

Open for Business Growth: Request for Proposals

About Wells Fargo

Wells Fargo is committed to building an inclusive, sustainable future for all through a focus on opening pathways to economic advancement, championing quality, affordable homes, empowering small businesses to thrive, and driving an equity-focused transition to a low-carbon economy.

We provide grants to nonprofit organizations working to strengthen communities with a focus on supporting our funding priorities: financial health, housing access and affordability, small business growth, and sustainability.

We prioritize funding to activities and programs that have a broad reach and support the needs of underserved communities.

Program Overview

Open for Business Growth (“Program”) intends to strengthen communities and help create local jobs by ensuring that small business owners have access to the resources they need to grow and thrive. The Program will fund nonprofits with innovative strategies to unlock catalytic capital to catapult growth-ready small businesses. The Program will:

- Award one-time grants ranging from \$500,000 to \$2,500,000.
- Fund strategies to enable the deployment of capital including debt, equity, equity-like, blended capital, and other alternative finance products to small businesses.
- Fund strategies that:
 - target underserved small businesses.
 - target operating businesses with more than \$100k in annual revenue.
 - position operating businesses to see revenue growth, including positioning them on a trajectory to surpass the \$1 million annual revenue milestone.
 - utilize up to a three-year capital deployment timeline.
 - benefit small businesses located in at least one of the following areas: Alaska, Arizona, California, DC, Florida, Georgia, Illinois, Minnesota, New York, North Carolina, Pennsylvania, South Carolina, Texas, Utah.
 - Special consideration will be given to strategies that serve businesses in the following metro areas: Los Angeles, CA; Washington, DC; Miami, FL; Atlanta, GA; Chicago, IL; Minneapolis/St. Paul, MN; New York, NY; Charlotte, NC; Philadelphia, PA; Houston, TX.

Program Eligibility Requirements

Organizations must meet the following eligibility requirements:

- Have tax exempt status under IRS code 501(c)(3), or be a qualified governmental agency, tribal entity or public school system.
 - This includes collaborations between organizations and the utilization of fiscal sponsorships.
- Have been in operation for at least three years **and** able to demonstrate at least three consecutive years of lending to or investing in small businesses as of the date of the application.
 - Have been in operation for at least three years. For organizations applying as a collaborative or fiscal sponsorship, this requirement applies to both the applicant organization and the entity providing capital.
 - Have completed at least three consecutive years of lending to or investing in small businesses as of the date of the application. For organizations applying as a collaborative or fiscal sponsorship, this requirement only applies to the entity providing capital.
- Have a demonstrable history of and an intention to lend or invest in underserved small businesses.
- Be U.S. based **and** serve or propose serving small businesses located in at least one of the following areas:
 - Alaska, Arizona, California, DC, Florida, Georgia, Illinois, Minnesota, New York, North Carolina, Pennsylvania, South Carolina, Texas, Utah
- Have all required local, state or national licenses and certifications required for the organization's lending and investment activity.
- Wells Fargo will not consider grants for:
 - Individuals
 - Organizations that discriminate, including but not limited to, on the basis of race, gender, gender identity, sexual orientation, ethnic origin, country of origin, citizenship, veteran, or disability status
 - Religious organizations, unless they are engaged in programs that are non-sectarian, benefit a broad base of the community, and have a separate 501(c)(3) designation
 - Political action committees, candidates, causes, and lobbying
 - Labor, alumni, or fraternal groups
 - Recreation, athletic, or sports teams, programs, or leagues
 - For-profit entities, including start-up small businesses
 - Grants specifically for travel, including student trips or tours

Use of Funds

The Program will fund strategies that accelerate growth-ready underserved small businesses through the delivery of catalytic capital. Capital strategies can be augmented by advisory services and/or technical assistance. Uses of funds include:

- Capital to enable the deployment of debt, equity, equity-like, blended capital, and other alternative finance products to small businesses.
- Credit enhancements to increase capacity and manage risk when lending and/or investing in small businesses.
- Operating support to enable product development, augment the deployment of capital, upgrade technology infrastructure, and deliver business advisory and/or technical assistance services.
- Marketing & Communications support to enable outreach and business development, including activation and storytelling of the Wells Fargo grant.

The Program does not intend to:

- Fund strategies exclusively focused on advisory services and/or technical assistance.
- Fund strategies that propose to connect businesses with capital opportunities but do not deploy capital directly to underserved small businesses.

Selection Criteria

Organizations meeting the eligibility requirements will be evaluated against the following criteria:

- **Innovation:** Compelling strategy and innovative vision to increase access to affordable capital and accelerate growth for established small businesses in eligible geographies.
- **Performance:** Track record of lending to and/or investing in underserved small businesses.
- **Leverage:** Ability to leverage private or public capital to augment the impact of the Wells Fargo award.
- **Collaboration:** Strategy that brings together private and public sector partners, potentially including non-traditional financial services providers.
- **Community Impact:** Utilization of data to identify targeted geographies, community needs, inform design, guide planning and the ability to collect, analyze, and share data, results, and learnings.
- **Capacity & Readiness:** Demonstration of fiscal and administrative stability, including strong financial performance indicating the capability to quickly mobilize and execute on the project.
- **Sustainability:** Commitment and capability to advance the project beyond Wells Fargo's investment.
- **Leadership:** Experience of leadership and staff, including representation of communities served.
- **Activation and Storytelling:** Strong communications and engagement plan to highlight collaboration and the ability to periodically engage Wells Fargo throughout the grant duration via opportunities for thought leadership and external storytelling.

Application Process

Letter of Interest Phase: Grant Interest Forms will be accepted on a rolling basis between June 17, 2024 and June 28, 2024. Wells Fargo reserves the right to stop accepting Interest Forms at the point that interest in the program far exceeds available funding.

Wells Fargo anticipates extending invitations to organizations that will proceed to the full application phase in late July 2024. Organizations not selected for the full application phase will receive notice by September 1, 2024. Organizations invited to submit a full application will be given approximately seven business days to submit an application.

During the Interest Form phase, Wells Fargo may contact organizations to request more information.

To submit an Interest Form visit: <https://www.cybergrants.com/wellsfargo/ofbeligibilityinterestform>

Organizations submitting an Interest Form will attest to meeting eligibility requirements, enter basic organizational info and provide narrative responses to the following prompts:

1. Indicate the requested grant amount and intended use of funds.
2. Describe the purpose and anticipated community impact of the project/program for which you are requesting funding. Detail how the project/program will unlock catalytic capital to accelerate growth-ready small businesses, primarily those generating more than \$100k in revenue. Describe the capital product(s) you intend to make available to small businesses, including rates and terms that you plan to offer with any awarded funds. If the grant will be applied to a larger project, please describe the overall project/program goal and the goal for the grant.
3. Describe whether you will be partnering with any other organizations, governments, or other entities on this project. If applicable, describe the collaboration and the role of each partner in your proposed project.
4. Describe the geography and population demographics to be served by this grant. Include the data and community needs assessment findings that led to targeting this specific population.
5. Describe the underserved demographics you intend to serve with this program. Include the data and community needs assessment findings that led to targeting this specific population.
6. Describe your organization's capacity to implement the proposed project/program, including your history serving the targeted underserved demographic?
7. List key organizational leadership and briefly describe how your organization's leadership and key project staff are representative of the communities you serve.

Application Phase: Select organizations will be invited to submit a grant application in late July. Invitations will be delivered on a rolling basis and include detailed instruction on the submission process. Organizations invited to submit a full application will be given approximately seven business days to submit the application.

The application will be submitted in CyberGrants and will require the submission of the following two supplements along with financial information. During the application, Wells Fargo may contact organizations to request more information.

- A proposal articulating the strategy that your organization will use to deploy capital and resources to small businesses. The proposal shall adhere to the following format:
 - **Innovation & Community Impact:** Description of need and strategy to increase access to affordable capital and accelerate small business growth.
 - Project description
 - Problem statement
 - Opportunity and proposed solution
 - Proposed project outcomes
 - Projected outputs
 - Projected outcomes
 - Measure of success
 - **Capacity & Performance:** Description of your organization's readiness to implement the strategy, including relevant experience, history of serving target market, key collaborations, and financial capacity.
 - Organization history & performance
 - History and mission
 - Milestones and achievements
 - Operational and financial capacity
 - Target market
 - Geographic market
 - Client demographics
 - Collaboration
 - Community voice
 - Ecosystem collaborations
 - **Sustainability, Leverage, and Readiness:** Description of your organization's financial and operational plan to execute on the strategy and capability to advance the project beyond our investment.
 - Project budget
 - Other sources of capital
 - Readiness and sustainability plan
 - Project timeline

- **Leadership:** List and descriptions of key organizational leadership and project staff, including articulation of team representation of communities served.
 - Organizations board of directors
 - Organizations leadership team
 - Project team
- **Activation and Storytelling:** Communications plan articulating proposed plans to highlight collaboration through engagement events, external storytelling, shared learnings and thought leadership. This section must include these elements with proposed dates:
 - Opportunities for recognition and participation by Wells Fargo representatives, examples could include but are not limited to:
 - Press Event
 - Announcement of grant at a conference
 - Speaking opportunity for Wells Fargo at an event
 - Volunteer opportunities for Wells Fargo employees
 - Describe how your organization would approach storytelling efforts to highlight the grant, examples could include but are not limited to:
 - Success stories and testimonials in print and social media
 - Success story site visits
 - NOTE: Please also include a line item in your overall project budget for communication and outreach.

Ensure that your proposal incorporates the following information:

- Describe the capital product(s) you intend to make available to small businesses, including rates and terms that you plan to offer with any awarded funds.
 - Describe services and/or programs that will augment your capital strategy, should they be part of your plan to catalyze the growth of small businesses.
 - Describe how your strategy will drive business growth, include proposed KPIs and specify how you plan to measure and evaluate success over time.
 - Describe your organization's strategy or framework, if existent, to promote good jobs and wealth generation for employees and business owners.
 - Should your CDFI be selected for a grant award, please indicate whether you would be interested in discussing debt capital for lending. Wells Fargo Community Lending & Investment may offer debt capital for lending to qualified entities. Additional documentation will be required to support an expanded financial analysis for credit underwriting.
- Investment/Loan Portfolio Performance Worksheet.

Decision Phase: All applicants will be notified of Wells Fargo's funding decision by December 1, 2024. Grants are expected to be paid by no later than December 31, 2024.

Reporting

Organizations will be required to submit periodic reports. Organizations are expected to have the capacity to collect and report on at a minimum the following metrics:

Outputs

- # of unique businesses served
- #/\$ of loans disbursed
- #/\$ of grants disbursed
- # of business receiving technical assistance
- # of hours of technical assistance
- Business characteristics, including but not limited to business revenue, number of employees, industry.

Outcomes

- # of jobs preserved
- # of new jobs created
- # of businesses experiencing a growth in revenue
 - Of the small businesses that experienced a growth in revenue, how many grew by 5-19%
 - Of the small businesses that experienced a growth in revenue, how many grew by 20-50%
 - Of the small businesses that experienced a growth in revenue, how many grew by 51-100%
 - Of the small businesses that experienced a growth in revenue, how many grew by more than 100%
- Novel qualitative and quantitative metrics that indicate business financial health, provision of good jobs, and wealth generation for business owners, as determined by grantee and funder.

Organizations shall report out on client demographics including but not limited to:

- Client Demographics
 - Client Race
 - Client Ethnicity
 - Client Gender
- Geographic Tracking
 - Location of clients served (i.e., by zip code)
 - Rural and non-rural clients served
- % Clients low to moderate income (LMI)

A full list of required metrics will be developed in collaboration with organizations that receive funding. Grantees will be expected to submit impact reports at six-month intervals during the duration of their project. Dates may be subject to change.

Questions

If you have questions, contact smallbusinessphilanthropy@wellsfargo.com.

Glossary of Terms

- **Small Business**: Businesses with gross revenues of \$1 million or less or that meet the size eligibility requirements of the Small Business Administration's ("SBA") Small Business Development Company or Small Business Investment Company ("SBIC") programs.
- **Underserved**: A business enterprise that certifies that it is owned and controlled by individuals who have had their access to capital on reasonable terms diminished compared to others in comparable economic circumstances.
- **Low and moderate income ("LMI")**: Individuals earning 80% or less of the area median income. Median Family Income can be accessed using the FFIEC website: <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>.
- Find current year FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income from the table for the appropriate geography and multiply by 0.8.
- **Investment**: The action or process of investing money for profit or material result (i.e., equity investment).
- **Good/Quality Job(s)**: Novel frameworks and approaches to providing products and services to help small businesses maximize their local economic impact through preservation or creation of job(s) that pay a living wage and provide quality benefits (i.e., health insurance). These jobs provide employees with greater financial security, enhance productivity, and support professional and personal success.