

MontcoStrong Small Business Grant Program

Round 3 Guidelines – July 2020

Purpose

To continue to provide small businesses in Montgomery County with support as relief due to disruptions caused by the COVID-19 global pandemic, the Montgomery County Board of Commissioners is making available additional resources for the MontcoStrong Small Business Grant Program. For Round 3 of the program, grants are being offered with updated parameters from the first two rounds to reflect the lessons learned, the changing economic conditions, needs, and resources as well as the availability of state and federal relief programs. Round 3 grant eligibility has been expanded to include a higher cap on employees and sectors not included in Round 2 as the County is preparing for the reinvigoration of our economy and other activities through the rest of 2020 and beyond.

For Round 3, the County is making available up to \$10,000,000. The application window for Round 3 will open at approximately 10am on Thursday, July 16th, 2020 and close at approximately Noon on Friday, July 17th, 2020.

Program Guidelines for Round 3

Eligible applicants for Round 3 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 23rd, 2020 and has experienced disruption due to the COVID-19 global pandemic meeting the following criteria –
 - o Has reported gross revenues not greater than \$15,000,000 on its last signed and filed federal tax return.
 - o Employed and paying no more than 50 full and part-time employees as of July 1st, 2020.

Additional eligibility criteria and information:

- Businesses that received a Round 1 or Round 2 MontcoStrong Small Business Grant may not apply in Round 3.
- Applicants from Round 1 and/or Round 2 that did not receive funding must apply again for consideration in Round 3; applications from prior rounds do not automatically carry over.
- Subcontractors and/or 1099 employees should not be included in the employee count.
- Eligible applicants may not be a publicly traded company.
- Non-profit organizations may not apply. 501(c)(3) organizations are not eligible for this program due to the scope of the federal CARES Act as it relates to providing small business assistance. Also, per the CARES Act, as other 501(c) organizations are involved in lobbying activities and/or are supported primarily by member dues, rather than by sales of products or services, they are not eligible for funding through this program because the funding is sourced from the federal government.

Grant Awards and Eligible Costs

For Round 3, grant awards are as follows for eligible applicants:

- 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.
- Eligible applicants with more than \$10,000,000 in gross revenue and not more than \$15,000,000 in gross revenue as reported on their most recently signed and filed federal taxes may apply for \$22,500.
- Eligible applicants not operational prior to January 1st, 2020 and/or those who began operation after January 1st, 2019 and who have yet to sign and file a 2019 federal tax returns may apply for \$9,000 (see additional instructions in the “Application Process” section).

For Round 3, eligible grant costs are as follows:

- Accounts payable, including utilities, vendors, suppliers, and working capital expenses paid or to be paid between June 1st, 2020 through October 31st, 2020.
- Rent/mortgage payments paid or to be paid between June 1st, 2020 through October 31st, 2020.
- Debt service payments on loans, equipment leases, and credit cards (may not exceed more than 25% of total grant award) paid or to be paid between June 1st, 2020 through October 31st, 2020.
- Grant recipients are encouraged to use grant funds to purchase personal protective equipment (PPE) and other items that will help them in addressing their needs to operate safely and responsibly due to the COVID-19 global pandemic.

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; this includes payments to 1099 employees and/or those identified as subcontractors.
- The payment of any local, school district, state, and/or federal tax obligations.
- To finance a business, project, activity, and/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>. The online application will not be available prior to **10am on Thursday, July 16th, 2020**; applications may not be submitted online prior to the specified date and time. Applications will be accepted until approximately **Noon on Friday, July 17th, 2020**. This is not a first come, first served program.

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

- Physical location, address, and business contact information.
- Mailing address of the business.
- Brief narrative describing the disruption the COVID-19 global pandemic has caused for the business.
- Brief narrative describing how the business intends to utilize the grant if awarded funding.
- Brief description of business operations (including type of business, number of employees being paid as of July 1st, 2020, 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. Must be either from 2018 or 2019 tax years and must be uploaded as a .pdf document. Businesses that have not been in operation long enough to have a tax return may upload their most recent quarterly financials; however, they will not be allowed to apply for more than \$9,000 in grant funds. All other applicants must provide their most recently signed and filed federal tax return to as proof of business revenue (in full – quarterly filings are not allowed). An e-file version is permissible.
 - o If you provide documents that require a password, please include the password in the business description narrative.

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 the Appendix of the Round 3 Guidelines in the general application format. The actual online application may vary from the listing in Appendix based upon the finalized version of the online application form when the application window opens.

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 that are continuing to pay employees, retail, food service & hospitality, personal health & 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.

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 grant contract and it being returned to the Redevelopment Authority of Montgomery County, efforts will be made to disburse funds within approximately 10-15 business days. Grant administration, grant contracting, and fund disbursement will be done by the Redevelopment Authority of Montgomery County. Feedback on applications not awarded funding will not be provided.

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. Grant reporting for Round 3 is due no later than **November 30th, 2020**.

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 and Round 2 Grant 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.
- 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 3

Please note – the required online application will be available at <https://www.montcopa.org/MontcoStrongSBGP> when the application window opens.

Applicant Information

Business Name: [text box]

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

Municipality: [Drop down of 62 municipalities]

Mailing Address for Business (street, post office, zip code): [text(es)]

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 1 years as of the application date? [Yes/No]

Did you apply in Round 1 and/or Round 2 of the MontcoStrong Small Business Grant Program? [Yes/No]

Business Operations

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

[NAICS code look-up](#)

Basic Description of the Business (500 words max): [text box]

Describe the disruption the COVID-19 global pandemic has caused for the business (500 words max)? [text box]

Describe how you will use the grant funds within the scope of the allowed costs in the program guidelines (500 words max)? [text box]

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

[Minority and/or Women Owned Enterprise; Veteran Owned Enterprise; N/A]

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

[Sole Proprietorship; Home Based-Business; N/A]

Number of employees (both full-time and part-time) being paid as of July 1st, 2020: [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 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% of more of the business declared bankruptcy in the past 36 months? [Yes/No]

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

Payroll amount of the business in in February 2020? [\[text box\]](#)

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\]](#)

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). [\[text box, 500 words\]](#)

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. [\[text box, 500 words\]](#)

Eligibility for Grant Award Amount

Please indicate the 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 (Enter \$1 if no 2018 and 2019 taxes have been filed). [\[text box\]](#)

What amount of grant funds is the business applying for and eligible for (check the appropriate box)? [\[Business eligible for - \\$9,000; Business eligible for - \\$13,500; Business eligible for - \\$17,000; Business eligible for - \\$20,000; Business eligible for - \\$22,500\]](#)

Was the business/organization approved for funding through the U.S. SBA's Economic Injury Disaster Loan (EIDL) program, the Paycheck Protection Program (PPP), and/or any other state or federal funding related to COVID-19? [\[Yes/No\]](#)

Supporting Documentation

Please upload the following –

- Federal Tax documentation to justify the amount of grant funds requested per program guidelines 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 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 and that feedback will not be provided to applicants not receiving a grant award. [\[Yes\]](#)
- I acknowledge that applicants and grantees for this program are responsible for following the rules, regulations, and contract 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 local, County, State, and/or Federal government programs. [\[Yes\]](#)
- I acknowledge that all grant funds awarded that are not expended by October 31st, 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 funds not spent in accordance with the program guidelines and/or grant contract 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 legal action including 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]