

# Rhode Island Commerce Corporation: Manufacturing Equipment Grant Program Frequently Asked Questions

*Updated February 18, 2025*

## **PROGRAM OVERVIEW**

### **1. What is the Manufacturing Equipment Grant Program?**

The Rhode Island Commerce Corporation's Manufacturing Equipment Grant Program is a competitive program that provides reimbursement grants of up to \$25,000 to help eligible Rhode Island manufacturers defray the cost of purchasing new or used manufacturing equipment/machinery to modernize, improve or expand manufacturing processes. Grant awards can be used to:

- Reimburse the manufacturer up to 50% of the downpayment for a financed purchase of manufacturing equipment/machinery; OR
- Reimburse the manufacturer up to 50% of a cash purchase of manufacturing equipment/machinery.

**Please Note:** The Manufacturing Equipment Grant Program is a reimbursement program. This means that grant awards will only be paid to applicants who have:

1. Submitted a complete grant application
2. Been selected as a grant awardee by the Rhode Island Commerce Corporation
3. Been notified of grant approval by the Rhode Island Commerce Corporation
4. Purchased the equipment/machinery specified in the application
5. Provided the Rhode Island Commerce Corporation with proof of purchase and/or an executed financing agreement for the purchase
6. Completed a grant agreement, ACH form and W9

**No grant money will be paid to the applicant pre-grant approval or pre-equipment/machinery purchase.** Purchases must be made AFTER notification of grant approval to be eligible for reimbursement through this program; any equipment purchases made prior to applying for the program are ineligible.

### **2. What is the maximum amount I can request in grant funding?**

The minimum amount of funding that can be requested is \$2,500. The maximum amount of funding that can be requested is 50% of a cash purchase or 50% of the downpayment of a financed purchase, up to \$25,000. As such, if you are requesting

more than 50% in either scenario, if your application is approved, you will be awarded less than the amount you requested.

**3. What if I bought my equipment before the Manufacturing Equipment Grant Program went live? Can I still apply for the program?**

Any manufacturing equipment/machinery purchased before you receive notification that you have been selected as a Manufacturing Equipment Grant Program awardee by the Rhode Island Commerce Corporation is NOT eligible for reimbursement through the program.

**4. When can I purchase the equipment/machinery?**

Equipment/machinery can be purchased after you receive notice that your grant application was approved. However, you must then provide the Rhode Island Commerce Corporation with proof of purchase and/or an executed financing agreement within **three (3) months** of receiving notice of approval in order to receive the grant funding requested.

**5. Can I use the grant award to pay for a piece of equipment/machinery different than the one specified in my grant application?**

No. We will only provide grant payment to approved applicants who provide proof of purchase for the piece of equipment/machinery specified in the grant application.

**6. Can I submit an application for multiple pieces of equipment/machinery, provided that the total amount requested in funding falls below the \$25,000 maximum?**

No. Applications can only include a request for funding for one piece of equipment/machinery and any associated fixtures, attachments, or material needed to operate the equipment. An application that lists multiple pieces of equipment/machinery will be rejected.

**7. If I have a general question about the grant program that is not answered in this FAQ document, how can I get further help?**

Please contact us at [smallbizri@commerceri.com](mailto:smallbizri@commerceri.com) or call 401- 521-4357.

## **SPECIFIC PROGRAM ELIGIBILITY**

### **8. What are the eligibility requirements?**

Eligible applicants are manufacturing businesses:

- Established as for-profit entities primarily engaged in manufacturing;
- That had gross receipts of less than \$5 million in 2023;
- Having a physical location (or headquarters) in Rhode Island that began manufacturing operations on or before January 1, 2021;
- Having 50 or fewer employees (including independent contractors that work an average of 37.5 hours per week);
- In compliance with all local, state, and federal laws and regulations;
- NOT in, or planning to enter, federal bankruptcy or state receivership;
- NOT owned by a nationally or regionally owned franchise; and
- Organized as one of the following: Limited Partnership (LP), Limited Liability Partnership (LLP), C-Corporation, S-Corporation, B-Corporation, Cooperative, or Limited Liability Company (LLC).

Sole Proprietorships, General Partnerships and Non-Profits are not eligible for the program.

Upon review of applications, it may be necessary for an applicant to provide additional information to validate and confirm application information entered. Therefore, the Rhode Island Commerce Corporation reserves the right to request additional documentation to demonstrate that a business meets eligibility criteria and other program requirements.

### **9. If a business has more than one location, can it receive more than one grant?**

No; a business can only receive one Manufacturing Equipment Grant from the Rhode Island Commerce Corporation.

### **10. Am I eligible to apply twice if I own two businesses?**

No; there is a one grant per applicant limit for this program.

## **APPLICATION**

### **11. Who can apply on behalf of a business?**

While a third party like a CPA or other professional can assist a business on an application, there are application attestations that will require the business owner or

an authorized representative (e.g., an owner or employee of the business) to sign. Therefore, only those with fiduciary responsibility for the business should apply.

## **12. When can I apply for this grant program?**

Applications will be accepted online beginning on February 5, 2025. The portal will remain open until **Monday, March 24, 2025, at 4:30 PM.**

## **13. How will I be notified of the status of my application?**

Once you submit an application, you will receive a confirmation email from [smallbizri@commerceri.com](mailto:smallbizri@commerceri.com), confirming that we have received your application. The review process can take up to 60 days. Please check your email regularly, as you will be notified of application approval or denial via an email from [smallbizri@commerceri.com](mailto:smallbizri@commerceri.com).

## **14. What are eligible expenses for this program?**

An application must be for physical equipment/machinery used in a production process in Rhode Island for the actual manufacture or conversion of raw materials or goods; research and development; or quality assurance by an eligible applicant. The applicant can include software and technical assistance costs if those costs are included in a quote from the vendor to implement the equipment/machinery purchase. Equipment/machinery that is primarily used for administration or distribution purposes is NOT an eligible purchase.

## **15. What constitutes a complete application?**

- Complete and accurate answers to our online application form
- A 2023 Federal Tax Return showing less than \$5 million in gross receipts
- A purchase order, quote, invoice, or other document produced by a vendor with a price and terms for the equipment/machinery purchase
- If you will be financing the purchase, a preliminary financing agreement or term sheet
- A written narrative describing the planned use of the equipment/machinery and how it will modernize, improve, or expand manufacturing processes

## **16. If my application is rejected due to incompleteness, can I submit the missing documentation/information to remain in consideration?**

No. Applications will not be reviewed until the application period closes. As such, if your application is found to be incomplete during the review period, the time for accepting new applications will have already passed.

**17. What if my application is rejected due to ineligibility, but believe that I made a mistake on my application?**

If you believe you have incorrectly answered a question on our online application that you would like to correct, please contact us at [smallbizri@commerceri.com](mailto:smallbizri@commerceri.com) or 401-521-4357.

## **AWARD AND PAYMENT DISBURSEMENT**

### **18. If my grant application is approved, how long until I receive the money?**

You will be notified via email if your grant application is approved. Approved applicants must submit proof of purchase for the equipment specified in the application within three (3) months of receiving notice of approval in order to be paid the grant amount. If the purchase will be financed, the applicant must also submit an executed financing agreement that clearly details the downpayment amount paid by the applicant. We are only reimbursing up to 50% of the downpayment. If you requested a grant amount larger than 50% of the downpayment actually paid, you will only receive 50% of the downpayment. If the applicant does not provide proof of purchase and, if necessary, a financing agreement within three months of receiving notice of grant approval, the grant award will be forfeited.

Once the Rhode Island Commerce Corporation has received the appropriate proof of purchase, you will be asked to sign a grant agreement, ACH and W-9 form. Once we receive the signed and completed documents, we expect most applicants will have their grants via ACH wire within 45 days.

### **19. What are acceptable forms of proof of purchase?**

A purchase order or invoice from the equipment vendor that clearly shows the amount paid by the applicant for the purchase of the equipment. If the purchase will be financed, the applicant must also submit an executed financing agreement that clearly details the downpayment amount paid by the applicant.

### **20. How will grant awards be delivered?**

Grant funds will be delivered by electronic transfer. All grant recipients will be required to submit a new vendor form (ACH & W-9) to the Rhode Island Commerce Corporation. Please make sure the banking information that is used is accurate to ensure timely delivery of grant funds.

### **21. If my business or organization receives an award, will my business or organization name, address, and award amount be made public?**

Yes. The funding used for these grant awards (direct payments) requires the public disclosure of business names, city/town location, and award amounts. If a business does not want this information to be made public, it should not submit the grant application or accept an award under this program.

## **POST-AWARD**

### **22. Is the grant award taxable as income?**

The IRS has published information [irs.gov] indicating that “receipt of a government grant by a business is generally not excluded from the business’s gross income under the Federal Tax Code and therefore is taxable.” Please consult your accountant or tax professional to understand more about your particular tax situation and how this guidance applies.

### **23. Are there any other post-award requirements that an applicant should be aware of?**

Yes, approved and awarded businesses may be asked to participate in a post-award survey or to collect certain metrics as part of the initiative. By accepting this funding, awarded businesses agree to participate fully in this survey.

### **24. Does receiving a Manufacturing Equipment Grant exclude me from participating in other Rhode Island Commerce Programs?**

No.