



Equity Match Grant Info Session

August – Sept. 2023



Women's
Business
Development
Council

Objectives For Today

- Introduce WBDC
- Share with you an overview of the Equity Match Grant
- Explain which businesses are eligible for the grant and what it will fund
- Share the grant process and timeline
- Discuss the application questions and explain some elements, like financial projections
- Explain how applications will be evaluated
- Answer your questions

WBDC's MISSION

The mission of the Women's Business Development Council (WBDC) is to **strengthen and support economic prosperity for women** through entrepreneurial and financial education services that create and grow businesses across Connecticut.

What We Do

For 26 years WBDC has served over 18,000 clients



Educate

Training, advising, and mentoring to guide aspiring, emerging, and established entrepreneurs along their growth journey



Cultivate

Networking among entrepreneurs to raise visibility and opportunities for their businesses



Invest

Grants and technical assistance to aspiring and established entrepreneurs through the Opportunity Fund



Advocate

Forums and opportunities to voice the needs and impact of women-owned businesses

Women's Business Development Council (WBDC) in 2022

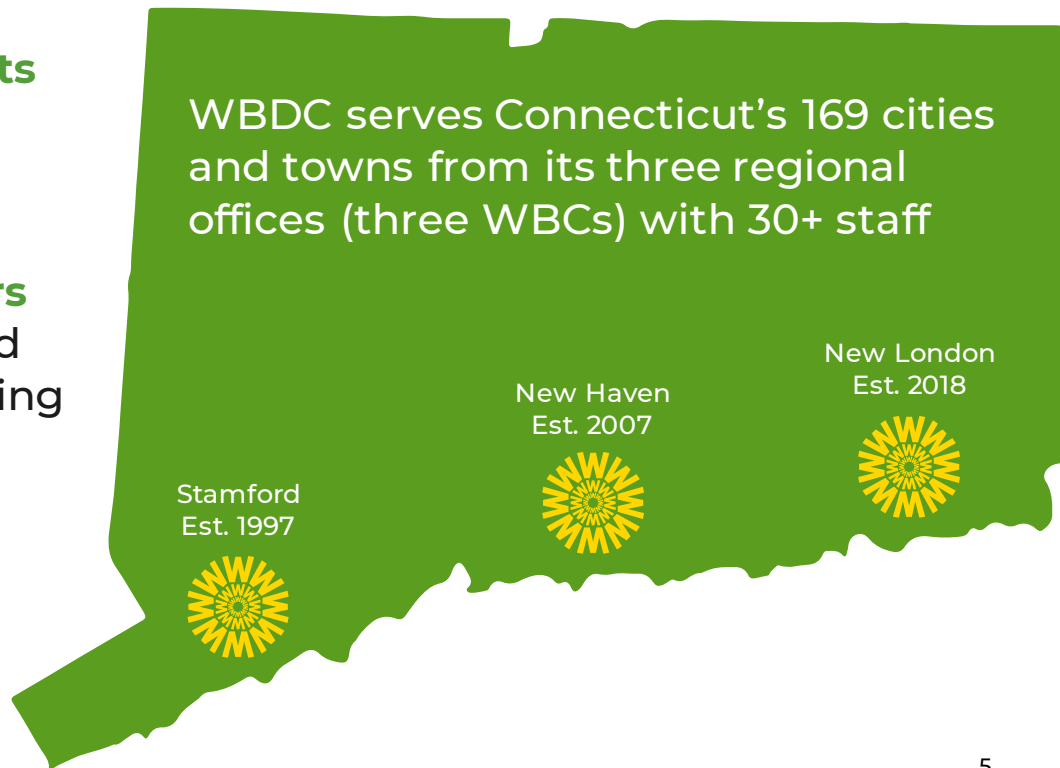
2,298 clients
served

10,000+ hours
of classes and
business advising

WBDC serves Connecticut's 169 cities and towns from its three regional offices (three WBCs) with 30+ staff

59 businesses
started

\$7.6 million
in capital
accessed



What is the Equity Match Grant?

Equity Match Grants are awarded to select applicants who have a clearly defined project where the grant will have a measurable impact on the business, its growth and profitability.

- The grant funds **cannot** be used towards:
 - operating expenses (e.g. inventory, on-going marketing expenses, salaries),
 - real estate improvements (e.g. construction costs)
 - reimbursement for past purchases or debt repayment.
- Grants can range between \$2,500 and \$10,000

Match Requirement

- Applicants are required to provide a minimum 25% match
 - For example, if the business receives a \$10,000 grant for the purchase of new software, the business must have invested \$2,500 in their business over the past 12 months OR be able to invest an incremental \$2,500 of their own funds in that purchase
- Businesses in distressed economic communities (as defined by DECD) to not need to provide the 25% match

DECD Distressed Communities

- Ansonia
- Bridgeport
- Chaplin
- Derby
- East Hartford
- East Haven
- Griswold
- Groton
- Hartford
- Killingly
- Meriden
- Montville
- Naugatuck
- New Britain
- New London
- North Stonington
- Norwich
- Plainfield
- Plymouth
- Preston
- Putnam
- Sprague
- Sterling
- Stratford
- Torrington
- Voluntown
- Waterbury
- West Haven
- Winchester
- Windham

Eligibility: to be eligible for the grant, businesses must be

- 51% or more woman-owned
- In business for at least two years before September 27, 2023 (business must have been established by September 27, 2021) with a record of sales
- Headquartered in CT, registered in the state of CT, and owned by a CT resident
- Have a record of annual sales/revenue in last twelve months greater than \$25,000 and less than \$2,000,000
- In good standing with the CT Department of Revenue Services
- Have an established business checking account
- Utilize a formal, digital bookkeeping/financial system (e.g. QuickBooks, Sage, FreshBooks, Wave Accounting)
- The business is a for profit business, non-profit organizations are not eligible
- Owned by a woman at least 18 years old

Eligibility: Some Businesses are NOT eligible

- Medical or recreational marijuana; liquor stores and alcohol distributors; adult businesses such as strip clubs; vape retailers; tobacco shops and smoking lounges; businesses having to do with gambling; gun stores and ranges; cash advance, check cashing, or pawn shops; bail bonds; collection agencies or services; and auction, bankruptcy, or fire or “lost-our-lease” or “going-out-of-business” or similar sale
- Childcare businesses are not eligible for the Equity Match Grant. If your business is in the childcare industry, WBDC has other programs for childcare businesses
 - *We encourage you to reach out to us at childcarebusiness@ctwbdc.org or (203) 751-9550 x129 to learn more*
- Any individual or business who has already received an Equity Match Grant or Municipal WBDC grant is not eligible
- Non-profit organizations are not eligible
- Current vendors or contractors of WBDC are not eligible. Former vendors are eligible to apply a year after working with WBDC

Grant Timeline

- Information sessions will be held in August and September
 - The content of the information sessions will be the same; a session will be recorded and posted in our eLearning center on our website
 - Applicants may make appointments with a WBDC business advisor only after they have attended a live or on-demand information session
- The application portal will be open from Aug. 14 – Sept. 27, 2023
 - The deadline to apply is September 27, 2023 @ 11:59 PM
- Applications will be reviewed by an independent panel from the community
- Final decisions expected to be announced in early Nov. pending the volume of applications received

Application: The First Step

- All applicants must enroll in WBDC's grant software from our website and create a sign-in and password
 - This enrollment enables applicants to save their applications mid-process, finish and submit later
- Applications can be saved, updated or completed at a later time/date. However, once the applicant clicks the "submit" button, applications are considered final and cannot be changed

The Application has 5 Sections

- Profile
- Section A: How you would use the grant
- Section B: Narrative of your business
- Section C: Upload supporting documents
- Section D: Compliance and consent

*You may print out the application questions to help you prepare your answers ahead of time

** Please download and save a copy of your submitted application to keep for your personal records.



Financial Statements

Financial Statements: Income Statement/Profit & Loss

INCOME STATEMENT (P&L)	Prior Year Actual
SALES (REVENUE)	\$300,000
Direct materials	\$30,000
Direct labor	<u>\$50,000</u>
Cost of Goods Sold	<u>\$80,000</u>
GROSS PROFIT (before operating exp)	<u>\$220,000</u>
OPERATING EXPENSES	
Bookkeeping	\$2,500
Advertising	\$3,500
Insurance	\$5,000
Rent	\$70,000
Utilities	<u>\$9,000</u>
TOTAL OPERATING EXPENSES	<u>\$90,000</u>
NET PROFIT or Operating Profit or Profit or Net Income	<u>\$130,000</u>

Sales/Revenue: All income before expenses

Cost of goods sold: All costs used to create the product

Gross Profit: Sales minus cost of goods sold

Operating Expenses: Expenses incurred to keep the business running

Net Profit: Income after all expenses

Financial Statements: Balance Sheet

Balance Sheet as of Year-End

Current Assets			Liabilities		
	Cash	\$10,000		Accounts Payable	\$2,500
	Accounts Receivable	\$10,500		Bank Loan	<u>\$17,000</u>
	Inventory	<u>\$15,000</u>		Total Liabilities	<u>\$19,500</u>
	Total Current Assets	<u>\$35,500</u>	Owner's Equity (Capital)		
What you own	Long Term Assets			Capital at start of year	<u>\$35,000</u>
		Van	\$50,000	Profit for the year	\$130,000
		Cooler	\$14,000	Drawings	<u>(\$65,000)</u>
		Furniture	<u>\$20,000</u>	Capital at end of year	<u>\$100,000</u>
	Total Assets	<u>\$119,500</u>	Liabilities and Owner's Equity		<u>\$119,500</u>

What you owe

What's left over



Projections

Financial Projections

What are they?

- Your reasonable guess for changes in revenue and expenses for the next 2-3 years based on:
 - Your use of funds from the Grant (EMG)
 - Your knowledge of your business and market
 - Your informed expectations or best guess regarding future revenues and expenses

Why are we asking for them?

- They show the WBDC the expected impact of the grant
- They demonstrate that you have a well-thought-out business plan

How do you create them?

- Project your income and expenses by building on the current year's actual numbers and making reasonable assumptions about the future

Assumptions come before projections

- What is going to happen to my revenues over the next 12 months?
 - Why?
 - When?
- How will my direct materials and labor change as a result?
 - Are there other factors influencing these costs?
 - What are they?
 - By how much will they affect my direct costs month to month?
- What will the effect be on my operating expenses?
 - What else is going to affect operating expenses?
- Does the overall result make sense?
- What happens the year after that, to the best of my knowledge?

Projections: 3 years

INCOME STATEMENT (P&L)	Prior Year (actual)	Year 1	Year 2	Year 3
REVENUE	\$300,000	\$330,000	\$380,000	\$400,000
Additional revenue generated by grant funds	<u>\$0</u>	<u>\$30,000</u>	<u>\$40,000</u>	<u>\$50,000</u>
Total revenue	<u>\$300,000</u>	<u>\$360,000</u>	<u>\$420,000</u>	<u>\$450,000</u>
Direct materials	\$30,000	\$38,400	\$45,000	\$55,000
Direct labor	<u>\$50,000</u>	<u>\$51,600</u>	<u>\$65,000</u>	<u>\$72,000</u>
Cost of Goods Sold	<u>\$80,000</u>	<u>\$90,000</u>	<u>\$110,000</u>	<u>\$127,000</u>
GROSS PROFIT	<u>\$220,000</u>	<u>\$270,000</u>	<u>\$310,000</u>	<u>\$323,000</u>
OPERATING EXPENSES				
Bookkeeping	\$2,500	\$3,600	\$4,000	\$4,000
Advertising	\$3,500	\$4,800	\$4,800	\$5,000
Insurance	\$5,000	\$6,000	\$6,000	\$6,000
Rent	\$70,000	\$84,000	\$84,000	\$90,000
Utilities	<u>\$9,000</u>	<u>\$16,800</u>	<u>\$18,000</u>	<u>\$22,000</u>
TOTAL OPERATING EXPENSES	<u>\$90,000</u>	<u>\$115,200</u>	<u>\$116,800</u>	<u>\$127,000</u>
NET PROFIT	<u>\$130,000</u>	<u>\$154,800</u>	<u>\$193,200</u>	<u>\$196,000</u>

Projections: Year 1 by Month															
Profit & Loss	Prior 12 Mths (actual)	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Year 1 Total	Year 2
REVENUE	\$300,000	\$25,000	\$24,500	\$25,500	\$26,000	\$26,500	\$26,500	\$27,000	\$28,000	\$29,500	\$29,500	\$31,000	\$31,000	\$330,000	\$420,000
Add'l revenue from grant	\$0	\$0	\$500	\$1,500	\$2,000	\$2,500	\$2,500	\$3,000	\$3,000	\$3,500	\$3,500	\$4,000	\$4,000	\$30,000	\$40,000
Total revenue	\$300,000	\$25,000	\$25,000	\$27,000	\$28,000	\$29,000	\$29,000	\$30,000	\$31,000	\$33,000	\$33,000	\$35,000	\$35,000	\$360,000	\$460,000
Direct materials	\$30,000	\$3,000	\$3,000	\$3,200	\$3,200	\$3,100	\$3,100	\$3,100	\$3,100	\$3,400	\$3,400	\$3,400	\$3,400	\$38,400	\$45,000
Direct labor	\$50,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,800	\$4,800	\$51,600	\$65,000
Cost of Goods Sold	\$80,000	\$7,000	\$7,000	\$7,200	\$7,200	\$7,100	\$7,100	\$7,600	\$7,600	\$7,900	\$7,900	\$8,200	\$8,200	\$90,000	\$110,000
GROSS PROFIT	\$220,000	\$18,000	\$18,000	\$19,800	\$20,800	\$21,900	\$21,900	\$22,400	\$23,400	\$25,100	\$25,100	\$26,800	\$26,800	\$270,000	\$310,000
OPERATING EXPENSES															
Bookkeeping	\$2,500	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600	\$4,000
Advertising	\$3,500	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800	\$4,800
Insurance	\$5,000	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	\$6,000
Rent	\$70,000	\$6500	\$6500	\$6500	\$6500	\$6500	\$6500	\$7500	\$7500	\$7500	\$7500	\$7500	\$7500	\$84,000	\$84,000
Utilities	\$9,000	\$1300	\$1300	\$1300	\$1300	\$1300	\$1300	\$1500	\$1500	\$1500	\$1500	\$1500	\$1500	\$16,800	\$18,000
TOTAL OPERATING EXPENSES	\$90,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$10,200	\$10,200	\$10,200	\$10,200	\$10,200	\$10,200	\$115,200	\$116,800
NET PROFIT	\$130,000	\$9,000	\$9,000	\$10,800	\$11,800	\$12,900	\$12,900	\$12,200	\$13,200	\$14,900	\$14,900	\$16,600	\$16,600	\$154,800	\$193,200

Evaluation: What the Review Committee is Looking For

- Thoughtful, complete, and well-developed picture of your business that shows a path to growth
- Use of funds should be exceptionally clear with a direct link to growth and/or profitability improvement. Ensure there is focus and strong supporting detail
- Historical financials should be thorough and detailed
- Financial Projections are robust and reflect seasonality, market trends and financial impact of the grant. Make sure all numbers make sense
- Display the business' long-term potential, with potential for continued growth
- Job creation potential, with the business being on track to add jobs
- Return on investment, that the funds will unlock growth
- Grant will have a meaningful impact on the business and will help the business grow and scale

Recap: Tips for Success

- Take the time to think about what your business needs are and align it with a grant
- Get started early on researching costs / getting quotes
- Gather supporting documents
 - Obtain letter of good standing first!
- Write, re-read, edit, and polish to paint the picture
 - Be thoughtful and specific
- Utilize the WBDC resources available before you submit application

What's Next?

- Need help with your application? WBDC Business Advisors are available to help answer your questions.
 - Please email info@ctwbdc.org to schedule an appointment.
- Visit www.ctwbdc.org/class-listings/ to see what classes are on the WBDC calendar
- Upcoming Classes
 - **Marketing Made Simple:** B2B Marketing – Reaching and Connecting with Business Clients
 - **Financial Foundations:** QuickBooks Online Office Hours
 - **Financial Foundations:** Access to Capital Lender Panel- Bilingual



Questions?