

..... SMALL BUSINESS
ECONOMIC DEVELOPMENT PROGRAM

CDBG-CV

Grant

FAQs

Have questions about this new
funding opportunity?



1 What size business is eligible?

Businesses with less than 50 employees are eligible

2 When/where can I apply?

Applications will be live on November 11, 2020 at 3PM.

<https://www.surveymonkey.com/r/MGCTYCDBG-CV>



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What is the deadline to apply?

December 1, 2020 at 8am

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What is the award amount?

Businesses are eligible for up to \$25,000. Grants will be awarded based on employment - \$2,000 per full time employee and \$1,000 per part time employee.



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What documents do I need to submit to apply?

- **The application** - opens on June 24th and closes on July 19th.
- **LMI Certification Worksheets** - for all employees categorized as "retained if funding is received" (see below for example)
- **A letter from the business owner** stating total # of employees, and how many are categorized as "retained with funding" and those that will be retained regardless of funding.
- A W-9 for your business
- Receipts and check stubs for up to your total grant amount - \$2,000/FT +\$1,000/PT employee.

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Where do we send our supplementary documents?

Submit all LMI Certifications, Letters of Employment Verification, Invoices, receipts, and any other documentation to:

ADMIN@ACTIONCOUNCIL.COM



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When will we be notified if we qualify for an award?

Businesses should be notified by December 31st by email whether or not they are qualified to receive the grant.

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How will we receive payment from the grant?

The business will have to submit receipts or invoices to receive reimbursement for eligible expenses. Once documentation is received and processed, the state will >>> review the application, then send the funding to the county, and the county will mail you a check.

7 What is LMI Certification?

A federal requirement that employers that receive CDBG funding must provide employment to employees that are from low-to-moderate income households. A business must show that 51% of "retained" employees meet the LMI certification requirement shown on the worksheet at - <https://www.actioncouncil.com/covid19-resources/cdbg-cv-grant-application>

"Retained" means that this employee's job is at risk of being eliminated, laid off, or furloughed if additional funding is not received. Not all employees have to be categorized as "retained". Those that are not at risk of losing their jobs count as "BASE EMPLOYEES" and LMI worksheets are not required for BASE employees. A business is eligible for funding if 51% of the "Retained" employees meet LMI certification, by falling below column C on the LMI Worksheet.



How do I determine if I meet the 51% LMI requirement?

All employees that are being retained (retained means that their job is at risk if the business does not receive this funding) are required to complete the LMI certification. 51% of those "retained" employees must meet LMI requirements.

For example, a business has 30 employees. 20 employees are not at risk of job loss. However, 10 will not be retained unless funding is received. All 10 employees must complete the LMI worksheet, and 51% of those 10 (6) must meet LMI qualifications.



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How do we prove who is "retained" and who is not at risk of job loss?

The business owner must provide a signed letter stating the total number of employees. This letter must also designate the number of employees at risk of job loss if funding is not received, and those who are not.

From example above: Owner must provide a letter stating that 20 of the 30 employees are not at risk of job loss, but 10 might not be retained if funding isn't received.

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How do I determine my income for LMI certification?

Your income is based on your TOTAL HOUSEHOLD adjusted gross income. This is based on the 2019 tax return.

What if I haven't filed my 2019 tax return?

2019 Tax returns are due July 15, 2020. This must be submitted in order to be eligible.

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What is household income?

Household income includes all tax returns filed in a household for those 18 years old or older.



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Are there other disqualifiers for this program?

The CARES Act states that businesses cannot receive duplicate funding. Therefore the following programs automatically disqualify a business from this grant opportunity:

- EIDL - Economic Injury Disaster Loans - (if ANY funds have been received)
- Express Bridge Loans
- Debt Relief Program - As part of SBA's debt relief efforts will automatically pay the principal, interest, and fees for:
 - current 7(a), 504, and micro-loans for a period of six months, and
 - new 7(a), 504, and microloans issued prior to September 27, 2020.

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I received PPP funding. Am I still eligible?

Yes, however the CARES Act states that businesses cannot receive duplicate funding. Therefore only expenses incurred after the PPP term are eligible, or inventory purchases are eligible.

What can the funds be used for?

Funding can only be used for inventory, supplies, wages/benefits, mortgage payments from March 1 - Dec 31, 2020, utilities, and rent.

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What can the funds NOT be used for?

Funding cannot be used to repay long-term debt (cannot be used to repay CDBG loans for example).

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Can a contractor utilize the program with a subcontractor as a wage earner?

No, only employees that receive a W-2 from the employer count under that businesses application. However, the subcontractor can apply on their own.

Are businesses with multiple locations that total more than 50 employees eligible if their local location is under 50? Does it matter if it's their headquarters that is local, or a local branch site?

It is where the company has the location and jobs you are retaining. Doesn't make any difference where the headquarters are.

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