

# MontcoStrong Small Business Grant Program

## Round 2 Guidelines – May 2020

### Purpose

To continue to provide small businesses in Montgomery County with financial support as relief due to disruptions caused by the COVID-19 global pandemic, the County making available additional resources for the MontcoStrong Small Business Grant Program. For Round 2 of the program, grants are being offered with updated parameters from the initial round to reflect the lessons learned, the changing economic conditions, needs, and resources as well as the availability of federal relief programs.

For Round 2, the County is making available \$5,000,000. This includes \$250,000 from the Delaware Valley Regional Economic Development Fund (<https://dvredf.org/>) and \$4,750,000 from Montgomery County through the federal government's CARES Act. The application window for Round 2 will open on at 10am on Wednesday, May 13<sup>th</sup>, 2020 and close at approximately 6pm on Wednesday, May 13<sup>th</sup>, 2020.

### Program Guidelines for Round 2

Eligible applicants for Round 2 must meet the following criteria:

- Be a for-profit business with a physical location in Montgomery County, Pennsylvania that was in operation on or before March 23<sup>rd</sup>, 2020, has experienced disruption due to the COVID-19 global pandemic, and has reported gross revenues not greater than \$10,000,000 on its last signed and filed federal tax return.
- Employed **no more than 30** employees (total of all full-time and part-time employees) as of March 23<sup>rd</sup>, 2020 and employs **no more than 30** employees (total of all full-time and part-time employees) as of the application date.
- Must identify in one of the following sectors by 2 digit NAICS Code -
  - o Retail Trade (44-45)
  - o Accommodation and Food Services (72)
  - o Manufacturing (31-33)
  - o Health Care and Social Assistance (62)
  - o Arts, Entertainments, and Recreation (71)
  - o Information (51)
  - o Wholesale Trade (42)
  - o Transportation and Warehousing (48-49)
  - o Other Services, except Public Administration (81)
  - o Construction (23)
  - o Professional, Scientific, and Technical Services (54)
- Businesses that received a Round 1 MontcoStrong Small Business Grant may not apply in Round 2.
- Round 1 applicants that were not awarded funding must apply again for consideration in Round 2.
- 501c3, 501c4, and 501c6 entities are not eligible.

## Grant Awards and Eligible Costs

For Round 2, grant awards are as follows:

- Eligible applicants with not more than \$1,000,000 in gross revenue as reported on their most recently signed and filed federal taxes may apply for \$9,000.
- Eligible applicants with more than \$1,000,000 and not more than \$3,000,000 in gross revenue as reported on their most recently signed and filed federal taxes may apply for \$13,500.
- Eligible applicants with more than 3,000,000 and not more than \$6,000,000 in gross revenue as reported on their most recently signed and filed federal taxes may apply for \$17,000.
- Eligible applicants with more than \$6,000,000 and not more than \$10,000,000 in gross revenue as reported on their most recently signed and filed federal taxes may apply for \$20,000.

For Round 2, eligible grant costs are as follows:

- Accounts payable, including utilities, vendors, suppliers, and working capital expenses, between May 1<sup>st</sup>, 2020 through September 30<sup>th</sup>, 2020.
- Rent/mortgage payments between May 1<sup>st</sup>, 2020 through September 30<sup>th</sup>, 2020.
- Debt service payments on loans and credit cards (may not exceed more than 25% of total grant award) between May 1<sup>st</sup>, 2020 through September 30<sup>th</sup>, 2020.

Grant awards cannot be used for the following costs:

- Providing funds, directly or indirectly, for a dividend distribution, return of capital, or otherwise to owners, partners or shareholders of the business enterprise.
- Payroll expenses/employee pay. Please note this is a change from Round 1; for Round 2, the program has been changed such that the resources provided through the grant will provide relief such that businesses can address payroll needs with the resources already in hand.
- To finance a business, project, or location primarily located outside the geographic boundaries of Montgomery County, Pennsylvania.
- Any business activities not otherwise specified as allowable costs per the grant agreement.

## Application Process

To apply, eligible businesses and organizations will be required to complete an online application – the online application and other program information can be found at <https://www.montcopa.org/MontcoStrongSBGP>. Applications may not be submitted online prior to 10am on Wednesday, May 13<sup>th</sup>, 2020. Applications will be accepted until approximately 6pm on Wednesday, May 13<sup>th</sup>, 2020.

Applicants will be requested and/or required to provide the following information:

- Physical location, address, and business/organization contact information.
- Narrative describing the disruption the COVID-19 global pandemic has caused for the business (2000 words maximum).
- Description of business operations (including type of business/organization, number of employees being paid as of March 23 and currently, current status of operations).
- Whether any employees have been terminated or furloughed as a direct result of COVID-19.
- W-9 form; must be uploaded as a .pdf document. Template W-9 is available at <https://www.montcopa.org/MontcoStrongSBGP>.
- Most recently signed and filed business federal tax return or 501c3 990 form. Must be either from 2018 or 2019 tax years and must be uploaded as a .pdf document.

Grant applications also require acknowledgements and certifications in order to be considered a completed application for submission and review. A full listing of all required grant application information and documentation required is in Appendix A of the Round 2 Guidelines.

### Award of Grant and Grant Contracting

Completed applications will be reviewed and considerations for grant awards will be based on satisfaction of eligibility criteria and demonstrated need in the grant application. Particular consideration will be given to businesses and organizations that are continuing to pay employees, retail, food service, personal health and wellness services, manufacturers, minority and women owned enterprises, and veteran-owned enterprises. Overall evaluation of need and grant award decision criteria will include:

- Complete and thorough application.
- Well explained and demonstrable need due to COVID-19 disruptions.
- Achieves program goal(s) based on economic impact of the applicant entity and sector.
- Representative of the program's targeted sectors and/or provides a good or service that has an important role to play in the economic recovery process both short and long term.
- Supports the economy of our communities and/or the entire county in the short and long term.

Applicants awarded grant funding will be required to sign a grant contract and documentation provided as part of the award and disbursement process. Upon execution of the contract, efforts will be made to disburse funds within approximately 7-10 business days. Grant administration, grant contracting, and fund disbursement will be done by the Redevelopment Authority of Montgomery County.

Additionally, at least one individual or entity having ownership in the business will be required to sign an affidavit at the time of grant contract execution requiring that grant funds will be used as stipulated by the program guidelines and grant contract. Furthermore, the affidavit will acknowledge that any unused funds will be returned and that any use of funds that violates the grant contract may result in prosecution. Additional individuals may be required to sign as well depending on the ownership structure of the business and the determination of the program administration entity.

Grantees will be required to report on the use of funds as stipulated in their grant contract.

### Additional Information

Submission of a grant application is not a guarantee of funding. Businesses, residents, and organizations in need support and guidance of can find additional resources and information as follows:

- Information on the Round 1 Awards can be found at <https://www.montcopa.org/MontcoStrongSBGP>.
- For information on COVID-19 and Montgomery County's response to the global pandemic, visit [www.montcopa.org/COVID-19](http://www.montcopa.org/COVID-19).
- For information on Federal Government resources to help businesses address the COVID-19 global pandemic, visit <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.
- For information on the Commonwealth of Pennsylvania's response to the global pandemic, visit <https://www.pa.gov/guides/responding-to-covid-19/>.

Appendix – Grant Application Questions/Documentation – Round 2  
\*Required information is in red.

Applicant Information

Business Name: [text box]

Address of Physical Location (street, post office, zip code): [text box]

Municipality: [Drop down of 62 municipalities]

School District: [Drop down of all school districts]

Name of Business Contact: [text box]

Title: [text box]

Email Address: [text box]

Phone Number: [text box]

Business Website (if none, enter N/A): [text box]

Business EIN: [text box]

Has the business been in operation for more than 3 years? [Yes/No]

Describe the disruption the COVID-19 global pandemic has caused for the business? [text box]

Business Operations

Basic Description of the Business: [text box]

Two digit NAICS Code (choose from drop down list): [drop down box of eligible NAICS codes]

[NAICS code look-up](#)

Is the business one or more of the following (check all that apply)?

[Minority and/or Women Owned Enterprise; Veteran Owned Enterprise; Sole Proprietorship; Home Based-Business; N/A]

Number of employees (both full-time and part-time) being paid as of March 23, 2020: [text box]

Number of employees (both full-time and part-time) being paid as of application date: [text box]

Has the business terminated or furloughed employees directly as a result of the COVID-19 global pandemic? [Yes/No]

Did the business have to close and/or change operations due to Governor Wolf's order for the closures of all "non-life sustaining businesses" effective March 23, 2020? [Yes/No]

Is the business continuing to operate fully, remotely, partially, or is it shut down completely (check the one the best describes current operations)? [Fully, Remotely, Partially, Shut Down]

Please provide the names of all individuals and/or entities that own 20% or more of the business and indicate the percentage ownership of each. [text box]

Have any of the individuals and/or entities that own 20% or more of the business declared bankruptcy in the past 36 months? [Yes/No]

What is the business's monthly rent/mortgage expenses? [text box]

Average payroll of the business per month in the preceding 6 months? [text box]

What is the average monthly amount of debt service payments of the business? [text box]

Amount of money in business operating accounts as of application date? [text box]

Is the business currently 30 or more days behind on any payments due for rent, loans, credit cards, and/or other accounts payable (check all that apply)? [Rent/Mortgage, Loan(s), Credit Card(s), Accounts Payable, Taxes, Other, None]

Has the business operated at a loss in any month from October 2019 through February 2020? [Yes/No]

Does anyone in the ownership or leadership of the business have a family relationship with an employee of Montgomery County's County Government? [\[Yes/No\]](#)

If yes, please indicate the individual(s) and relationship(s). [\[text box, 2000 words\]](#)

Does the business have any contracts with the County of Montgomery, the Redevelopment Authority of Montgomery County, and/or MontcoWorks (the Workforce Development Board for Montgomery County)? [\[Yes/No\]](#)

If yes, please explain the contractual relationship. [\[text box, 2000 words\]](#)

#### Requested Grant Amount and Proposed Grant Budget

Reported gross revenue on the last signed and filed federal tax return for the business– this must match the required documentation or the application is ineligible? [\[text box\]](#)

What amount of grant funds is the business applying for and eligible for (check the appropriate box)? [\[Business eligible for - \\$9,000; Business eligible for - \\$13,500; Business eligible for - \\$17,000; Business eligible for - \\$20,000\]](#)

Was the business/organization approved for funding through the U.S. SBA's Economic Injury Disaster Loan (EIDL) program and/or the Paycheck Protection Program (PPP)? [\[Yes/No\]](#)

#### Supporting Documentation

Please upload the following –

- Most recent signed and filed business federal tax returns or 510c3 990 form in .pdf format [\[upload link\]](#)
- W-9 Form for Applicant Entity in .pdf format [\[upload link\]](#)

#### Acknowledgements

In order for your application to be considered complete, you acknowledge all of the following:

- I acknowledge that all of the information herein is accurate to the best of my knowledge as of the date of application submission. [\[Yes\]](#)
- I acknowledge that as of this date the business/organization is current with all federal, state, and local taxes owed. [\[Yes\]](#)
- I acknowledge that submission of a grant application does not constitute an award of funding. [\[Yes\]](#)
- I acknowledge that applicants and grantees for this program are responsible for following the rules, regulations, and contact stipulations of loan and grant programs regardless of the source of funds; furthermore, I acknowledge that it is the responsibility of a grantee to use and report on all funds appropriately whether sourced from County, State, or Federal government programs. [\[Yes\]](#)
- I acknowledge that all grant funds awarded that are not expended by October 31<sup>st</sup>, 2020 per the program guidelines and grant contract will need to be returned to the Redevelopment Authority of Montgomery County (as program administrator). Additionally, I acknowledge that all grant not spent in accordance with the program guidelines will need to be repaid to the Redevelopment Authority of Montgomery County. [\[Yes\]](#)
- I acknowledge the business/organization is responsible for properly reporting and paying all tax obligations to the state and federal government as a result of this grant award. [\[Yes\]](#)
- I acknowledge that if my business/organization is awarded grant funds, one or more parties having ownership in the business or leadership in the organization may be required to sign an affidavit requiring that grant funds will be used as stipulated by the program guidelines and grant contract. Furthermore, I acknowledge that any unused funds will be returned and that any use of funds that violates the grant contract may result in prosecution. [\[Yes\]](#)

#### Submission

Please type your name, as it appears on your photo identification below. This certifies that you have legal authority to submit this grant on behalf of the applicant and also you affirm that the information contained in the application is true and correct and is made subject to penalty of perjury. You also affirm that if awarded this grant, all required reporting will be completed such that it will be true and correct and will be made subject to the penalty of perjury. [\[text box\]](#)