



Minnesota Emerging Entrepreneur Loan Program

GRANT REQUEST FOR PROPOSAL (RFP)

Minnesota Department of Employment and Economic Development (DEED)
180 5th Street East
Saint Paul, MN 55101
mn.gov/deed/business

04/13/2026

To obtain this information in a different format, call: 651-259-7578.

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Request for Proposals (RFP) Part 1: Overview

Grant Overview

- Grant Name: Minnesota Emerging Entrepreneur Loan Program
- <https://mn.gov/deed/business/financing-business/deed-programs/elp/>
- Open for Applications: April 13, 2026
- Application Due Date: May 22, 2026

The Minnesota Department of Employment and Economic Development (DEED) is requesting proposals from qualified Responders that seek grant funding for the purpose of originating and servicing loans for the Minnesota Emerging Entrepreneur Loan Program (ELP). Grants will be awarded to nonprofit corporations, Tribal economic development entities, and community development financial institutions (CDFI's). These grants are used to fund loans for businesses throughout the state that are majority-owned and operated by minority or low-income persons, women, veterans, and persons with disabilities. The program is intended to encourage private investment, create jobs for minority and low-income individuals, strengthen minority-owned enterprises, and support economic development in low-income areas. This is a competitive funding opportunity offered through the Department of Employment and Economic Development and its Office of Business Finance.

The Minnesota Department of Employment and Economic Development (DEED) is the state's principal economic development agency. DEED programs promote business recruitment, expansion, and retention; international trade; workforce development; and community development. DEED is committed to empowering the growth of the Minnesota economy for everyone.

In addition to new lenders, all nonprofit corporations that are currently ELP lenders must reapply if they are interested in continuing to participate in the program.

Please read through this entire application package before you begin to complete the application form and associated checklist.

Definitions:

“Low-income area” means the cities of Minneapolis and St. Paul, all cities within the seven-county Twin Cities metropolitan area that have a median family income below 80 percent of the median income for the area, and all locations outside the seven-county Twin Cities metropolitan area, i.e., Greater Minnesota.

“Low-income person” is a person who has a median family income, adjusted for family size, of not more than 80 percent of the median family income for their county of residence.

“Minority person” is a person belonging to a racial or ethnic minority as originally defined in Code of Federal Regulations, title 15, section 9501 to be included as part of the definition of “socially and economically disadvantaged individual.”

“Person with disabilities” means an individual with a disability, as defined under the Americans with Disabilities Act, United States Code, title 42, section 12102.

“Veteran” means a veteran as defined in [Minnesota Statutes 197.447](#).

Funding Availability

Funding will be allocated through a competitive process with review by a committee representing content and community specialists with regional knowledge. If selected, you may only incur eligible expenditures when the grant contract agreement is fully executed, and the grant has reached its effective date.

2025 Laws of Minnesota, 1st Special Session, Chapter 6, Article 1, Section 7, Paragraph (a) authorizes \$500,000 in state fiscal year (SFY) 2026 and \$500,000 in SFY 2027 to fund the emerging entrepreneur program special revenue fund account created under [Minnesota Statutes, section 116M.18](#). DEED will use approximately 4 percent of appropriated funds to administer and monitor the program. As of the date of this publication, a total of approximately \$2,500,000 will be available for grants through this funding opportunity.

Eligible Recipients: This funding is to award grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions (CDFI’s) to fund loans to Minnesota businesses that are owned by minority or low-income persons, women, veterans, or people with disabilities. ELP builds upon DEED’s history of working with partners to develop successful and accountable programs and highlights local organizations’ relationships with businesses in their community, their ability to target funds to specific borrowers, their loan volume capacity and their experience linking businesses with technical assistance providers.

Eligible Uses: Grant funds awarded to an eligible nonprofit corporation, Tribal economic development entity, or CDFI shall be used to source, originate, and service loans to businesses that are owned by minority or low-income persons, women, veterans, or people with disabilities. DEED provides grant funds to a network of nonprofit, Tribal economic development entities, and CDFI lenders, which use these funds for loans of \$5,000 to \$150,000 to start-up and expand businesses throughout the state. Funds are disbursed to the partner lender on a project-by-project basis after the commissioner of DEED reviews and approves the loan package submitted by the lender. Businesses located in low-income areas of Minnesota will be given priority for loans.

As businesses repay the loans, lending partners return the ELP share of principal to the program’s revolving loan fund so that DEED can fund additional loans. Loan interest payments must be deposited in a revolving loan fund created by the lender originating the loan. The revolving loan fund may be used for additional loans, or administrative expenses incurred in providing financial, technical, managerial and marketing assistance to the loan recipient and other items as approved by DEED. DEED will pay a fee equal to one percent (1%) of the loan value for every loan closed to offset related expenses for loan processing, loan servicing, legal filings, and reporting.

Funding will be allocated through a competitive process. If selected, you may only incur eligible expenditures when the grant contract agreement is fully executed, and the grant has reached its effective date.

Funding	Estimate
Estimated Amount to Grant	\$2,500,000
Estimated Number of Awards	TBD
Estimated Award Maximum	\$200,000
Estimated Award Minimum	\$50,000

Project Dates

Grants awarded through this RFP are anticipated to begin September 1, 2026. The performance period for this grant is effective for five years with an end date of August 31, 2031.

Eligibility

Applicants must meet the minimum requirements to be fully considered for this grant opportunity. Applicants must conform to all instructions, conditions, and requirements included in this RFP. The applicant must submit all items outlined in the attached checklist for the application to be considered complete. Responders are expected to examine all documentation and other requirements. Failure to observe the terms and conditions in completion of the proposal are at the Responder’s risk and may, at the discretion of the State, result in disqualification of the proposal. Acceptable proposals must offer all services identified in the Scope of Work and agree to the contract conditions specified throughout the RFP. These requirements must be met by applicants to receive further consideration.

Minimum requirements:

- Applicant must be registered and in good standing with the Minnesota Secretary of State; and
- Applicant must be a Nonprofit corporation, Tribal economic development entity, or community development financial institution; and
- Applicant must be a Nonprofit corporation, Tribal economic development entity, or community development financial institution in good standing with The Office of Minnesota Attorney General, if applicable; and
- Submit a complete application using the prescribed application including all required attachments.

DEED will enter into new grant contracts with nonprofit corporations, Tribal economic entities and CDFIs that have submitted applications and are subsequently approved as program Lenders. Approved Lenders that choose to apply must be experienced lenders and should have a track record of working with the identified eligible clients, including but not limited to ELP, to improve their chance of success. In evaluating the applications, DEED will consider, among other factors, whether the nonprofit corporation, Tribal economic development entity, or CDFI:

- has staff and a board of directors that includes citizens experienced in business and community development, minority business enterprises, addressing racial, ethnic and income disparities and creating jobs for minority and/or low-income persons,
- has the technical expertise necessary to analyze projects,
- is familiar with other public and private funding sources and economic development programs,
- can initiate and implement economic development projects,
- can establish and administer a revolving loan account or has operated a revolving loan account,
- can work with job referral networks which assist minority and/or low-income persons,
- has established relationships with minority communities,
- has established relationships with low-income persons, women, veterans and/or persons with disabilities,
- has provided services and/or funding to communities with cultural and religious restrictions, and
- has in place loan policies and procedures, collections policies and procedures, and underwriting guidelines.

All funding contracts are effective for up to five years. Lenders must submit quarterly reports to DEED detailing all loan activity and annual reports to DEED detailing its program activities and the status of businesses that have received assistance. DEED will conduct a review of the Lender’s performance in achieving the program’s objectives. DEED reserves the right to evaluate the contract performance and terminate the contract early if the contractor has low performance.

Past Performance: In accordance with Minnesota Department of Administration, [Office of Grants Management \(OGM\) Policy 08-13](#), past performance on awarded and closed Minnesota state grants will be considered when evaluating proposals for future grants. New Grantees will not be held to this policy, and former Grantees who have met outcomes as defined in the grant contract will be considered compliant.

Priorities

It is the policy of the State of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. [Office of Grants Management \(OGM\) Policy 08-02: Rating Criteria for Competitive Grant Review](#) establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities or disparities.

The grant will serve:

- Businesses that are owned and operated by minority or low-income persons, women, veterans and/or persons with disabilities to encourage private investment.

Grant outcomes will include:

- Job creation for minority and/or low-income persons.
- The creation and strengthening of minority business enterprises.
- Promoting economic development in low-income areas.

Loan Approvals

Funds will be disbursed to Lenders on a project-by-project basis following the commissioner of DEED's approval of each loan proposal. Each loan proposal must have received preliminary approval from the Grantee's loan committee or other authorized individual(s) or body, as documented in the procedures or policies submitted to DEED in the Grant Application. The commissioner of DEED will issue an approval decision within 20 days of receiving a complete loan application package, unless the application lacks sufficient information to make that decision.

Lenders designated as ELP Preferred Partners are not required to obtain final approval from the commissioner. To qualify as a Preferred Partner, a Lender must meet all of the following criteria, evaluated annually:

- a. Demonstrate a minimum of two years of on-time, accurate reporting and payments to DEED.
- b. Utilize at least seventy-five percent (75%) of its allocation amount.
- c. Submit complete ELP loan packages, without DEED requests for additional information, at least eighty percent (80%) of the time.
- d. Maintain a default rate of five percent (5%) or less, evaluated as follows:
 - Dollar value of defaulted loans plus charged off or uncollectable loans divided by total Program loan value originated. Defaulted loans are defined as loans that are 120 or more days past due.
 - For new Lenders: Default rate is measured after a minimum of two years of program participation.
 - For Lenders with prior ELP program history: Default rate is measured over a consecutive five-year period.

Business Loan Criteria

The following criteria will apply to loans made by Grantees under this Program:

- Loans are made to businesses that are not likely to undertake the project without assistance from the program.
- ELP funds will be used to support businesses owned by minority or low-income persons, women, veterans and/or persons with disabilities.
- The amount of ELP funds contributed to a loan is between \$5,000 and \$150,000 to a non-retail development project and is matched by an equal amount of new private investment from the lender or other non-government source.
- Loans are made for businesses that agree to work with job referral networks that focus on minority and/or low-income job applicants.
- **Microenterprise loans:** Microenterprises are beginning businesses with fewer than five employees and less than two years of operations. ELP funds may be used for loans to microenterprises and may include retail businesses and do not require a private investment match from the Lender or other sources. The state's participation may range between \$5,000 and \$40,000 throughout the state, and between \$5,000 and \$55,000 in low-income areas.
- If a borrower meets the lender's criteria, as documented in the procedures or policies submitted to DEED in the Grant Application, and has remained current on all payments for at least two years, the Commissioner may approve forgiveness of up to ten percent of the loan's principal amount.

State law requires the program to disburse loan funds in approximately equal dollar amounts to businesses in the seven-county metropolitan area and to businesses outside the metropolitan area through March 31 of each fiscal year. As a result, some loan approvals may be delayed to ensure that DEED meets this requirement.

Collaboration

All participating nonprofit corporations, Tribal economic development entities, or CDFI's must work with other organizations including, but not limited to, community development corporations, community action agencies, Minnesota CareerForce Centers and Minnesota Small Business Development Centers (SBDCs). While multi-organization

collaboration is welcome in providing technical assistance to loan recipients, a single nonprofit corporation, Tribal economic development entity, or CDFI must be the applicant to this request for proposals.

Selection Criteria and Weight

The review committee will be reviewing each applicant on a 100-point scale.

The scoring factors and weight that applications will be judged are based on the various criteria and used by reviewers to determine the extent to which the applicant meets the prescribed criteria. The scoring factors and weight that applications will be judged are based on:

- Organizational Background and Relevant Experience (15 points)
- Experience and Capacity to Manage a Loan Portfolio (25 points)
- Performance, Evaluation, and Reporting (25 points)
- Target Populations (25 points)
- Program Timelines and Budget (10 points)

The review panel will evaluate all eligible and complete applications received by the deadline. Proposals will be reviewed, scored, and ranked by a panel of subject matter experts who will provide a recommendation to the Commissioner for final review and award decisions. The Commissioner of DEED will review all panel recommendations and is responsible for award decisions. The award decisions of DEED are final and not subject to appeal.

Questions, Technical Assistance and Information Sessions

All questions regarding this RFP must be submitted by email to ELP@state.mn.us. Questions and answers will be posted within 10 days of receipt on the solicitation page at <https://mn.gov/deed/about/contracts/open-rfp.jsp>

All prospective applicants are encouraged to attend an information session.

All webinars will be recorded, and content will be made available online at [Competitive Grants and Contracts / Minnesota Department of Employment and Economic Development](#)

For technical assistance in interpreting instructions and to submit questions, contact: Linda Asilo Email: ELP@state.mn.us

Questions must be submitted in writing via e-mail. For additional resources, please see the [Emerging Entrepreneur Loan Program webpage](#).

Individuals with disabilities who need alternative formats can contact DEED at 651-259-7553 for assistance.

Request for Proposals (RFP) Part 2: Submission

Applications must be received no later than 4:30pm Central Time, on May 22, 2026. Late applications will not be accepted.

Application Link: (Link Available on April 13, 2026) Applications shall be submitted via web-based platform link through Formstack. Please respond in full to each prompt and submit all required attachments as instructed. To avoid any loss of work, be sure to save work as you go.

Application Content

You must submit the following in order for the application to be considered complete:

- 1. Complete the online application.**
- 2. Exhibit A: Emerging Entrepreneur Loan Program Application Guide**
- 3. Exhibit B: Organization History and Background**

4. **Exhibit C: Capacity Responses**
5. **Exhibit D: Certification that the entity is not suspended or debarred by the State of Minnesota or the federal government**
6. **Exhibit E: Evidence of Good Standing**
7. **Exhibit F: Nonprofit grantee as applicable**
8. **Exhibit G: Certification that no current principals have been convicted of a felony financial crime in the last ten years**
9. **Exhibit H: Most recent independent financial audits for the past two years**
10. **Exhibit I: IRS Tax Form 990**
11. **Exhibit J: The organization’s loan policies and procedures, collections policies and procedures, and underwriting guidelines**
12. **Exhibit K: The organization’s current debt schedule. Please include the purpose of each loan. For example, “revolving loan capital” or “general operations”**
13. **Exhibit L: An Outreach Plan and Budget that includes how the organization will increase lending activities in Minnesota**

Incomplete applications will be rejected and not evaluated. Applications must include all required application materials, including attachments. Do not provide any materials that are not requested in this RFP, as such materials will not be considered nor evaluated.

DEED reserves the right to reject any application that does not meet these requirements.

By submitting an application, each applicant warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential grant award. The submission of inaccurate or misleading information may be grounds for disqualification from the award, as well as subject the applicant to suspension or debarment proceedings and other remedies available by law.

All costs incurred in responding to this RFP will be borne by the applicant.

Request For Proposals (RFP) Part 3: Application Review Process

Review Process

Funding will be allocated through a competitive process with review by a committee representing content and community specialists with industry knowledge. The review committee will use the point scale provided above to evaluate all eligible and complete applications received by the deadline. Reviewers will meet and discuss the proposals and then put forth their recommendations. The Commissioner of DEED will make the final funding decisions and award notification will be sent by email to applicants.

Timeline

RFP posted on the Department of Employment and Economic Development web site: April 13, 2026
 Questions due no later than 4:30 pm Central Time: May 15, 2026
 Applications due no later than 4:30 pm central time: May 22, 2026
 Committee begins review of applications: May 29, 2026
 Selected applicants undergo pre-award risk assessment: June 19, 2026
 Selected grantees announced; grant contract agreement negotiations begin: July 17, 2026
 Work plans approved and grant begins: September 1, 2026

Conflicts of Interest

State grant policy requires that steps and procedures are in place to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per [Minnesota Statutes § 16B.98 Subd. 2-3](#) and [OGM Policy 08-01 Conflict of Interest in State Grant-Making Policy](#).

Organizational conflicts of interest occur when:

- a grantee or applicant is unable or potentially unable to render impartial assistance or advice to the Department due to competing duties or loyalties
- a grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties

In cases where a conflict of interest is in question or disclosed, the applicants or grantees will be notified and actions may be pursued, including but not limited to, revising the grant work plan or grantee duties to mitigate the risk, requesting the grant applicant to submit an organizational conflict of interest mitigation plan, disqualification from eligibility for the grant award, amending the grant, or termination of the grant contract agreement.

Public Data

Per [Minnesota Statutes § 13.599](#)

- Names and addresses of grant applicants and amount requested will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed. For the purposes of this grant, data will be considered public when all the grant contract agreements have been fully executed.
- All data created or maintained by DEED as part of the evaluation process (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed. For the purposes of this grant, data will be considered public when all the grant contract agreements have been fully executed.

Request For Proposals (RFP) Part 4: Award Requirements and Grant Management Responsibilities

Preaward Risk Assessment and Financial Review

In accordance with [Minnesota Statute §16B.981](#) and [OGM Policy 08-06: Preaward Risk Assessment of Potential Grantees](#), it is required to consider a grant applicant's past performance and financial and operational capacity before awarding grants of \$50,000 or more. Granting agencies will request, review, and analyze information, including Exhibits C-H, as referenced in this RFP, as applicable.

Grant Contract Agreements

Each grantee must formally enter into a grant contract agreement. The grant contract agreement will address the conditions of the award, including implementation for the project. Grantees should read the grant contract agreement, sign, and once signed, comply with all conditions of the grant contract agreement. No work on grant activities can begin until a fully executed grant contract agreement is in place and the State's Authorized Representative has notified the Grantee that work may start. The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

Funds will be disbursed to the nonprofit corporation, Tribal economic entity or community development financial institution (CDFI) on a project-by-project basis that meet the business loan criteria after the commissioner of DEED approves each loan proposal.

Loan Operations

Loans provided for a business may be used for machinery, equipment, commercial vehicles and other fixed asset acquisition including transportation/delivery and installation costs, new construction, alteration, modification, repair and renovation of existing facilities, demolition and site preparation; land or building; and working capital. No loans may be made to a business engaged in activities that are prohibited by state law. Refinancing of existing debt is not permitted.

The annual interest rate charged by a Grantee for a loan funded by this program must not exceed the Wall Street Journal prime rate plus two (2) percent, with a maximum of ten (10) percent. The Grantee may retain a loan origination fee which may be equal to or less than one (1) percent of the loan value.

Accountability and Reporting Requirements

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports at least annually until all grant funds have been expended and all of the terms in the grant contract agreement have been met. Grantees must report to the Commissioner of the Department of Employment and Economic Development quarterly and annually. Grantee will commission a qualified firm to produce and submit to the State an independent audit performed in accordance with general accepted accounting principles (GAAP) and auditing standards on an annual basis.

The reporting schedule will be: Quarterly reports will be submitted by January 31, April 30, July 31, and October 31 of each year in which the Grantee has loans with outstanding balances under the Program, regardless of whether the grant contact agreement has expired. Reports shall be submitted concurrently with quarterly repayments of principal. The amount of the repayment shall be equal to the amount of principal repaid by each borrower funded through the Program. Loan funds are nonrecourse to Grantee.

Annual Reports will be submitted in the form provided by the State by January 31 of each year that the Grantee participates in the Program. The report shall cover the Grantee's Program activities through December 31 of the preceding calendar year. The report must include a description of the businesses supported by the Program, an accounting of loans made during the calendar year, the Program's impact on minority business enterprises and job creation for minority persons and low-income persons, the Grantee's outreach efforts to minority business enterprises and other targeted populations as identified by the State, the source and amount of money collected and distributed by the program, the program's assets and liabilities, updated information regarding the Grantee's board, loan committee and loan policy or procedures documents, and an explanation of administrative expenses. Some information required by these reports may require data provided by borrowers.

Grant Monitoring

["Minnesota Statutes § 16B.97](#) and [Policy on Grant Monitoring](#) require the following:

- One monitoring visit during the grant period on all state grants over \$50,000
- Annual monitoring visits during the grant period on all grants over \$250,000
- Conducting a financial reconciliation of grantee's expenditures at least once during the grant period on grants over \$50,000. For this purpose, the grantee must make expense receipts, employee timesheets, invoices, and other supporting documents available upon request by the State.

The monitoring schedule will be scheduled in cooperation with the grantee.

Grant Payments

Per [State Policy on Grant Payments](#), reimbursement is the method for making grant payments. All grantee requests for reimbursement must correspond to the approved grant budget. The State shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past due progress reports unless DEED has given the grantee a written extension.

Authorized Representatives

Pursuant to [Minnesota Statutes §16B.98, subd. 5 \(d\)](#), grantees must clearly post on the grantee's website the names of, and contact information for, the grantee's leadership and the employee or other person who directly manages and oversees a grant contract agreement on behalf of the grantee.

Contracting and Bidding Requirements

A. Municipalities

Grantees that are political subdivisions or municipalities must use these guidelines:

- A. Municipalities are required to comply with [Minnesota Statutes §471.345, Uniform Municipal Contracting Law](#).
- B. The Grantee and any subrecipients must comply with prevailing wage rules.
- C. Municipalities and any subrecipients must not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government: [Suspended and Debarred Vendors, Minnesota Office of State Procurement](#)
- D. The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

B. Nongovernmental entities

Grantees that are nongovernmental entities must use these guidelines:

- A. Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- B. Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids or awarded to a targeted vendor.
- C. Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.
- D. The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
 - a. [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
 - b. [Metropolitan Council Underutilized Business Program](#)
 - c. Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Directory](#)
- E. The grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
- F. The grantee must maintain support documentation of the purchasing or bidding process used to contract services in their financial records, including support documentation justifying a single source bid, if applicable.
- G. Notwithstanding the above, the State may waive bidding process requirements when:
 - a. Vendors included in response to competitive grant request for proposal process were approved

- and incorporated as an approved work plan for the grant; or
- b. It is determined there is only one reasonably able and available source for such materials or services and that grantee has established a fair and reasonable price.
- H. The Grantee and any subrecipients must comply with prevailing wage rules.
- I. The grantee and any subrecipients must not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government: [Suspended and Debarred Vendors, Minnesota Office of State Procurement](#)

Audits

Per [Minnesota Statutes § 16B.98 Subdivision 8](#), the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the Commissioner of Administration, the State granting agency, the State Auditor, the Attorney General, and the Legislative Auditor as appropriate. This requirement will last for a minimum of six years from the grant contract agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Grant Provisions

Grant contract agreement templates are available for review at: [Office of Grants Management Policies, Statutes, and Forms/Forms and FAQs tab](#)

Ineligible Expenses

As referenced in [Minn. Stat. § 116J.659](#), ineligible expenses include but are not limited to:

- Fundraising
- Taxes, except sales tax on goods and services and payroll taxes
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds
- Parking violations and traffic violations
- Out of state transportation and travel expenses. Minnesota will be considered the home state for determining whether travel is out of state.

Affirmative Action and Nondiscrimination

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified per [Minnesota Statutes § 363A.02](#). The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Minnesota Rules, Part [5000.3500](#).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

Voter Registration

The grantee will comply with [Minnesota Statutes §201.162](#) by providing voter registration services for its employees and for the public served by the grantee.

Right of Cancellation

The State reserves the right to cancel this solicitation if it is considered to be in its best interest. The State reserves the right to negotiate modifications to the application or to reject any and all applications received as a result of this Request for Proposals. The State does not intend to award a grant contract agreement solely on the basis of any response made to this request or pay for information solicited or obtained.

Attachments

- 1 Exhibit A: Emerging Entrepreneur Loan Program Application Guide**
- 2 Exhibit B: Organization History and Background**
- 3 Exhibit C: Capacity Responses**
- 4 Exhibit D: Certification that the entity is not suspended or debarred by the State of Minnesota or the federal government**
- 5 Exhibit E: Evidence of Good Standing**
- 6 Exhibit F: Nonprofit grantee as applicable**
- 7 Exhibit G: Certification that no current principals have been convicted of a felony financial crime in the last ten years**



EXHIBIT A APPLICATION GUIDE – EMERGING ENTREPRENEUR LOAN PROGRAM

Eligible applicants interested in applying to be Grantees for Emerging Entrepreneur Loan Program will use a **web-based application**. A link will be provided within the Request for Proposals (RFP) webpage during the application period beginning <DATE> through <DATE>.

The online application will collect information from Applicants consistent with the application criteria, selection criteria, and other information throughout the RFP. Below is the information detail that will be requested from Applicants in the online application:

Organizational Identification:

1. Legal Name of Organization
2. Address
3. Contact Information
4. Federal ID Number:
5. State ID Number
6. SWIFT Supplier ID
7. Number of employees
8. Historical financials

Applications will be evaluated on five factors. The maximum score an application can receive is 100.

1. Organization Background and Relevant Experience
2. Experience and Capacity to Manage a Loan Portfolio
3. Performance, Evaluation, and Reporting
4. Target Populations
5. Program Timelines and Budget

The following questions will be asked in the online application:

1. **Organization Background and Relevant Experience (up to 15 points):**
 - a. How do the applicant's mission, vision and objectives align with the goals of ELP?
 - b. When was the applicant established, and how long has it managed each economic development focused program it operates?
 - c. What experience does the applicant's staff and board have with business and community development, minority business enterprises, addressing racial and ethnic income disparities, and creating jobs for minority and/or low-income persons?
 - d. What is the applicant's experience in accomplishing a similar scope of work?
 - e. How many businesses does the applicant make loans to on an annual basis?
 - f. What experience does the applicant have initiating and implementing economic development projects?



2. Experience and Capacity to Manage a Loan Portfolio (up to 25 points):

- a. Describe your organization's technical skills in analyzing and underwriting small business loan requests and projects.
- b. Describe the financial and lending backgrounds of your organization's key lending staff (loan officers, Managers, and loan committee).
- c. Describe your organization's technical assistance programs, processes, and tracking.
- d. Describe your relationships with technical assistance providers.
- e. Describe your organization's intake and screening process related to small business loan inquiries.
- f. Does your organization have written loan policies and procedures, collections policies and procedures, and underwriting guidelines?
- g. What is the default rate of all the organization's loan programs within the last 2 years? For purposes of this application, default rate is defined as 120+ and written-off loans.
- h. Describe how your organization minimizes the default rate in your loan portfolio. What tools are used to facilitate the success of the borrowers?
- i. Describe your organization's current and projected sources of public and private funding for economic development programs.
- j. Describe how your organization has initiated and implemented economic development projects.
- k. Describe your organization's experience documenting and perfecting security filings and how you exercise default remedies including collateral liquidation.

3. Performance, Evaluation, and Reporting (up to 25 points):

- a. Describe your organization's experience in reporting loans and program information for state, federal, and/or private partners.
- b. Does your organization identify who is responsible for data collection and reporting? What methods will be used to track and report data?
- c. What systems are in place to assure quality of services and to evaluate loan program outcomes?
- d. How does your organization measure data on quantity and quality of services provided?
- e. How does your organization measure outcomes for those services that are collected, evaluated, and reported on?
- f. What success does your organization have with loan programs as demonstrated through program outcomes?
- g. Describe your organization's experience in establishing and administering revolving loan accounts.

4. Target Populations (up to 25 points)

Please submit information related to working with, and lending funds to, businesses owned and operated by minority or low-income persons, women, veterans and/or persons with disabilities, or located in a low-income area. This information will be evaluated using the following factors:

- a. What types of relationships does the organization have with the targeted business groups or communities and how established are these relationships?



- b. Does the organization have experience providing business or lending services to any of the target groups? Please specify which target population(s).
- c. What are the applicant's key accomplishments in economic development and lending to groups targeted by ELP? Provide specific examples and outcomes as applicable.
- d. Has the organization worked with job referral networks?
- e. Does the organization have experience in strengthening economic vitality in areas with high levels of unemployment?
- f. What marketing efforts will the organization use to reach the target population?
- g. Does the organization have experience providing services to immigrants, including services provided in non-English languages and/or loans using alternative or nontraditional structured financing?

5. Program Timelines and Budget (up to 10 points)

Provide a program operational plan that reflects expected activities and outcomes for at least two years (the maximum contract length will be up to 5 years and annual reports will be required). The information will be evaluated using the following factors:

- a. What is your organization's average projected loan size?
- b. Is projected lending activity realistic based on the organization's budget and experience?
- c. What other available public and private funding sources and economic development programs have the organization used to carry out its current and projected activities?
- d. Will the organization be able to leverage (including match) non-ELP funds?
- e. What is the timeline for when the organization will start using ELP?

Applicants will be required to upload these additional documents in the online form for the application to be considered complete:

1. Exhibit B: Organization History and Background
2. Exhibit C: Capacity Responses
3. Exhibit D: Certification: Not suspended or debarred by the State of Minnesota or the Federal Government
4. Exhibit E: Evidence of Good Standing
5. Exhibit F: Nonprofit Grantee, as applicable
6. Exhibit G: Certification no current principals have been convicted of a felony financial crime in the last ten years
7. Exhibit H: Most recent independent financial audits for the past two years
8. Exhibit I: IRS Tax Form 990
9. Exhibit J: The organization's loan policies and procedures, collections policies and procedures, and underwriting guidelines
10. Exhibit K: The organization's current debt schedule. Please include the purpose of each loan program. For example, "revolving loan capital" or "general operations"
11. Exhibit L: An Outreach Plan that includes how the organization will increase lending activities in Minnesota



MINNESOTA
online form:

Applicants will be required to review and certify the following in the

PUBLIC DATA ACKNOWLEDGEMENT:

The undersigned has read and understands:

Per [Minn. Stat. § 13.599](#)

- a. Names and addresses of grant applicants and amount requested will be public data once proposal responses are opened.
- b. All remaining data in proposal responses (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed. For the purposes of this grant, data will be considered public when all the grant contract agreements have been fully executed.
- c. All data created or maintained by the Department of Employment and Economic Development as part of the evaluation process (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed. For the purposes of this grant, Data will be considered public when all the grant contract agreements have been fully executed.

BUSINESS CERTIFICATION:

The undersigned:

- a) Certifies that all representations made in the Emerging Entrepreneur Loan Program Grant Application or information provided herein are true and complete to the best of his or her knowledge,
- b) Grants the State of Minnesota and its agents the right to contact individuals and organizations as the State may deem necessary to verify the accuracy and completeness of any and all applicant data,
- c) Agrees to execute and deliver written authorizations for the release of data or for any data privacy waivers reasonably required for the State to verify the accuracy or completeness of applicant data,
- d) Acknowledges that it is aware that the act of providing false applicant data may subject it to penalties provided by State and Federal laws.



EXHIBIT B: ORGANIZATION HISTORY AND BACKGROUND

INSTRUCTIONS: Please submit background and historical information on your organization and as part of the response to this Grant Request for Proposal.



EXHIBIT C: PERFORMANCE CAPACITY

INSTRUCTIONS: Please respond to these performance capacity questions as required by Minnesota Statutes 16B.981 Subd. 2 (1) and as part of the response to this Grant Request for Proposal.

- 1. Describe your history of performing the work that will be funded by the grant or duties similar to those required. Include your organization's current and past staffing, current and past budget, and programs that have exhibited working with a variety of target populations.**

Click or tap here to enter text.

- 2. Have you been awarded a grant from the State of Minnesota in the past 5 years?**

No

Yes

- 3. If "yes", please provide the details of the award amount, the duties, and the outcomes of your grant.**

Click or tap here to enter text.

Print Name

Signature

Title

Date



EXHIBIT D: CERTIFICATION: NOT SUSPENDED OR DEBARRED BY THE STATE OF MINNESOTA OR THE FEDERAL GOVERNMENT

Grant applicant must certify to this condition required under this Grant Request for Proposal

INSTRUCTIONS: Sign below to finalize response and submit this document as part of the response to the RFP.

Office of Grants Management (OGM) Policy 08-04: *Grant Contract Agreements and Grant Award Notifications* requires that agencies must not award a grant to a vendor or grantee that has been suspended or debarred from doing business with the State of Minnesota or with the federal government.

By signing here, I warrant that my organization has not been suspended or debarred from doing business with the State of Minnesota or with the federal government.

I certify that this information is true, correct, and reliable.

The submission of inaccurate or misleading information may be grounds for disqualification from the grant contract agreement award and may subject me and my organization to suspension or debarment proceedings, as well as other remedies available to the State, by law.

Print Name

Signature

Title

Date



EXHIBIT E: EVIDENCE OF GOOD STANDING

INSTRUCTIONS: Potential grantee must certify that the organization has a status of “in good standing” with the Secretary of State as required by Minnesota Statutes 16B.981 Subd. 2 (3) and as part of the response to this Grant Request for Proposal.

1. Is your organization (for-profit or nonprofit) registered with the Minnesota Secretary of State (SOS) and “in good standing”? (Applicants can verify that they are “in good standing” by searching for their business name on the [SOS website](#).)
 - Yes
 - No



EXHIBIT F: REQUIRED NONPROFIT GRANTEE DOCUMENTS, AS APPLICABLE

INSTRUCTIONS: Please answer the following questions and provide the requested information

1. **Were you required to submit a 990 or a form 990-EZ for your organization's last fiscal year?**
 - Yes
 - No

2. **If you are exempt from filing or your organization has been in business for less than one year, please describe the internal controls you have over business expenditures and outcomes of the grant funds, if awarded.**

Examples of internal controls include, but are not limited to: documented policies and procedures; segregation of duties such as having different staff who enter receivables versus those who post payments; using a payroll system; requiring usernames and passwords, along with appropriate levels of access to systems; supervisor review and approval of payments and timecards; and other internal controls to ensure compliance with laws and regulations and safeguard use of grant funds.

Click or tap here to enter text.

3. **Are you a charitable organization that made over \$750,000 in your last fiscal year and were required to have an audited financial statement per MS 309.53?**
 - Yes
 - No

Nonprofit grant applicants may be required to submit the following documents, as applicable to the organization and as required by Minnesota Statutes 16B.981 Subd. 2 (2) and Subd. 2 (5) as part of the pre-award risk assessment:

- Most recent 990 or Form 990-EZ filed with the IRS
- Most recent audit as required, under Section 309.53, Subdivision 3
- If not in existence long enough to file Form 990, Form 990 EZ or most recent audit, the nonprofit grant applicant must submit the most recent set of board-reviewed (or managing group if applicable) financial statements.
- If not required to submit any 990 forms per IRS determination, the nonprofit grant applicant must provide a copy of the IRS determination letter.



EXHIBIT G: CERTIFICATION: NO CONVICTION OF FELONY FINANCIAL CRIME BY A PRINCIPAL

Grant applicant must certify to this condition required under this Grant Request for Proposal.

**INSTRUCTIONS: Sign below to finalize response and submit this document as part of the response to the RFP.
Upload or attach an organizational chart or list of principals that you are certifying for below.**

Minnesota Statutes 16B.981 Subd. 2 (6) requires that no current principals of a grantee have been convicted of a felony financial crime in the last 10 years. A principal is defined as a public official, a board member, or staff (paid or volunteer) with the authority to access funds provided by this grant opportunity or to determine how those funds are used.

By signing here, I warrant that no current principal of my organization has been convicted of a felony financial crime in the last 10 years.

I certify that this information is true, correct, and reliable.

The submission of inaccurate or misleading information may be grounds for disqualification from the grant contract agreement award and may subject me and my organization to suspension or debarment proceedings, as well as other remedies available to the State, by law.

Print Name

Signature

Title

Date