



COVID-19 SMALL BUSINESS GRANTS

COVID-19 SMALL BUSINESS GRANT PROGRAM GUIDELINES

The program is funded through a grant to the City of Abilene from the U.S. Department of Housing and Urban Development, Coronavirus Aid, Relief, Economic Security Act (CARES Act). In response to the economic hardships experienced by small businesses resulting from the COVID-19 pandemic, the Community Foundation of Abilene will administer funds to retain jobs and stabilize local businesses. Grant funds may be used for overhead expenses, rent, utilities, and necessary equipment to continue business operations, among others.

Businesses are not expected to pay back grants unless they fall out of compliance. The program will use CDBG-CV funds to provide grants to eligible businesses demonstrating a loss of revenue as a result of the COVID-19 pandemic. Businesses with fifty (50) employees or less, **with a low- to moderate-income (LMI) owner or employees** could be eligible. Grant awards ranging from \$2,500 up to \$50,000 are available, dependent on business factors including annual revenue, number of employees, and revenue decline due to COVID-19.

ELIGIBILITY REQUIREMENTS

Business Assistance Grant funds are open to businesses who meet the following criteria:

- Owner/applicant is a qualified low- to moderate-income (LMI)* household OR business commits to retain at least one Full-Time Equivalent (FTE)** job held by a low- to moderate-income household (*HUD Household Income Limits-Page 2; **Job Retention-Page 3).
- Must be located within Abilene city limits.
- Physical business location must be outside the home, with a Certificate of Occupancy on file with the City of Abilene. Home-based businesses are not eligible.
- Annual gross revenue must be under \$750,000 (refer to “gross receipts or sales” from 2020 business tax return or Profit & Loss Statement).
- For-profit businesses, including sole proprietorships, corporations, limited liability partnerships and other similar business entities who had fifty (50) employees or less at the time of City of Abilene COVID-19 emergency declaration on March 16, 2020.
- Must have been in operation for at least one year prior to March 16, 2020.
- Be able to demonstrate a loss of revenue due to the COVID-19 pandemic.
- Must be registered to do business in the State of Texas.
- Owner(s) must have no conflicts of interest with the City of Abilene or Abilene City Council.
- City of Abilene elected officials and their immediate family members, as well as City of Abilene staff, are not eligible for assistance.
- Businesses that contract with the City of Abilene are not eligible.
- Owner must be 18 years or older.
- Owner must have a valid SS#, EIN, DUNS, and Business Bank Account.
- Owner/Applicant must not currently be in bankruptcy nor have filed for bankruptcy in the last twelve (12) months.
- Owner/Applicant must be current with property taxes, State and City sales tax and all City fees.

HUD HOUSEHOLD INCOME LIMITS

These maximum income numbers must be demonstrated for the retention of jobs held by low- to moderate-income (LMI) persons. These limits are effective as of June 1, 2021.

Income is based on annual Adjusted Gross Income (AGI) **total** for all family members over age 15 in the household who have an income source. Reference personal tax returns for this information.

| Household Size | Maximum Income |
|-----------------------|-----------------------|
| 1 | \$35,500 |
| 2 | \$40,600 |
| 3 | \$45,650 |
| 4 | \$50,700 |
| 5 | \$54,800 |
| 6 | \$58,850 |
| 7 | \$62,900 |
| 8 | \$66,950 |

INELIGIBLE BUSINESSES:

- Nonprofit organizations are not eligible businesses under CDBG regulations and will not be considered for funding.
- Home-based businesses are not eligible. You must have a physical business location (office, storefront, etc...) outside the home, with a Certificate of Occupancy on file with the City of Abilene.
- Other ineligible businesses include payday and title loan businesses, franchises not locally owned, national/regional chain businesses not locally owned, financial/lending institutions, or businesses operating without appropriate zoning and/or permits.
- Sexually oriented businesses, liquor, tobacco, pawn shops, firearm or weapons dealers, gambling or any establishments operating without appropriate permits are not eligible for assistance.

ELIGIBLE EXPENSES:

Funds can be used for one or all of the following expenditure examples. Businesses who receive grant funding will be required to document how the funds are used and submit documentation to the Community Foundation of Abilene as the funds are utilized, within six months from date of award. Expense reporting will be required at three months and six months post-award. Businesses that are selected to receive relief aid, may only use the funds for program eligible expenses, including:

Fixed Assets:

- Equipment / Machinery (must be directly related to COVID-19)
- Personal Protective Equipment (PPE)
- Technology (ex. Online order and payment systems)
- Contactless payment devices
- Business software (QuickBooks, etc.)

ELIGIBLE EXPENSES (continued):

Services:

- Working Capital
- Payroll Expenses, Contract Labor
- Health care benefits
- Supplier payments
- Rent, lease, or mortgage payments for real property used for business purposes (ex. A storefront or warehouse. Does not include personal residence.)
- Rent, lease, or purchase payment for business property (ex. Delivery vehicle, food truck, kitchen equipment, technology payment, and communications systems/equipment)
*Funds for rental assistance are subject to a Visual Lead Inspection of the property.

Marketing:

- Website design
- Website improvements and redesign
- Cost of digital marketing

INELIGIBLE EXPENSES:

Funds under this program may not be used to:

- Reimburse expenses incurred prior to March 16, 2020
- Pay off non-business debt, such as personal credit cards for purchases not associated with the business or pay other expenses not associated with the business
- Pay off taxes and fines
- Personal property or home office expenses
- Construction/physical alteration of building
- Purchase equipment, including IT systems
- Finance prohibited or political activities as defined at 24 CFR 570.207(a)(3)

JOB RETENTION:

Businesses that participate in this program are required to retain at least one Full-Time Equivalent (FTE) job held by an individual(s) that is a member of a low- to moderate-income household for a period of three months from the date of acceptance into the program. Job retention is defined as total FTE positions retained at 40 hours per week, or any combination of part-time positions combining for 40 hours per week, including owners. If the position is expected to turn over within three months, the business must take reasonable steps to make the position available to low- to moderate-income persons.

(Exception):

A business with five or less employees whose owner is themselves low- to moderate-income, is considered a microenterprise. Microenterprises are not subject to the above job retention requirement previously described.

DUPLICATION OF BENEFITS

Businesses may still be eligible to receive grant funds if they have received federally-subsidized disaster assistance funding. Grant applicants must disclose any funds applied for and/or received from these sources or other federal assistance programs. Grant funds cannot be used to cover expenses already covered by other disaster assistance funding.

Federally-subsidized disaster assistance includes, but is not limited to:

- Economic Injury Disaster (EID) Loans
- Paycheck Protection Program (PPP) loans
- Federal Emergency Management Agency (FEMA)

If a duplication of benefits is determined to have occurred after grant funds have been disbursed, the amount of funds determined to be duplicative must be repaid by November 30, 2021.

REQUIRED DOCUMENTS

The grant application will require verification of pertinent information. The Community Foundation of Abilene is available to assist any eligible Abilene business in completing the application and recommends contacting the [Abilene Small Business Development Center \(SBDC\)](#) at 325-670-0300 for assistance producing the required supporting documentation.

Business owners must provide the following:

- Completed Application
- Identification – Valid Government issued ID (Driver’s License or Passport)
- Data Universal Number System (DUNS) Business Identifier Number:
Obtaining a DUNS Number is free.
Apply online at <https://www.dnb.com/duns-number/get-a-duns.html>

Supporting Documentation- Applicant will be required to substantiate information provided in the application. Documents could include:

- Financial Statements - Business operating bank statements from 2020
- Income – 2019 Business tax return, 2020 Business tax return if available
- Business Owner(s) – Proof of business ownership
- Payroll – Monthly/Weekly payroll documentation
- COVID 19 Impacts – Documents verifying how COVID-19 negatively impacted the business (ex. Profit and Loss statement for the year ended 2020, notice(s) received to close)

APPLICATION PROCESSING

The application and supporting documentation will be reviewed by the Community Foundation of Abilene staff for eligibility. Community Foundation of Abilene will review the contents of the application and methods of documentation of income, assets, and expenses for all applicants. Community Foundation of Abilene will approve or deny the assistance and the applicant will be notified of the decision.