

## **MontcoStrong 2021 Pennsylvania Hospitality Industry Recovery Program**

### Montgomery County Commerce Department

#### Frequently Asked Questions

Q. What is the MontcoStrong 2021 Pennsylvania Hospitality Industry Recovery Program?

A. This is a Commonwealth of Pennsylvania funded program as a result of Act 1 of 2021 (previously known as Senate Bill 109 and signed into law on February 5<sup>th</sup>, 2021). Each county in Pennsylvania is being awarded a block grant (the amount of which is based on population) to provide financial relief to eligible businesses whose primary business activity is in NAICS subsectors 721 (Accommodations) or 722 (Food Service and Drinking Places). The Redevelopment Authority of Montgomery County will administer this program as the Certified Economic Development Organization (CEDO) component of the Montgomery County Commerce Department.

Q. How is this program being funded?

A. Total available funding will be approximately \$9.4 million dollars (less allowable administrative costs for the Redevelopment Authority of Montgomery County per Act 1 of 2021).

Q. How is this program different from prior MontcoStrong programs?

A. This program is different in several ways. First, it is funded by the Commonwealth of Pennsylvania. Previously MontcoStrong programs were funded through federal, county, and/or third party funding. Second, much of the program's structure, eligibility requirements, and processes are derived directly from the language in the program's authorizing legislative (Senate Bill 109, signed into law as Act 1 of 2021). The most substantial difference from prior MontcoStrong programs is that applicants will need to submit expense documentation at the time of application for past expenses, rather than receiving a grant and reporting on grant expenditures after a prescribed period of time. Applicants will also need to provide documentation that proves financial loss due to COVID-19 as required in the legislation and explained in the program guidelines. This means that eligible applicants will need to be even more thorough in preparing an application and following all of the application instructions.

Q. What is as NAICS Code?

A. NAICS stands for North American Industry Classification System. It is an international method of classifying businesses for data gathering and other activities. You can learn more about NAICS at [www.census.gov/naics](http://www.census.gov/naics).

Q. Why is the program eligibility limited to NAICS subsectors 721 and 722?

A. The program eligibility based on the NAICS subsectors was determined by the state legislation that authorized the program. Descriptions of subsectors 721 and 722 can be found in Appendix B of the program guidelines.

Q. In 2020, I received a MontcoStrong Small Business Program Grant. May I apply for this grant program?

A. Yes, as long as the business meets all of the program eligibility criteria.

Q. My business just received a MontcoStrong 2021 Restaurant Program Grant. May I apply for this grant program?

A. Yes, as long as the business meets all of the program eligibility criteria. However, businesses that received a MontcoStrong 2021 Restaurant Program Grant may only apply for up to \$40,000.

Q. How many applications are expected to be received? How many applications are expected to be funded?

A. We anticipate high demand for the program. For example, we received more than 850 applications for the recent MontcoStrong 2021 Restaurant Grant Program. While we cannot be certain of the final amount of applications to be funded, at a minimum we anticipate approximately 180 applications will be funded (this would assume that all funded applications received \$50,000 grants with approximately \$9.4 million in program funding available less the allowed administrative costs for the Redevelopment Authority of Montgomery County).

Q. Must I apply for the maximum grant amount of \$50,000?

A. No. Eligible applicants can only apply for an amount that they can provide appropriate documentation for per the program guidelines. Additionally, awardees must certify that grant funds are not being used for any eligible operating expenses that are impermissible per Act 1 of 2021 as described below in addition to the other prohibitions detailed in the program guidelines and program grant agreement:

- Eligible operating expenses for which an eligible applicant receives or received payment, reimbursement, and/or loan forgiveness from the following sources:
  - o Any MontcoStrong Grants received in 2020 or 2021.
  - o Any PA Small Business Grant Program of 2020 administered by the CDFI Network.
  - o Any US SBA EIDL and PPP funds.
  - o Any of public sector funding due to COVID-19 from any sources public or private between March 1<sup>st</sup>, 2020 through the date of application for this program as described in Act 1 of 2021.

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

A. The intent and design of the program is not a first come, first served/funded program. The application window for this program will open at approximately **Noon on Friday, March 12<sup>th</sup>**, 2021 and close when all grant funds are awarded. Completed applications will be reviewed and considerations for grant awards will be based on satisfaction of eligibility criteria and demonstration of both financial impact as well as a thorough and thoughtfully completed application. Particular consideration will be given to businesses that are minority and/or women owned enterprises, and veteran-owned enterprises and to the other factors detailed in Act 1 of 2021. 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 Evidence in the application that the applicant has read and understands the program guidelines.
- o Achieves program goal(s) based on economic impact of the applicant entity and sector.
- o Supports the economy of our communities and/or the entire county in the short and long term.

Please note, Feedback on applications will not be provided regardless of award status.

Q. What are the eligibility criteria?

A. The full eligibility criteria is described in the Program Guidelines. We strongly encourage any interested applicant to review the entirety of the Program Guidelines thoroughly before applying so they are well-prepared to apply if they meet all the eligibility criteria.

Q. What is the best form of documentation to submit as proof of revenue reduction?

A. The legislation requires that an eligible business be able to demonstrate a minimum of a 25% loss of revenue from 2019 to 2020. The best form of documentation to prove this would be 2019 and 2020 tax returns. However, because most eligible businesses will not have their 2020 tax returns ready by the time the application window opens, Profit and Loss statements showing the comparative loss between 2019 and 2020 are the next best thing (particularly for those businesses that were in operation for all of 2019 and 2020). The Program Guidelines provide additional information on the documentation required for proof of revenue loss.

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

A. We are encouraging everyone to be patient in submitting their applications. Submitting a complete, thorough, and thoughtful application is more important than submitting the first application. Please note applications will not be formally accepted for review before Noon on Friday, March 12<sup>th</sup>, 2021. **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 program is not first come, first served.

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

A. An eligible applicant can submit one application for one business location in Montgomery County with no exceptions. The Program Guidelines explain this in greater detail.

Q. Are franchise locations eligible?

A. While Act 1 of 2021 states that publically traded entities are not eligible, we are not interpreting this to include franchise locations owned and operated by local entities so long as they are not publically traded entities themselves.

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

A. The Program Guidelines provide details on the eligible use of grant funds and the eligible expense period. The eligible use of funds and the eligible expense period are defined in Act 1 of 2021.

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. How long will the review process take for applications?

A. This will depend on several factors including (but not limited to) the quality and quantity of applications received. We do not anticipate announcing awards for this program for at least 2-3 weeks after the program application window opens. Awards will be announced on a rolling basis until such time as all grant program funds are allocated. Unlike prior MontcoStrong programs we expect to announce smaller batches of awardees over a longer period of time until all grant funds are allocated rather than announcing 100 or more grant awardees at a time. Please remember that feedback on applications and/or updates on the review of an application will not be provided.

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

A. Applicants awarded grant funding will be contacted via email by the Redevelopment Authority of Montgomery County and required to sign a grant contract and documentation provided as part of the award and disbursement process. The grant contract must be signed within 15 calendar days upon recipient by the grant awardee of the grant award is forfeited. 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.

Q. What if I have a question that isn't answered in the Program Guidelines or the FAQ?

A. All questions about the program must be submitted in writing through the Commerce Department's Assistance Request Form. The link to the form can be found on the Commerce Department's homepage, [www.montcopa.org/Commerce](http://www.montcopa.org/Commerce).

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](http://www.montcopa.org/COVID-19)) and on the Montgomery County Commerce Department's homepage ([www.montcopa.org/Commerce](http://www.montcopa.org/Commerce)).