MontcoStrong Small Business Grant Program – Round 2

Montgomery County Commerce Department

Frequently Asked Questions – May 2020

Q. What is the MontcoStrong Small Business Grant Program? What is the goal of the program?

A. This program is a Montgomery County initiative established by the Montgomery County Board of Commissioners and the Montgomery County Commerce Department in partnership with the Redevelopment Authority of Montgomery County. The goal of the program is to provide small businesses in Montgomery County, Pennsylvania with financial support as relief due to disruptions caused by the COVID-19 global pandemic.

Q. How is this program being funded? Will there be additional rounds of funding available?

A. Total available funding for Round 2 is $5,000,000. Round 2 funds include $250,000 from the Delaware Valley Regional Economic Development Fund (https://dvredf.org/) and $4.75 million from Montgomery County through the Federal CARES Act. The County is continuing to review the possibility of additional funding opportunities with the potential for additional money being made available for further rounds of applications.

Q. I applied in Round 1 and did not receive funding; must I submit a new application in Round 2?

A. Yes. The program eligibility and other parameters have changed such that all prior applicants that are eligible for Round 2 must submit a new application.

Q. How many applications are expected to be received in Round 2?

A. Approximately 1500 applications were received in Round 1 during a six and a half hour application period. With the changes being made for Round 2, we again anticipate high demand once again that will far exceed the available funding. For Round 2, the application period is from 10am on Wednesday, May 13th, 2020 until approximately 6pm on Wednesday, May 13th, 2020.

Q. What are the Round 2 eligibility criteria?

A. Round 2 eligibility criteria includes –

- Be a for-profit business with a physical location in Montgomery County, Pennsylvania that was in operation on or before March 23rd, 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 23rd, 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.

Those interested in applying should thoroughly review the Round 2 guidelines for all details and information on the program. The Round 2 guidelines are available online at https://www.montcopa.org/MontcoStrongSBGP.

Q. If I am not one of the first applications submitted in Round 2, does that mean I won't receive grant funding through this program? How long with applications be accepted for?

A. The intent of the program is not a first come, first served program. Round 2 applications will be accepted from 10am on Wednesday, May 13th, 2020 until approximately 6pm on Wednesday, May 13th, 2020. 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:

- o Complete and thorough application.
- o Well explained and demonstrable need due to COVID-19 disruptions.
- o Achieves program goal(s) based on economic impact of the applicant entity and sector.
- o 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.
- o Supports the economy of our communities and/or the entire county in the short and long term.

Q. I am having trouble accessing the online application form?

A. We are encouraging everyone to be patient in submitting their applications. Please note applications will not be formally accepted for review before 10am on Wednesday, May 13th, 2020. The online application form will not be available until the application window opens. We expect that when the program opens the system will be inundated with application submissions. You may need to clear your web browser's cache if you continue to have trouble reloading the application form. Also, please make sure you complete all required sections of the online application form and upload all the required documents; the required sections and documents are denoted by as asterisk.

Q. I have an at-home business; how does that impact my use of grant funding?

A. At-home businesses are eligible, but with the following provisions:

- Allowable use of funds for mortgage or rent must include documentation for grant reporting that indicates the percentage of the domicile used for business purposes. Example – if 10% of the domicile is used for business purposes, only 10% of the rent/mortgage can be paid with grant funds.
- Allowable use of funds for utilities is only permissible if the account is in the name of the business. If, for example, a personal cell phone is used for business purposes, that would not be an eligible use of grant funds.

Q. Is the number of employees specific to the businesses Montgomery County location or its global employment?

A. The employment total (full-time and part-time) for Round 2 is capped at thirty (30) and is specific to the number of employees in the specific location the grant is being applied for in Montgomery County, Pennsylvania.

Q. If a business has multiple locations in Montgomery County, do I need to file a specific application for each location?

A. This would depend on how the business is structured. If each location is treated as its own entity legally, then yes, you would need to file an application for each location. However, because of limited funding and in order to be equitable, we are encouraging businesses with multiple locations/entities to only submit one application for just one business/entity.

Q. I am a sole proprietor and do not have an EIN; what should I do to complete the application?

A. For the application, please provide the last four digits of your social security number. Also, sole proprietors should ensure they provide their Schedule C from their tax returns as proof of business revenue for grant eligibility.

Q. Can I use the grant funds to pay 1099 employees and/or subcontractors?

A. No; those would fall under the definition of payroll expenses, which are considered ineligible costs for Round 2.

Q. My business down not have tax returns for 2018 or 2019 because we only opened in 2020; can we apply?

A. You can; please explain this in the narrative and also please upload the most recent Profit & Loss statement and/or your Q1 2020 financials in lieu of the tax returns. Should this be your circumstances, you may only apply for a grant amount of $9,000.

Q. Does applying for this grant impact my eligibility for federal and/or state COVID-10 business funding and/or programs?

A. Our understanding, per the U.S. SBA by way of PA DCED, regarding federal programs is that the guidance is to ensure that businesses do not "double-dip" in using federal programs. This became an issue for businesses that applied for both the SBA's EIDL program and the PPP program. However, it is ultimately the responsibility of the applicant and/or grantee to assure they are following the rules, regulations, and contracting stipulations of all grant and loan programs, regardless of source. Furthermore, grantees for any program, be it from County, State, or Federal government, are properly reporting and following all rules and regulations lawfully.

Q. How were the parameters for allowable use of grant funds determined?

A. The categories for the grant fund allowable costs in Round 2 were determined in part by the lessons learned in Round 1 of the MontcoStrong Small Business Grant Program, federal programs for assistance, changing economic conditions, and the results of a regional business survey that began shortly after COVID-19 impacted southeastern Pennsylvania. Determinations were also made based upon allowable use of funding for the grant program and from best practices shared by our regional partners.

Q. How will I know if I am awarded a grant?

A. Grant awardees will be informed by the Redevelopment Authority of Montgomery County (MCRDA) via email. In order for funds to be disbursed, the grant contract must be signed and returned following all instructions.

Q. If I am awarded a grant, how soon will funds be disbursed?

A. Grant funds will be disbursed within approximately 7-10 business days upon return of a signed and executed grant contract.

Q. I expended all of my grant funds. When should I submit my final grant report?

A. Final grant reports, as detailed in the grant contract, should be submitted as soon as all funds have been expended and all required documentation is ready. Grantees are encouraged to submit their final report as soon as they are able to do so.

Q. If I am not awarded a grant, what are some other options for my business to get help due to the COVID-19 global pandemic?

A. Montgomery County maintains and regularly updates a list of business information and resources on the County's COVID-19 data hub (www.montcopa.org/COVID-19) and on the Montgomery County Commerce Department's homepage (www.montcopa.org/Commerce).