

MontcoStrong Small Business Grant Program – Round 3

Montgomery County Commerce Department

Frequently Asked Questions – July 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 3 is \$10,000,000. Round 3 funds include \$10 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 or through additional grant programs.

Q. I have applied previously for a MontcoStrong Small Business Grant and was not awarded in Round 1 and Round 2; must I submit a new application in Round 3?

A. Yes. The program eligibility and other parameters have changed such that all prior applicants that are eligible for Round 3 must submit a new application. Applications from prior rounds do not automatically carry over.

Q. How many applications are expected to be received in Round 3?

A. Approximately 1500 applications were received in Round 1 and 2900 applications were received in Round 2. With the changes being made for Round 3, we again anticipate high demand once again that will far exceed the available funding. For Round 3, the application period is from 10am on Thursday, July 16th, 2020 until approximately Noon on Friday, July 17th, 2020. **The online application form will not be available prior to the opening of the application window on July 16th, 2020.** An overview of what to prepare for in the online application is in the Appendix of the program guidelines. The program guidelines are available online at <https://www.montcopa.org/MontcoStrongSBGP>.

Q. What are the Round 3 eligibility criteria?

A. 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 June 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 requirements of the federal CARES Act at this time. 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.

Those interested in applying should thoroughly review the Round 3 guidelines for all details and information on the program. The Round 3 guidelines are available online at <https://www.montcopa.org/MontcoStrongSBGP>.

Q. If I am not one of the first applications submitted in Round 3, does that mean I won't receive grant funding through this program? How long will applications be accepted for?

A. The intent and design of the program is not a first come, first served program. Round 3 applications will be accepted from 10am on Thursday, July 16th, 2020 until approximately Noon on Friday, July 17th, 2020. Particular consideration will be given to businesses that are continuing to pay employees, retail, food service & hospitality, personal health & wellness services, manufacturers, minority and/or 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.

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 Thursday, July 16th, 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.

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 3 is capped at fifty (50) and is specific to the number of employees in the specific location the grant is being applied for in Montgomery County, Pennsylvania as of July 1st, 2020.

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.

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. It may also impact awards for the Commonwealth of Pennsylvania's COVID-19 Relief PA Statewide Small Business Assistance program being administered by the CDFI Network (www.pabusinessgrants.com).

It is ultimately the responsibility of the applicant and/or grantee to take every step to ensure they are following the rules, regulations, and contracting stipulations of all grant and loan programs, regardless of source of funds. Furthermore, grantees for any program, be it from County, State, and/or Federal government, must ensure they are properly reporting and following all rules and regulations lawfully. Unlawful use of funds or untruthful reporting may result in prosecution, fines, and further sanctions.

Q. What am I allowed to use grant funds for? What can I not use grant funds for?

A. 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 funds can be used for payments being made during the grant period. For example, you received a bill on May 30th for rent, but you wrote the check on June 3rd – this would be an allowable grant cost because you paid it during the grant period per the guidelines and your grant contract.

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.

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

A. The categories for the grant fund allowable costs in Round 3 were determined in part by the lessons learned in Round 1 and Round 2 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 10-15 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. Staff from the Montgomery County Commerce Department and/or the Redevelopment Authority of Montgomery County will periodically check-in with grantees regarding the status of their grant fund usage and also to remind them to submit their final grant reports.

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).