?

A: FTE's or equivalents. There is a video on our website (FAMEmaine.com/thrive) that explains how to calculate full-time employee equivalents.

Q: What do you consider a contract employee?

A: FTE's or equivalents. There is a video on our website (FAMEmaine.com/thrive) that explains how to calculate full-time employee equivalents.

Q: As a norm our company has 3 Maine employees year around. 9-10 months of the year we have about 14 H2A employees. Does this make us not eligible for the loan?

A: The employees whether they are H2A or otherwise must reside in Maine during the months of employment. If that is the case, then yes, this would qualify.

Q: What happens if the % of employees being headquartered in Maine changes during the duration of the loan?

A: On an annual basis the company will have to certify that the employment numbers remain consistent in comparison to those reported at the time of application. If the numbers change significantly downward there is a chance the annual forgiveness will not be granted.

Q: Will employees working remotely outside of the state be considered Maine employees if all the work for the company is completed for Maine clients?

A: No, employees need to live in Maine to be considered a Maine employee.

Eligible Businesses and Projects

Q: Is preference given to construction, manufacturing, and science/tech businesses in the industry or projects related to these sectors?

A: Priority will be given to businesses and projects in these industries. They have been identified to be in alignment with Governor Mills' 10-year economic strategic plan and proven to create more direct and indirect in-state jobs.

Q: Could a business in a non-prioritized industry have a project in the one of the prioritized industries and receive the priority scoring? For example, a restaurant with a construction project.

A: Yes.

Q: If I am wanting to invest in one of my subcontractors and their manufacturing site is in another New England state, is that appropriate?

A: No, we are looking to strengthen the Maine economy and are looking for Maine based businesses and projects.

Q: Can nonprofits apply? If so, are there different prioritizations for nonprofits?

A: Yes, nonprofits are eligible to apply. The nonprofit sector was allocated a specific portion of the funds made available through Thrive Maine. There isn't any industry prioritization for nonprofits.

Q: How much is dedicated for nonprofits?

A: \$6,000,000

Q: If a non-profit was supported mostly by Federal grants, can you still be eligible?

A: The stipulation around funding is specific for pandemic relief. If the nonprofit uses federal grants that were not specifically for pandemic relief, that is fine.

Q: Are daycare/education eligible to apply? Will senior living/nursing homes be considered?

A: Yes, all industry types are eligible to apply, except for those noted as ineligible by the federal government. The industries identified as priority will be given a heavier weight within the scoring model.

Q: Are churches eligible to apply?

A: No, religious institutions are not eligible to receive federal funds through this program. Other ineligible business types include adult entertainment, gambling, political/lobbying, restrictive private clubs, and marijuana related industries.

Q: One of the products we manufacture has CBD in it. Is that okay? We have other products that don't have CBD too.

A: You may be eligible to apply. If you sell products with THC, you must show that the income from these products are kept separate from the rest of the business. You also will need to maintain records of THC level testing to confirm the product is in fact considered CBD.

Q: Are software companies considered “technology businesses”?

A: Yes

Q: Can these funds be used for real estate development projects?

A: Yes.

Q: My team is working on an affordable housing development in partnership with a Maine-based nonprofit. With the prioritization of the construction industry, would the Thrive Maine loan go toward the business? Or toward the project? If it goes to the business, is there a way to have the business fund the project?

A: The nonprofit should apply for this project.

Q: We have major construction projects that appear to meet the general guidelines of creating more capacity and expanded revenue streams. Are you looking at construction companies specifically, or would you look at the projects in the larger context of your goals?

A: The projects are the important consideration and what the impact statement will focus on.

Q: Is repurposing municipal solid waste considered manufacturing. e.g. bio gas refined into Renewable Natural Gas? Or paper waste manufactured into pulp as a raw material or plastics converted to raw material feed stock?

A: Yes, this is considered manufacturing.

Q: Will the funds be able for use updating infrastructure and production equipment?

A: If that is your future looking plan, then it is acceptable. You will have to detail out what you plan to do and why it will help your organization.

Q: Can awards be for reimbursement for equipment that has been recently purchased?

A: No.

Q: If my business is not in the list of prioritized businesses, should I still apply?

A: The application process is competitive and not everyone will get funded. The variety of businesses awarded a forgivable loan will depend on the applications received. The prioritized sectors will get a heavier weight in the scoring process, but it does not throw others out of the running.

Unique Entity Identifier (UEI)

Q: What is the website to get a UEI?

A: SAM.gov

Q: How can I find out if our business already has an UEI?

A: Visit SAM.gov to check if your business has an existing UEI.

Q: Do UEIs expire?

A: No, the UEI does not expire but does need to be renewed each year to have an active status, otherwise it will show as inactive.

Q: If we applied and received an UEI number for the 1st cycle is there another UEI number needed for this cycle?

A: No, your business will use the same UEI. However, the UEI does need to be active. You can check the status of your UEI at SAM.gov.

Q: Can UEI - "Applied for" work for the application in the meantime?

A: No, you must have a UEI at the time of submitting your application.

Q: I have a UEI from the last round, but I have since moved my office so our address is different. How do I handle that?

A: Contact Maine PTAC to be sure.

Q: We have an active UEI, but it is set for renewal on May 18th, is it a lengthy process to renew?

A: Please talk with Maine PTAC for details.

Q: If I have several entities / locations that file taxes under one parent company what entities need the UEI? All three locations are Maine based companies and have their own LLCs.

A: The UEI needs to be in place for the applicant company. Any company that receives federal funds requires a UEI. This company should appear on the bank account information provided as well, to remain consistent.

Q: For a nonprofit with no physical location, are we able to get a UEI?

A: Yes.

Q: Is DUNS number from SAM.gov similar to UEI?

A: The UEI has replaced the DUNS number.

Q: I run my business from home. My official business address is a P.O. box. How do I get around this when I go to Sam.gov? We tried to get a UEI a month or so ago and had all kinds of issues but thought perhaps we were just doing something wrong and wanted to wait for this webinar to learn how to do it, but it appears the P.O. Box may be a real issue that I have no idea how to circumvent. How do we do this? Thanks.

A: Please work with Maine PTAC to get your UEI number.

Q: Can Maine PTAC help check the progress of outstanding UEI request? Or at least confirm that all documentation required has been submitted?

A: The System for Award Management (SAM.gov) is an official website of the U.S. Government. Maine PTAC can assist with the application process but is not able to check on the progress or documentation submitted.

Q: The SAM.gov system is currently experiencing glitches. Would there be an extension for the May 23rd opening date?

A: No. This cycle is not first-come, first-served and you do not need to submit your application on the first day. The portal will remain open for a month until June 23rd.

Q: Do we need a CAGE number also?

A: No.

Q: Should we reach out to our Maine PTAC district counselor for all questions around this program or just the UEI?

A: Just the UEI! FAME is the administrator of the Thrive Maine program and can answer your program specific questions.

Application and Scoring Process

Q: I imagine you will again be asking for corporate returns. On my first application, I sent you the top 2-3 pages. My corporate returns are probably 50-70 pages. Do you want all 50 pages? That would something I would not want to scan over but mail.

A: Yes, we require all tax pages. The document should be uploaded on the portal with your application as our review team will be reviewing and scoring the applications digitally rather than on paper.

Q: Will 2022 federal tax extension be acceptable in lieu of 2022 federal tax return?

A: Yes, extensions for 2022 are acceptable.

Q: Can you give a few examples of the "economic growth" the criteria will prioritize? Ex. hiring more staff, vs opening a second location, anything specific to service food businesses?

A: We are looking for plans that will improve efficiency, develop additional capacity, enhance service, diversify and enhance revenue streams, and add quality Maine jobs. Example applications will be on the website next week.

Q: Is the strategic plan a word or PowerPoint document?

A: The impact statement guide will be on a word document that you can download, complete, and upload into the application portal.

Q: Do you have folks that can assist Maine businesses to develop their Impact Statement and make recommendations as to planning and drafting?

A: We do not have capacity to support individual organizations to draft their applications, as we are expecting hundreds of applications. If you have specific questions about the process or application, please email or call.

Q: Does requesting less money increase the odds of approval? Is it disqualifying to have received any COVID relief funding in the past?

A: The amount requested will not impact your score. It is not disqualifying to have received other pandemic related funding, so long as this funding does not decrease the amount of loss to under \$10,000.

Q: Is the strategic plan a word or PowerPoint document?

A: The impact statement guide will be on a word document that you can download, complete, and upload into the application portal.

Q: Will there be a word limit per question?

A: The impact statement is limited to a two-page word document. Some questions do have a character limit, which is indicated on the questions within the application

Q: How are the applications scored? Is there something that defines the scoring structure that you can share with us?

A: In the next webinar, we'll go through more details on the application and scoring process. However, we will not share the specific rubric that will be used. We will have example applications on our website to help you prepare to apply.

Q: Is this being scored on two separate categories? 1st: the amount of pandemic loss and 2nd: strategic plan?

A: No, the scoring model is focused on the strategic plan. In order to be eligible to apply, your business must prove a COVID-related negative economic impact of at least \$10,000.

Q: What is the disadvantage (percentage wise) in the score system for sector that not align with your prioritize sectors?

A: Prioritized industries will receive between 5% and 10% increase in the scoring model.

Q: Who is rating the apps?

A: The review team is a group of business leaders from diverse sectors who have experience reviewing business plans.

Q: If we cannot attend the next webinar on how to apply, will that session also be posted to the website?

A: Yes, the recording of the webinar, a PDF of the slides, and a copy of the Q&A will be available on our website.