

SMALL BUSINESS INVESTMENT GRANT FUND

The Small Business Investment Grant Fund (SBIG), as directed by the Code of Virginia §2.2-1616, incentivizes Investors to inject capital into Virginia's small businesses by offering them an opportunity to receive a cash return on their investment of up to \$50,000.

The Virginia Small Business Financing Authority (VSBFA), under the auspices of the Department of Small Business and Supplier Diversity, administers the SBIG program. The VSBFA certifies the eligibility of the investor, the small business and the investment, to award the grant.

All eligibility conditions must be met to qualify for an award:

Eligible Investors:

- Are individuals subject to Virginia State Tax pursuant to § 58.1-320 or a special purpose entity established for the purpose of making investments for such individuals;
- Are not engaged in the business of making equity or debt investments in private businesses, or any person who is a partner, shareholder, member or owner of such entities;

Eligible Small Business:

A business must meet all of the following criteria:

- Is a corporation, pass-through entity or other entity (sole proprietorships are not eligible);
- Has annual gross revenue that does not exceed \$5 million in its most recent year of operations;
- Has its principal office or place of business located in VA;
- Primarily conducts its business or substantially produces its goods in VA;
- May not have received more than \$5 million of cash investments from the issuance of stock or subordinated debt in its existence (commercial loans from financial institutions are not included); and
- Has no more than 50 employees in VA.

Eligible Investments:

- Are cash investments in the form of equity or subordinated debt issued on or after July 1, 2020 and prior to January 1, 2023;
- Must remain in place for 2 years, and if it is subordinated debt (i) principal payments cannot be made during the first 3 years after issuance; (ii) it cannot be guaranteed by any other person or secured by assets of the eligible business or any person; and (iii) must be subordinated to all bank indebtedness of the business;
- Not eligible: Investments in which the investor has been or will be allowed a Virginia Tax Credit pursuant to § 58.1-339.4

Amount of the Grant:

- Grants shall be the lower of 25% of the qualified investment or \$50,000;
- Lifetime maximum award per qualified investor is \$250,000;
- Annual maximum award per qualified small business is \$250,000; and
- Awards are subject to the availability of funds.

For more details please use this link: <https://www.sbsd.virginia.gov/virginia-small-business-financing-authority/>