



## Cumberland County COVID-19 Small Business Assistance Program



### PURPOSE:

Cumberland County has appropriated a portion of its Federal Community Development Block Grant CARES Funds (CDBG-CV) for the COVID-19 Small Business Assistance Program. The program is being established to provide working capital funds to eligible small businesses that have been severely impacted by the COVID-19 pandemic.

This funding is available to small businesses outside the urban centers and CDBG entitlement cities of Vineland, Millville, and Bridgeton. For purposes of the program description, “county businesses” will exclude establishments in these three municipalities.

### ELIGIBLE BORROWERS

- Cumberland County retail, restaurants, entertainment, and professional and nonprofessional service businesses with no more than **10 employees**, including full and part-time,
- Must have been in operation as of **December 31, 2019**.
- The business **must have one employee**, which can be the business owner, who will be retained and meets the low/moderate income requirement through review of family size and family income OR by living in a low/mod area, OR by the business being located within a low/mod area
- Any businesses deemed eligible for federal assistance by the US Department of Housing and Urban Development.
- Any business that can certify that they will remain open or reopen if grant funds are approved and received.

### ELIGIBLE USE OF FUNDS

The funds may be used for general operating expenses, including but not limited to: *payroll, mortgage/rent, internet connection, insurance, loan repayments, inventory or supplies for a **120-day period**, costs related to compliance with social distancing protocol and personal protection equipment are eligible for funding. Applicants must provide documentation of eligible expenses*

Specifically excluded from eligible expenses are public utility payments and real estate taxes (unless they are in escrow and included in regular mortgage payments).

### INELIGIBLE USE OF FUNDS

In addition to CDBG-ineligible costs outlined in 24 CFR 570, funds under this Program **may not** be used to:

- Reimburse expenses incurred prior to Applicant approval of grant.

- Pay off non-business debt, such as personal credit cards for purchases not associated with the business.
- Reimburse personal expenses.
- Direct financing to political activities or paying off federal or state income taxes and related fines.
- Purchase personal items, or support other businesses in which the borrower may have an interest.

## **GRANT AMOUNT**

**Maximum grant award: \$10,000**

**Minimum grant award: \$1,000**

## **GRANT REQUIREMENTS**

- The grant funds may be used to pay eligible expenses over a 120-day period.
- Applicant must provide list of expenses to be paid with grant application and required backup documentation.
- All grants must meet the CDBG National Objective of Low/Mod Income for the benefitting business. The business must document that it will retain at least one permanent job held by a low- and moderate-income person and that the jobs would be lost without the CDBG-CV assistance. The business must document the income of the low- and moderate-income person through a written self-certification by the employee and his/her family size and total income or the business can presume that the job is held by a low-moderate income person if 1) the employee resides in a qualified low-income area or 2) the business is located in a qualified low-income area. Applicant must provide list of employees and their salaries.
- The Dept. of Housing and Urban Development prohibits the Duplication of Benefits. This occurs when funding is provided for the same costs paid by other sources. Applicant must provide a list of any and all COVID-related funding received from any source after March 16, 2020.
- Applicant must certify that business will remain open or reopen if grant funds are received. If the applicant does not remain open or reopen, the grant funds must be returned.
- Applicant will be required to complete a grant application and sign a grant agreement.
- Applicant will be required to submit proof of expenditure of funds in accordance with application
- Funds are available to all eligible applicants meeting program requirements until all funds are distributed.
- The County reserves the right to reject applications that do not meet the criteria of the program.

## **APPLICATION REVIEW AND EVALUATION PROCESS**

The screening and review process for the program is designed to ensure that limited CDBG program funds are awarded to businesses that demonstrate the need for financial assistance and can retain or create jobs. Applications that are evaluated and determined to be eligible will be granted on a first-come first-serve basis until funding runs out.

The criteria noted below will be used to evaluate all applications requesting funding under the Cumberland County COVID-19 Small Business Assistance program, as well as determine the appropriate level of financial assistance:

- Project Need – Project need is defined as the inability of the business to maintain sufficient permanent funding to sustain normal operating working capital needs. Describe in sufficient detail the need for the assistance and the specific role of CDBG-CV funding, including any other options which have been pursued.
- Financial Feasibility – Determination must be made as to how CDBG-CV funds can address the business's need to provide adequate working capital in addressing current and future working capital needs, like payroll, operating needs and short-term liabilities.
- Commitments for Job Retention - Benefiting businesses must demonstrate they have solid commitments to remain open (for one year) OR reopen and retain or re-employ permanent jobs prior to the grant end date (one year from grant award).
- Job Retention/Creation- Unless a business applicant's owner is a member of a low-/moderate-income household and the business qualifies as a HUD-defined microenterprise, then retention or creation of at least one job held by a low- / moderate-income household is required to access funds in this program. Job retention is defined as total full- time equivalent positions retained at 40 hours per week, or any combination of part-time positions combining for 40 hours per week, including owners.

## **PROGRAM ADMINISTRATION**

The County, through its designee- the Cumberland County Improvement Authority will:

- Market the Program and promote enrollment dates
- Accept and process applications
- Verify information provided by applicants and conduct due diligence review
- Review income eligibility information and documentation of number of employees;
- Review and underwrite applications
- Ensure timely disbursement of funds
- Maintain agreement documents and fiscal records

- Administer grants, and locally sourced funds used for this program
- Ensure compliance with program guidelines as they relate to the funding source

### **GRANT CLOSING PROCESS**

Upon successful completion of application process, Cumberland County staff will prepare for the grant closing by preparing the grant closing documents. Based on approved evidence of eligible business expenses submitted with the application, the County will initiate the payment process. CDBG-CV funds will only be disbursed for reimbursement to the borrower for documented eligible project expenses.

### **EQUAL OPPORTUNITY COMPLIANCE**

The Program will be implemented in ways consistent with Cumberland County's commitment to State and Federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG-CV program funds on the basis of his or her religion, religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause.

### **APPLICANT CONFIDENTIALITY**

All personal and business financial information will be kept confidential to the extent permitted by law.

### **DISPUTE RESOLUTION/APPEALS PROCESS**

Applicants whose applications are not selected or not deemed eligible have the right to appeal the decision of the County, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the County shall be final. An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible projects, appeal in writing to the Cumberland County Improvement Authority. The appeal must state all facts and arguments upon which the appeal is based.

An appointed official from the Cumberland County Improvement Authority, will review the content of the County's COVID -19 Small Business Assistance Program Guidelines, the applicant's application, and the facts which form the basis for the appeal. The appointed official will render a written decision within ten (10) business days of the receipt of the appeal. To the County Administrative office for final determination of the appeal.

### **EXCEPTIONS/SPECIAL CIRCUMSTANCE**

Cumberland County reserves the right, at its sole discretion, to deviate from County-imposed policies and procedures in extenuating circumstances. A request for exception to program guidelines shall be submitted to staff in writing by applicant. Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines.

For further information on this program, please contact:

**BEN ROBINSON, Economic Development Dept.**

**856-825-3700 x1234**

[brobinson@theauthoritynj.com](mailto:brobinson@theauthoritynj.com)

[theauthoritynj.com/grants](http://theauthoritynj.com/grants)

**RETURN COMPLETED APPLICATIONS TO:**

**The Authority**

**745 Lebanon Rd.**

**Millville, NJ 08332**

**ATTN: Ben Robinson**

