Ivins City CARES

Small Business Grants Program

Accepting Applications **August ___ - August ___, 2020**

SUMMARY

The $500,000 Ivins City CARES Small Business Grant Program is offered pursuant to funding received by Ivins City through the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Small Business Economic Recovery Grants are intended to assist businesses that have been negatively affected by the COVID-19 pandemic.

Funding will be made available to a limited number of businesses, with 100 employees/FTEs or less that meet specific requirements.

The Ivins City CARES Small Business Grant Program will provide grants from $1,000 up to $15,000, dependent on the number of employees. The applicant business must demonstrate a significant impact as a result of the COVID-19 pandemic to be considered for funding.

Applications will open on August ___, 2020 at 12:00 AM and close on August ___, 2020 at 11:59 PM. Due to the anticipated number of submissions and limited funding, applications will be ranked based on predetermined priorities.

Ivins City CARES Small Business Grant Program

Frequently Asked Questions

What is the Ivins City CARES Small Business Grant Program?

The Ivins City CARES Small Business Grant Program is offered pursuant to funding received by Ivins City through the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Funding will be made available to a limited number of businesses, with 100 full-time employees/FTEs or less, that meet specific requirements. The program serves small businesses that have been significantly impacted by COVID-19.

How is the Ivins City CARES Grant amount determined?

Grant amounts are determined by the number of full-time/FTE W-2 employees as of March 1, 2020 and are awarded on a prioritization basis based upon eligibility.

Possible grant amounts:

- Up to $5,000 for Sole Proprietor or 1-10 full-time employees or FTEs
- Up to $10,000 for 11-25 full-time employees or FTEs
- Up to $15,000 for 26-1000 full-time employees or FTEs

Commented [LM1]: I'm wondering if a prorated structure isn't better: we're willing to give $5,000 to a sole prop but $10,000 to somebody who potentially has 25 employees – that strikes me as being a little out of balance. I think prorating the grants based on losses or FTE and capping it at say $50K per business would be better.

What are the eligibility requirements of the Program?

1. Business must have been licensed in Ivins City on or before March 1, 2019 or demonstrate that it is exempt from licensing requirements.
2. Business had 100 full-time employees/FTEs or less as of March 1, 2020.
3. Business must be located in Ivins City.
4. Business experienced a significant negative impact from the COVID-19 Pandemic.
5. Business can provide documentation showing a financial loss of at least a $5,000 or a 15% loss of profit between March 16 and June 30, 2020.
6. Business must be open, or plan to reopen, as of the date of application submission.

Commented [LM2]: How is this defined? Would we classify Tuacahn as open or closed?

7. Owner must be 18 years or older and have a valid EIN or Social Security Number if a Sole Proprietor.
8. Business must be able to spend the entire grant award by December 31, 2020, per U.S. Department of the Treasury requirements.
9. Business owners must have the ability to document and report on use of funds.

What is the timeline to apply?

The application will open on August ___, 2020 at 12:00 AM and close on August ___, 2020 at 11:59 PM.

What documents are required for applicants?

The following documents are required for each application:

- Business Federal Tax Returns:
  - 2019 Business Federal Tax Returns or 2019 1040 with Schedule C for self-employed/sole proprietor OR if 2019 tax return is not yet filed, 2018 Business Federal Tax Returns or 2018 1040 with Schedule C for self-employed/sole proprietor
- 1st and 2nd Quarters of 2019 Profit and Loss Statement
- 1st and 2nd Quarters of 2020 Profit and Loss Statement
- Copy of Driver's Licenses of all owners
- Copy of Business License

What is the definition of "employee" for the Program?

An employee is defined as an individual who receives a paid wage or salary from which employment taxes (e.g. FICA, FUTA – Federal Unemployment Tax Act) and income taxes are withdrawn and remitted to the IRS, as evidenced by business tax returns filed. For purposes of eligibility, independent contractors (also known as 1099 employees) may not be counted as employees for eligibility. A company that solely employs independent contractors qualifies as a self-employed/sole proprietor applicant for this program.

How will funds be awarded?

It is anticipated that there will be more funding requests than money available for the Ivins City CARES Small Business Grant Program. The City will review and rank applications to prioritize disbursement of the funds. See "Program Guidelines" for priorities.

How soon will I receive the Ivins City CARES Program Grant award?

From the date of submission, it will take about 30 to 45 days to receive the grant award. Missing or insufficient documentation or incomplete answers to application questions will delay disbursement. A complete and thorough application with all required documents is the best way to ensure a timely turnaround.

I have also applied for and received other CARES funding (PPP, EIDL, and other Federal and State stimulus programs). Am I still eligible for this grant?

Yes!~~!! Your business is eligible to apply?~~ Ivins will look at your losses for the covered period and deduct any amounts already received to arrive at a net loss figure. So while the City will not duplicate those funds, it will fill any gap in losses that it may not have covered.

Do I need to pay the money back?

No. This is a grant program, not a loan and the funds do not need to be paid back. However, businesses may not receive federally-subsidized disaster assistance that duplicates any part of their disaster loss covered by insurance or another source, such as the Small Business Administration (SBA) or the Federal Emergency Management Agency (FEMA). Applicants for the Ivins City CARES Grant must disclose any funds applied for or received from these sources or other federal and state assistance programs. It is the City's sole discretion to determine if funds received from any of these sources constitutes a duplication of benefits. If a duplication of benefits determination is made after the City funds have been dispersed, the amount of funds that were determined to be duplicative must be repaid to the City.

Is there a list of what expenses are allowed under the business grant funds?

Grant money may be used to pay for operating expenses related to COVID-19:

- Payroll
- Rent or Mortgage
- Utilities
- Insurance
- Inventory

This grant may also be used for COVID-related expenses, including:

- Expenses related to business premises modifications to promote social distancing.
- Expenses related to continuing business operations from home or online.
- Expenses related to business premises modifications to protect employees or customers such as barriers, distancing signs, hand sanitization centers, etc.

- Expenses related to protective gear and sanitization such as masks, hand sanitizer, and disinfectant, including increased costs for utilizing these items.
- Other expenses that are business-related and would not have been necessary if not for the COVID-19 pandemic.

My small business operates a franchise. Do I qualify for the grant program?

A small business operating as a franchise qualifies as long as all other criteria are met.

How do I indicate that my business was negatively impacted by the COVID-19 emergency?

You are required to provide a brief narrative of the adverse economic impact of COVID-19 on the operations of your business. Additionally, the application requires financial documents that demonstrate a loss of at least $1,000 or a 10% loss of profit.

Commented [LM3]: Says 5,000 and 15% above

I currently have a pending legal matter. Do I qualify for the program?

Businesses with pending legal matters may apply but must provide details as to the nature and status of the legal matter in the application. The City has sole discretion in determining an award for a business with a pending legal matter.

I'm a foreign national owner of a business in Ivins City. Am I eligible?

Yes, as long as the business is located in Ivins City, Utah and the other eligibility criteria are met.

Ivins City CARES Small Business Grant Program

Guidelines

The Ivins City CARES Small Business Grant Program is offered pursuant to funding received by Ivins City through the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Small Business Economic Recovery Grants are intended to assist businesses that have been negatively affected by the COVID-19 pandemic.

Funding will be made available to a limited number of businesses, with 100 employees/FTEs or less that meet specific requirements set by Ivins City.

The Ivins City CARES Small Business Grant Program will provide grants from $1,000 up to $15,000, dependent on the number of employees. The applicant business must demonstrate a significant impact as a result of the COVID-19 pandemic to be considered for funding.

Applications will open on August ___, 2020 at 12:00 AM and close on August ___, 2020 at 11:59 PM. Funds will be disbursed until the funds are exhausted. Due to the anticipated number of submissions and limited funding, applications will be ranked based on predetermined priorities.

Eligibility Requirements

1. Business must have been licensed in Ivins City on or before March 1, 2019 or demonstrate that it is exempt from such licensing requirements.
2. Business had 100 full-time employees/FTEs or less as of March 1, 2020.
3. Business must be located in Ivins City.
4. Business experienced a significant negative impact from the COVID-19 Pandemic.
5. Business can provide documentation showing a financial loss of at least $5,000 or a 15% loss of profit between March 16 and June 30, 2020.
6. Business must be open, or plan to reopen, as of the date of application submission.
7. Owner must be 18 years or older and have a valid EIN or Social Security Number if a Sole Proprietor.

8. Business must be able to spend the entire grant award by December 31, 2020, per U.S. Department of the Treasury requirements.
9. Business owners must have the ability to document and report on use of funds.

Terms

Funds are provided as a grant. Repayment is only required if the grant agreement is violated or the City determines a duplication of benefits has occurred. Grants will be awarded based on the number of employees as of March 1, 2020, as outlined below, with a minimum award of $1,000.

Up to $5,000 for Sole Proprietor or 1-10 full-time employees or FTEs
Up to $10,000 for 11-25 full-time employees or FTEs
Up to $15,000 for 26-1000 full-time employees or FTEs

Program Service Area

Businesses must be located in Ivins City to be eligible for funding.

Duplication of Benefits

Businesses may not receive federally-subsidized disaster assistance that duplicates any part of their disaster loss covered by insurance or another source, such as the Small Business Administration (SBA) programs (PPP and EIDL), the Federal Emergency Management Agency (FEMA), and state programs (Commercial Rental Assistance). Applicants for the Ivins City CARES Small Business Grant Program must disclose any funds applied for or received from these sources or other federal and state assistance programs. It is the City's sole discretion to determine if funds received from any of these sources constitutes a duplication of benefits. If a duplication of benefits determination is made after the City funds have been dispersed, the amount of funds that were determined to be duplicative must be repaid to the City.

Eligible Use of Funds

Grant money may be used to pay for operating expenses related to COVID-19:

- Payroll
- Rent or Mortgage
- Utilities
- Insurance
- Inventory

This grant may also be used for COVID-related expenses, including:

- Expenses related to business premises modifications to promote social distancing.
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- Expenses related to protective gear and sanitization such as masks, hand sanitizer, and disinfectant, including increased costs for utilizing these items.
- Other expenses that are business-related and would not have been necessary if not for the COVID-19 pandemic.

Required Documentation

The following documents are required for each application:

- Business Federal Tax Returns:
  - 2019 Business Federal Tax Returns or 2019 1040 with Schedule C for self-employed/sole proprietor OR if 2019 tax return is not yet filed, 2018 Business Federal Tax Returns or 2018 1040 with Schedule C for self-employed/sole proprietor
- 1st and 2nd Quarters of 2019 Profit and Loss Statement
- 1st and 2nd Quarters of 2020 Profit and Loss Statement
- Copy of Driver's Licenses of all owners
- Copy of Business License

Prioritization

It is anticipated that there will be more funding requests than money available for the Ivins City CARES Small Business Grant Program. The City will review and rank applications to prioritize disbursement of the funds. The applications will be ranked according to the following priorities:

1. Businesses that applied but did not receive funding from the Small Business Administration and/or the Governor's Office of Economic Development loan programs.
2. Businesses that were unable to practice safe social distancing and needed to close, in accordance with state and local guidance (e.g. personal services, gyms, spas, etc.) or businesses that voluntarily closed or partially closed to promote social distancing measures, in accordance with state and local guidance.
3. Businesses with an average monthly revenue/income loss greater than 50% due to COVID-19.
4. Businesses that have been open for at least two years.
5. Businesses that did not receive any other federally-subsidized disaster assistance such as the Small Business Administration (SBA) programs (PPP and EIDL), the Federal Emergency Management Agency (FEMA), and state programs (Commercial Rental Assistance).

*These prioritizations are not mandatory. Businesses that do not meet all of the priorities are still eligible to receive a grant award.

Commented [LM4]: If we prorate the grants based on losses, net of funds already received from other programs, it automatically prioritizes funds to those businesses as a percentage. I'm not sure we need a prioritization criteria. If you had to close, your losses will naturally be greater.