

Cannabis Business Assistance Fund - Tranche Disbursements

Grant proceeds will be disbursed incrementally based on the grantee's demonstrated ability achieving certain milestones shown in the following chart.

Social Equity Conditional License Grant			
Tranche	License Type	Disbursement	Milestones for Funding
#1 Up to 25% of total funding	Standard Dispensary	Up to: \$32,812.50	Milestone Achieved: Met or exceeded the minimum Adequate Capital Requirement Requirements: Verification that the applicant was issued a Conditional Maryland Social Equity Cannabis Business License. Verification that the applicant met or exceeded the minimum Adequate Capital Requirement determined by the MCA. Disbursement is contingent on a MCA adequate capitalization letter evidencing the ACR has been met and a copy of the applicant's issued Conditional Maryland Social Equity Cannabis Business License. Eligible Use of Funds: See table below
	Standard Processor	Up to: \$45,937.50	
	Standard Grower	Up to: \$131,250	
	Micro Dispensary	Up to: \$10,937.50	
	Micro Processor	Up to: \$15,312.50	
	Micro Grower	Up to: \$43,750	
#2 Up to 50% of total funding	Standard Dispensary	Up to: \$65,625	Milestone Achieved: Site Control Identify and establish legal site control Requirements: Must provide a bill of sale, deed, mortgage statement, fully executed lease or other agreement showing the licensee has control of the property for use as a cannabis facility. Present evidence of spending funds received from Tranche #1 in compliance with eligible expenses, including proof of payment. Certification that requirements in prior tranche requirements continue to be satisfied. Disbursement is contingent on the applicant providing evidence of site control, and evidence of spending the disbursement from Tranche #1 in compliance with eligible expenses for each license type. Eligible Use of Funds: See table below. ***Site control is not applicable for Micro-Dispensaries. Micro-Dispensaries must still provide evidence of spending Tranche #1 in compliance with eligible expenses.
	Standard Processor	Up to: \$91,875	
	Standard Grower	Up to: \$262,500	
	Micro Dispensary	Up to: \$21,875	
	Micro Processor	Up to: \$30,625	
	Micro Grower	Up to: \$87,500	

#3 Up to 15% of total funding	Standard Dispensary	Up to: \$19,687.50	<u>Milestone Achieved:</u> Facility deemed complete Confirmation of occupancy allowance in the building in which site control was confirmed in Tranche #2 and funds were used for interior improvements, systems, equipment, furniture and other eligible expenses outlined in eligible expenses. <u>Requirements:</u> Must provide Certificate of Occupancy. Evidence of spending the second disbursement from Tranche #2 in compliance with eligible expenses. Certification that requirements in prior tranche requirements continue to be satisfied. <u>Disbursement</u> is contingent on the applicant providing evidence of occupancy permit and evidence of spending the disbursement from Tranche #2 in compliance with eligible expenses, including proof of payment. ***Site control is not applicable for Micro-Dispensaries. Micro-Dispensaries must still provide evidence of spending Tranche #2 in compliance with eligible expenses.
	Standard Processor	Up to: \$27,562.50	
	Standard Grower	Up to: \$78,750	
	Micro Dispensary	Up to: \$6,562.50	
	Micro Processor	Up to: \$9,187.5	
	Micro Grower	Up to: \$26,250	
#4 Up to 10% of total funding	Standard Dispensary	Up to: \$13,125	<u>Milestone Achieved:</u> Award of an Operational Cannabis License issued by MCA. <u>Requirements:</u> Verifiable copy of Operational Cannabis License issued by MCA. Evidence of spending Tranche #3 in compliance with eligible expenses. Certification that requirements in prior tranche requirements continue to be satisfied. <u>Disbursement</u> is contingent on the applicant obtaining a Maryland Operational Cannabis License and evidence of spending Tranche #3 in compliance with eligible expenses, including proof of payment.
	Standard Processor	Up to: \$18,375	
	Standard Grower	Up to: \$52,500	
	Micro Dispensary	Up to: \$4,375	
	Micro Processor	Up to: \$6,125	
	Micro Grower	Up to: \$17,500	

Eligible Expenses	<i>Receipts and invoices cannot be dated prior to the Social Equity Cannabis License Lottery. Examples of eligible expenses and qualifying evidence are described below.</i>
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Standard	Dispensary, Processor, Grower/Cultivator	
	Rent/Mortgage Payroll Wages Utilities Fees associated with hiring a Project Manager to oversee contractors, architect and building schedule. Professional Services Employee Training & Regulatory Training Professional Cannabis Education Course Small Business Entrepreneurship Training Course Employee/Contractor Background Checks Business Supplies/Scales/POS System/Packaging Material/Nutrients for plants Furniture and Fixtures/Equipment (Security Systems, Display Cases, Shelving, Safes, Fume Hoods, Lab Tables, Storage Cabinets, Lighting, Irrigation, Cultivation) Build out/Leasehold Improvements Insurance; Bonding for secure transportation;	
Micro	Dispensary	Processor, Grower/Cultivator
	Rent or Secured Parking Expense, i.e., Hub for vehicles. Vehicles Payroll Wages Employee Background Checks Security Professional Services Website/App Development POS System Security Cameras Insurance/Bonding for secure transportation	Rent/Mortgage Payroll Wages Utilities Professional fees associated with zoning Fees associated with hiring a Project Manager to oversee contractors, architect and building schedule Professional Services Employee Training & Regulatory Training Employee/Contractor Background Checks Business Supplies/Packaging Material Furniture/Fixtures/Equipment (Security System, Fume Hoods, Lab tables, Storage Cabinets) Buildout/Leasehold Improvements Insurance/Bonding for secure transportation
Ineligible Expenses	The following costs are <i>not eligible</i> for reimbursement or inclusion and cannot be considered.	

Standard and Micro	Dispensary, Processor and Grower/Cultivator
<p>Tax Payments</p> <p>Cannabis business license application fee</p> <p>State Business Filing Fees</p> <p>Personal Time</p> <p>Licensing Fees</p> <p>Regulatory Compliance Expenses</p> <p>Marketing/Advertising Expenses</p> <p>Zoning or permitting fees</p> <p>Any expense related to litigation</p> <p>***Any expenses submitted in a prior round of CBAF funding or a prior tranche cannot be submitted and expensed a second time.</p>	

Description of Expense	Eligible Verification
<p><i>Invoices, receipts and supporting documentation submitted for review must be in the name of the business entity for expenses incurred between award of conditional license and conversion to a standard license.</i></p> <p><i>PROOF OF PAYMENT MUST ACCOMPANY ELIGIBLE VERIFICATION.</i></p> <p><i>Proof of payment may include copies of a cancelled check, credit card statement, payment app statement or bank statement.</i></p>	
Professional Cannabis Education Course	Certificate demonstrating completion of the course and proof of payment..
Small Business Entrepreneurship Training Course	Certificate demonstrating completion of the course and proof of payment.
Rent/Mortgage	Copy of fully executed lease, or copy of fully executed purchase agreement. Copy of mortgage statement. Proof of payment.
Payroll/Wages - applicable to employees and contractors.	Employer's Quarterly Federal Tax Return (941) State of Maryland equivalent MW506. For jobs that need to be filled, copy of job posting and job description. Proof of tax payment.
Legal Expenses/Professional Services - Services, such as intellectual or manual services that require advanced knowledge, skills, and/or training to deliver a service to a business. Legal expenses regarding business formation and advice related to starting the operating entity. CPA, bookkeeping, architectural, real estate services, project management for construction are examples of suitable Professional Services. Legal expenses incurred in the course pursuing litigation against the State or any other	Invoices describing services rendered. Receipts with corresponding proof of payment.

entity is not an eligible use of funds.	
Training - Employee and Contractor	Invoice noting description of training including dates training commenced and completed. Receipt with proof of payment.
Site Control	Property Deeds, Leases, Tax Records, Mortgage Note and proof of payment.
Furniture/Fixtures and Equipment	Bill of sale or invoice and receipt with proof of payment.
Supplies	Invoice and receipt including description of supplies. Proof of payment.
Insurance/Bonding for Secure Transportation - including, but not limited to: general liability, commercial property, business income, cyber/data breach, professional liability, worker's compensation insurance, hazard, flood and commercial auto insurance	Copy of full policy noting effective dates, business address and insured value. Invoice and receipt noting expense and proof of payment.
Construction, Build Out and Leasehold Improvements	Executed contract with contractor including lien releases for work already performed, if applicable. Invoice detailing scope of work, receipt and proof of payment.
Utilities - may include security deposits, hookups and monthly usage fees for water, electricity, gas, and internet.	Statement from utility company describing expense and receipt of payment with corresponding proof of payment..
Web Development	Copy of contract detailing services rendered/to be rendered accompanied by invoice, receipt, and proof of payment.
Security	Copy of contract detailing scope of services being rendered including invoice, receipt or corresponding proof of payment.