



PANDEMIC RECOVERY FUND

SMALL BUSINESS GRANT PROGRAM

FOCUSED ON MINORITY, WOMEN, AND VETERAN-OWNED BUSINESSES

Grant Program Overview

A total of \$2,650,000 is available for the Small Business Grant Program Focused on Minority, Women, and Veteran-Owned Businesses. These funds were allocated out of the County's Pandemic Recovery Fund-ARPA SLFRF.

The intention of the program is to support businesses that have been impacted by the pandemic and related economic impacts, such as required business closures, health and safety improvements, hiring/retention issues, supply chain issues, and inflation. The grant program is intended to ensure that businesses with less historic access to capital are supported, such as businesses owned by socially and economically disadvantaged groups, and therefore the Recovery Office has a goal of allocating 60% of available funds to these groups.

The grant program will provide cash grants to qualifying businesses in Montgomery County which are either (a) located in a qualifying community of Pottstown or Norristown, or (b) can show a financial loss due to the COVID-19 pandemic.

Basic eligibility:

- Businesses must have fewer than 50 full and part-time employees and under \$500,000 in annual **gross** revenue, and otherwise qualify as a small business under the Small Business Act (which includes, among other requirements, that the business is independently owned and operated and is not dominant in its field of operation)
- Businesses must have filed at least one tax return and be in operation as of October 1, 2022. New businesses are not eligible.
- Businesses must have a physical location in Montgomery County and be registered to operate in the state of Pennsylvania.

There are three grant program options available:

(1) Streamlined Grant Program for Norristown/ Pottstown Businesses

- Businesses with a physical location in [qualifying census tracts](#) (most of Norristown and Pottstown) are eligible for grant funds up to \$10,000 through a streamlined process.
 - Businesses do not need to provide documentation of financial impact due to the pandemic but must meet the basic eligibility.
 - To qualify, businesses must submit their most recently filed tax return and still be in operation as of 11/1/22.
 - If the business's most recently reported net revenue is lower than \$10,000, their grant award will be equal to their reported net revenue.

(2) Impacted Businesses (any location within Montgomery County)

- All qualifying businesses located in Montgomery County are eligible for grant funds up to \$20,000 so long as they can demonstrate a financial impact to their business as a result of the COVID-19 pandemic, which could include:
 - Decreased revenue or gross receipts

- Financial insecurity
- Increased costs
- Capacity to weather financial hardship
- Challenges covering payroll, rent or mortgage, and other operating costs
- Businesses must be able to show a net revenue loss for the fiscal year 2020 OR fiscal year 2021, compared to the fiscal year 2019. If this documentation is not available, other submitted documentation must show a net revenue loss to the business directly as a result of the pandemic or related economic impacts.
- This grant is available to any business that meets the small business eligibility defined for this program, in any location in the County. **Businesses in Norristown and Pottstown are eligible to apply for this grant program** instead of the “streamlined” program if they can demonstrate losses greater than \$10,000.
- If the business’s financial losses are greater than or equal to \$20,000, grant awards will be \$20,000. Otherwise, grant awards will be for the amount of the reported financial loss.

(3) Restaurant Revitalization Fund Rescinded Applications

- The Recovery Office is aware that some restaurants were awarded funds under the 2021 ARPA-funded Small Business Association- Restaurant Revitalization Fund (SBA RRF) whose loans were later rescinded as a result of litigation against the SBA.
- The Recovery Office may be able to make awards available to restaurants located in Montgomery County in this situation given that funds were originally awarded from ARPA and because approved loans were later rescinded through no fault of the business owner. If a restaurant owner believes this situation applies to them (that is, they have proof of their approved and rescinded loan from the 2021 ARPA SBA RRF) please contact the Recovery Office by November 30, 2022.

Focus on Minority, Women, and Veteran- Owned Businesses

- Businesses owned by socially and economically disadvantaged groups are especially encouraged to apply due to the disproportionate impacts on these businesses, where pre-existing disparities like lack of access to capital compounded the pandemic’s effects.
- Socially and economically disadvantaged groups may include:
 - Minorities
 - Women
 - Veterans
 - Persons identifying as LGBTQIA+
 - Immigrants
 - Persons with limited English proficiency
 - Persons with disabilities
- Business owners that do not fall into one of these categories **are not prohibited from applying or receiving funds.**

Allowable Uses for Grant Funds

Up to \$20,000 in cash grant funds are available per business. Grants will be made in a one-time lump sum payment.

- Grant amounts will be determined based on the business's demonstrated financial impacts and/or annual operating revenue.
- Grant funds may be used for:
 - Payroll and benefits, costs to retain employees, and mortgage, rent, utility, and other operating costs
 - Technical assistance, counseling, or other services to support business planning

- Businesses in qualifying census tracts in Norristown and Pottstown may also use funds for rehabilitation of commercial properties, storefront improvements, and façade improvements

Examples:

- A small business in Norristown opened in February 2021. On their 2021 tax return, the business reported \$15,000 in net revenue. They apply to the “streamlined” grant program by submitting that tax return and receive a \$10,000 grant.
- A small shop in Pottstown was earning \$150,000 in annual revenue prior to the pandemic. Due to loss of foot traffic, the shop is now earning about \$80,000 annually and showing losses of about \$70,000. They submit tax returns to demonstrate these losses and receive a \$20,000 grant through the ‘Impacted Businesses’ program.
- A small business in Lansdale was earning a net income of \$50,000 annually prior to the pandemic. Due to increased supply costs, they are now spending more for their products and their net revenue is \$35,000. They apply to the “Impacted Businesses” grant program showing the financial impact of \$15,000 and receive a grant for that amount.

Documents Needed

- **All applications will need to provide:**
 - Proof of the business entity, ownership, physical location, number of employees, and gross revenue on most recently filed tax return
 - For many businesses, the most recently filed tax return plus payroll documentation will be sufficient documentation for this program
- **Impacted Business applicants will also need to provide:**
 - Prior year tax returns or other documentation showing a financial impact to the business. FY 2019 and FY 2020 tax returns are recommended, but other documents showing a financial loss will be accepted.

Application Process and Deadlines

Applicants will apply online via the County's online submission form. If language assistance or other accommodations are needed, application assistance is available in English and Spanish by contacting:

PA Health Access Network:

Call/Text: (610) 750-8200

Email: montcota@pahealthaccess.org

Online Help Form: www.pahealthaccess.org/montcota

The application portal will open on November 14, 2022. The application portal will remain open through April 2023. The Recovery Office will review applications submitted once per month, and award up to \$500,000 in funds monthly (see below for schedule).

The Recovery Office will review applications on the fifteenth of each month (or the following business day, if the fifteenth is on a weekend), starting December 15, 2022.

Application review includes:

- Eligibility of applicant and business for the grant program
- Verification of the business against the PA business registry database
- Amount the business would be eligible for, per the program guidelines and the submitted documents

- Alignment with focus on priority businesses, which includes location in a qualifying census tract, ownership by socially or economically disadvantaged owner, length of time in business, size of business

Each month, the Recovery Office will set of goal of allocating 60% of funds specifically to businesses that are owned by a person who qualifies as a socially or economically disadvantaged owner, and otherwise prioritize businesses that are located in qualifying census tracts, were in operation before March 2020, and/or that are very small (under 10 employees). If a business is awarded funds, they will be informed directly via email, including instructions on how payment will be made.

If an application is not awarded funds in the first month it is submitted, the application will automatically be rolled over into the following month's review and be eligible to receive funds the following month, and so forth until all of the funds have been expended. **Applicants should not apply more than once.**

Funding allocation schedule:

- December: up to \$500,000
- January: up to \$500,000
- February: up to \$500,000
- March: up to \$500,000
- April: up to \$500,000
- May: \$150,000 or remainder of funds

All decisions made by the Recovery Office are final. The Recovery Office will not be providing feedback on specific applications submitted through the grant program.

Pandemic Recovery Fund Applicants

- The Recovery Office will be outreaching directly to businesses who submitted an application to the Pandemic Recovery Fund that might be eligible for this program to confirm that they would like to be considered for funding. Recovery Office staff will help streamline the application process as much as possible for these applicants.
- If a business submitted an application to the Pandemic Recovery Fund and wants to check on their eligibility, they can email RecoveryOffice@montcopa.org.