



Gloucester County

CDBG-CV Small Business Assistance Program

Purpose

In response to the economic hardships experienced by small businesses resulting from the COVID-19 pandemic, on April 16, 2021, Gloucester County launched the Microenterprise Business Assistance Program in an effort to retain jobs and stabilize local businesses. Grant awards up to \$10,000 will be provided to eligible for profit businesses. **Effective April 23, 2021, the County has chosen to expand the program to include businesses that have 20 employees or less.**

Eligible Borrowers

Funding is targeted to retail, restaurants, entertainment, hospitality, and non-professional service businesses including seasonal businesses with up to twenty (20) FTE (full-time equivalent) employees (including full and part-time) that were in business as of **December 31, 2020**. **Effective 4/8/2022** Home-based businesses are not eligible for assistance. The business must have one employee, which can be the business owner, who will be retained and meets the low-moderate income requirement. The business must submit a statement of Coronavirus business disruption and/or revenue loss and explain how the CDBG assistance will be used to maintain the employment of existing employees. **Effective 4/23/21, eligible businesses will also include wineries, breweries, and distilleries.**

PROGRAM DESCRIPTION

Funding Source

The Program is funded through Community Development Block Grant-CV (CDBG-CV) funds provided by the US Department of Housing and Urban Development (HUD) to Gloucester County. As such, these funds have Federal requirements, as described below. Funds will be disbursed by reimbursement to the applicant for documented eligible project expenses or paid directly to third party vendors for purchase orders.

Eligibility and Terms

Eligible businesses shall apply through an online portal called Neighborly made available through the County's website. Submissions that have provided all required documentation within the application period will be randomized for a lottery pool. Awards will be made to approved eligible applicants until funds are exhausted.

Eligibility

- For-profit businesses with a registered business address in Gloucester County and having up to five (5) FTE employees (including full and part-time) - **Effective 4/23/21 eligible businesses may have up to 20 employees**
- Operating business as of December 31, 2019 - **Effective 4/8/2022 Operating as of December 21,2020**
- All grants must meet a CDBG National Objective 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 assistance. At least one employee of the microenterprise must earn less than \$54,150.
- Owner is 18 years or older
- Owner has a valid Social Security Number, Federal Employer Identification Number (EIN) and DUNS number, and Business Bank Account
- Owner/Applicant is not currently in bankruptcy
- Owner/Applicant is current with property taxes and municipal fees, or has a payment plan in place with the municipality as of March 16, 2020
- Business has (or will have within 30 days) business general liability insurance . No fund will be awarded from the Program without proof of business general liability insurance
- Not have a conflict of interest with Gloucester County

Terms

- Maximum grant award: \$10,000
- Minimum grant award: \$1,000
- Grants will not exceed 6 months (180 days) of average monthly revenue from 2019 or \$10,000. **Effective 4/8/2022 revenue from 2021**
- Applicant must certify that they will remain open or reopen if grant funds are received.
- Applicant will be required to complete a grant application and sign a grant agreement.

Required Documents

- State issued photo ID;
- Most Recent State and Federal Tax Return;
- Most current business bank account statement;
- NJ-WR30 - Not Required for Sole Proprietorships;
- Current Lease or Property Loan Document;
- W-9;
- Paystubs for one or more low/moderate income employees;
- Evidence of Unpaid Business Expenses; and
- Photo of storefront.

Ineligible Applicants

- An ineligible existing business applicant is one that is not located or registered in the Gloucester County jurisdictional boundary.
- Nonprofit organizations are not eligible for assistance.
- Other ineligible businesses include payday loan businesses, liquor and tobacco stores, **wineries, breweries**, pawn shops, firearm or other weapons dealers, adult entertainment, passive real estate investments, or home-based businesses.

- The County reserves the right to reject any applications that contain false or fraudulent information. All applications are subject to review, verification, and due diligence by the County of Gloucester.
- Not be listed on the Federal Debarred list (SAM Search)

Program Service Area

Financing under this Program is available to eligible for-profit businesses registered and located within the boundaries of Gloucester County. The location of the business will consider the place of business administration and registration address.

Program Requirements

- Applicants must submit a complete application and provide any additional information that may be requested by the Program.
- Applicant must provide a list of expenses to be paid on grant application and backup documentation.
- All loans must meet CDBG National Objective for the benefitting business.
- Businesses are not permitted to receive assistance for any expenses that have been previously covered by insurance, or other grant or loan programs.
- Applicant must sign an agreement pledging to keep the business open for a minimum of one (1) year after the receipt of the grant. Business must be able to provide evidence (in the form of payroll records) of job retentions for at least one (1) year, otherwise the funds must be repaid to the County. Seasonal businesses must describe their seasonal schedule within a twelve-month period and provide similar certification for two subsequent seasonal operations.
- Funds are available to all eligible applicants meeting program requirements until all funds have been obligated. The County (or its agents) reserves the right to reject applications that it deems are incomplete or that do not meet the criteria of the Program.
- Applicant must provide income and demographic data for owners and their employees

Eligible Use of Funds

Grants are restricted to certain eligible costs, especially those related to payroll and taxes, rent, utilities, insurance, and other related operating costs for property up to 180-day period provided there is no duplication of benefit with other funding.

Random Selection of Applications

To assure a fair and even distribution of funding, applications received by the program will be randomized and served in the order of their selection in the randomization. Any new applications will also be randomized and added to the end of list of previously randomized applications in the order they are selected.

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.

Applicant Capacity

The County must confirm that the business and the applicant(s) possess the capacity to execute the project proposal to be successful with the use CDBG funds. As such, grant applicants for the are required to demonstrate management capacity and ability to successfully operate a business through their applications.

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 and/or Designee 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

PROGRAM OPERATIONS AND GRANT PROCESSING

Program Marketing And Outreach

Program marketing will be conducted by the County and will affirmatively target women and minority-owned enterprises. Examples of marketing include media coverage with ads in local papers and distribution of marketing brochures to local chamber of commerce, and business networking organizations.

Application Review

In addition to basic information on the business and its ownership, applicants will be required to upload the certain financial documents in order to complete their applications. Staff will perform a preliminary analysis of the completeness of the loan application with the inclusion of all items required by the Program. If the package is complete, the County forward basic information on the business and its ownership to a Consultant who will verify information on the application and perform a duplication of benefits check. Triad Associates has been authorized by Gloucester County to assist in the administration of the CDBG-CV Business Assistance Program and to communicate with applicants.

Grant Closing Process

Upon successful completion of application process, 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 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 the 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 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 Procedure

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 Director of the Department of Economic Development. The appeal must state all facts and arguments upon which the appeal is based.

The Director, or the appointed Designee, will review the content of the County's Business Assistance Program Guidelines, the applicant's application, and the facts which form the basis for the appeal. The Director, or the appointed Designee, will render a written decision within ten (10) business days of the receipt of the appeal.

Exceptions / Special Circumstances

The County, however, 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.