

PROVIDENCE MICRO-E INFORMATIONAL SESSION



MAYOR JORGE O. ELORZA
CITY OF PROVIDENCE

October 22, 2020

5:00 p.m.

City of Providence

Dept. of Planning & Development

Housing & Community Development Division

Emily Freedman, Director



Agenda

- Introductions
- Program Overview
- Application Requirements
- Allowable Uses of Funds
- Accessing Funds
- Getting Ready to Apply
- Q & A – if you are participating live, please put your questions in the chat and our moderator will read them to the presenters.





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INTRODUCTIONS



Meet the Team



- City of Providence, Community Development Division
- Local Initiatives Support Corporation (LISC) Rhode Island





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MICRO-E PROGRAM



Program Background

- Established with funds from the Federal CARES Act, which provided additional Community Development Block Grants (CDBG) funds for cities to respond to the COVID-19 pandemic.
- The City of Providence, along with other RI cities and towns, have established a partnership with LISC Rhode Island to help verify the applications for these working capital grants to local businesses.
- City anticipates being able to provide up to 23 grants of \$10,000.
- Federal funding requirements are strict, so please ensure you follow the directions and submit all required documents on time. Applications will be processed in the order in which they are received.



Eligibility Requirements

- To qualify, applicants must be a *bona fide*, for-profit business entity located in Providence. The status of your business will be verified with the Secretary of State.
- The owner must also be a *bona fide* resident of the City of Providence.
- Business must qualify as a HUD-defined “microenterprise”, with no more than five (5) employees where one or more of the business’s employees are an owner. This will be verified through payroll statements.
- The business owner(s)’ total household income must be 80% or less of the area median income, based on family size. Business must have been eligible prior to 3/1/2020.
- This grant program is intended to assist small businesses that have been impacted by COVID-19 and left out of federal stimulus programs to-date. Businesses must certify that they were unable to receive EIDL, PPP, or RestoreRI funding to support these COVID-related business needs. There is a certification form available as part of the required documentation.



Area Median Income

- To qualify, business owners must show that they meet the Area Median Income limitations for Providence. Household income will be verified through submissions of the applicant's 2019 personal income tax filing.
- Those personal income limits are:

One Person	Two People	Three People	Four People	Five People	Six People	Seven People	Eight People
\$48,750	\$55,700	\$62,650	\$69,600	\$75,200	\$80,750	\$86,350	\$91,900



Eligibility Requirements

- Business must demonstrate they were impacted by the COVID-19 pandemic, with a documented loss of at least \$1,000, by submitting a detailed summary of revenue for impacted period in 2020 (e.g., March), and same period in 2018 or 2019.
- Business must have been established in 2019 or earlier and have an annual gross revenue greater than \$25,000 as documented on your 2019 tax return.
- You must be in good standing with the State and City (be current on taxes; maintain active and valid licenses, if applicable; and not party to litigation involving the State or City).



Eligibility Requirements

- Excluded Businesses:
 - Cannabis-related businesses
 - Real estate rentals/sales business
 - Businesses owned by persons under age 18
 - Businesses that are franchises or chains, i.e. Subway, D’Angelo, etc.
 - Liquor stores
 - Weapons/firearms dealers
 - Lobbyists
 - Persons operating as independent consultants/contractors and providing services to a single entity
 - Home-based businesses that are restricted to patrons below the age of 18.



Acceptable Use of Funds

The grant can be used to cover the following:

- Working Capital Expenses
 1. Rent
 2. Payroll
 3. Utilities
 4. Inventory/Raw materials
 5. Personal Protective Equipment
- Equipment needed to allow employees to work remotely
- Retail location modifications to accommodate additional safety measures to protect against COVID-19



Funds May Not Be Used For

- Construction-related activities and expenses
- Personal expenses
- Business expansion
- Purchase of property
- Lobbying activities
- Duplicate costs:
 - Federal disaster relief laws prohibit the provision of federal assistance in excess of need. Businesses shall certify that awarded grant assistance will not cause a duplication of benefits, meaning that the grant funds received will not pay costs paid by another source.



Application Process



On **Thursday, October 29th at 9 a.m.**, the Providence Micro-E Grant Opportunity will be listed on <http://rilisc.org/microenterprise-grants-pvd/> page.

- **Step 1:** Complete the **Pre-Screening Questionnaire** to help ensure that your application will meet the federal requirements. If you are eligible to move to the next step, you will be directed to the application page for additional instructions.
- **Step 2:** The application page will include 7 documents (as fillable .pdfs) that will need to be completed and saved to your computer or printed and scanned.
- **Step 3:** Send documents as attachments by email to the **secure email address** provided. PDFs are the preferred format for attachments. Please be sure to include all 7 forms, and that they are filled out completely. Incomplete applications will not move forward for consideration.



Application Process

- **Step 4:** Subject lines in the emails should follow a specific format: name_document title. For example: Jones_1microePVD. This will ensure that LISC will be able to keep components of your application together.
- **Step 5:** The LISC review committee will contact you within 7-10 business days with an update on the status of your application. The application process will automatically close when we have reached the projected limit of the funds available.

If there are questions regarding the documentation provided, and LISC does not receive a response within 3 business days, your application will be declined. All communication between LISC and applicants will be through email to ensure they can be date and timestamped for verification purposes.



Application Process

- There are 7 documents in the application process:
 - 1microe-app-rev PVD
 - 2microe-app-rev PVD
 - 3microe-app-rev PVD
 - 4microe-app-rev PVD
 - 5microe-app-rev PVD
 - 6microe-app-rev PVD
 - 7microe-app-rev PVD





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Application Process



In addition to the 7 application forms you must complete that are listed in the application, applicants also will be required to provide:

1. A copy of your driver's license or State-issued photo ID.
2. Personal tax returns for all adults living in the household (for primary applicant) and filing separately (2019)
3. Business tax returns (2018 or 2019)
 - i.e. Schedule C, Form 1120, or Form 1065, etc.
4. Copies of payrolls for most recent pay period ending on or before 10/02/2020
5. Documentation of revenue for impacted period in 2020, and for the same period in 2019



Next Steps

1. After a complete review of applications, LISC will forward the list of vetted and potential awardees to the City of Providence for final documentation review and funding approval.
2. LISC will email applicants with notification of denial or notification that the application has been found eligible and routed to the City for further processing. This completes LISC's role in the process.
3. The City will contact you and ask you to finalize a proposed budget for the use of the funds, agree to abide by all federal rules and regulations and sign a contract accepting the grant funding.
4. Awardees will submit payment information to the City of Providence; disbursements will be then made.





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DISBURSEMENT OF FUNDS



What We Need to Disburse Funds



- All dispersed funds will come from the City of Providence. You will be required to provide:
 - Signed contract with the City of Providence
 - Full budget outlining the proposed use of grant funds
 - Completed W9 form for the legal entity receiving the funds, either the business if an LLC/Corporation, or the owner if a sole proprietorship
 - DUNS Number
 - Payment of the grant will be held until all required documentation is submitted to the City



Proper Recordkeeping

- Grantee must agree to submit quarterly reports for one (1) year after award of the grant.
- After the payment of grant funds, the grantee must keep proper records on the use of funds. Grantee must furnish any requested documentation to the City upon request and must keep documentation for a minimum of 3 years.
- Grantee must retain the following information:
 - All invoices and receipts for the use of grant funds
 - » Proof of payment including cleared checks, bank or credit card statements. (Do not pay in cash, there must be a paper trail!)
 - » If funding payroll, a payroll register showing hours and rate, or timesheets for employees
 - » If paying rent, a copy of the current lease





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HOW TO PREPARE



Preparing for your Application



- The grant opportunity will open on **October 29th** at **9AM**. This delayed start is to enable applicants to gather materials necessary for the opportunity. Get the following items ready to go for when applications open:
 1. Tax returns from your accountant or the IRS
 2. Scan all required documents so you can submit online. Please submit your materials as a .pdf.
 3. Apply for your free DUNS number:
www.DNB.com/duns-number.html
 4. Develop proposed budget for the use of funds.



FAQs

- How much assistance is my business eligible to receive? Do I have to pay it back?
 - As long as funds are available, microenterprises may apply for \$10,000 grants. Funds will be disbursed via a single lump-sum payment to approved, eligible microenterprises. These are grants, so there is no repayment.
- What if I don't have a DUNS number or an EIN number for my business?
 - They are not needed to apply, but are needed by the time of award. Sole proprietors may use their SSN as their EIN. For-profit businesses can register for a DUNS number through the Online DUNS Request Portal. This is a free service.



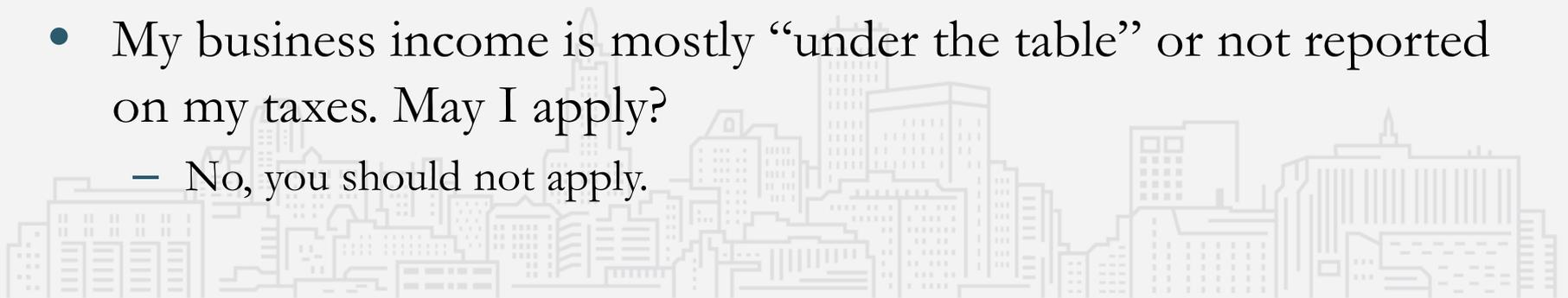
FAQs

- Are new businesses eligible?
 - Your business must have been established prior to 1/1/2019 to be eligible for Micro-E assistance.
- I have six employees. I don't want to lay anyone off, but if I do, will I qualify for this program?
 - No. In the application, you must show that your business was a qualifying microenterprise as of the pay period ending 3/7/2020. Terminating employees will not qualify your business for this program.
- Why do I have to provide my personal financial information?
 - This Micro-E program is funded with federal CDBG funds. To qualify for a grant, all program requirements, including income eligibility, must be fully documented.



FAQs

- What if my business license/registration has lapsed or expired?
 - Before you apply, contact the appropriate state agency and take the required steps to make sure your business license/registration is active and valid.
- What do you mean by “documentation of revenue” to show COVID losses?
 - You need to attach documentation of revenue for the period in 2020 (example March 1 – May 30) and the same periods in 2018 and 2019, such as a detailed summary record from your point of sale software, Quickbooks report, or the equivalent.
- My business income is mostly “under the table” or not reported on my taxes. May I apply?
 - No, you should not apply.



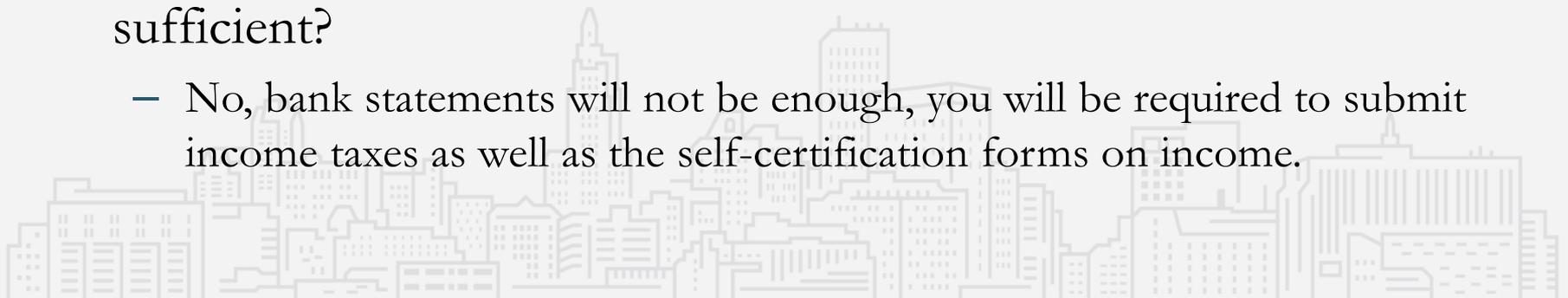
FAQs

- Do I have to file my 2019 federal tax return before applying?
 - You must provide a federal tax return that reflects a full year of business operations. Therefore, if your business was established in calendar year 2018, you will need to file your 2019 federal tax return before you apply.
- May businesses use bank statements in lieu of receipts to show change in revenue between 2019 period and 2020 period?
 - Yes.



FAQs

- My business operated at a loss in 2019, but I filed jointly which brings family income above 80% AMI? Is there some kind of exemption?
 - Per the Application Income Self-Certification, eligibility to participate in this program is determined in part by the size of your family and your family income. All sources of income during calendar year 2019 must be counted. In this case, regardless of filing jointly, other family income offset the business loss, resulting in a family income that exceeds the HUD 80% threshold. There are no exemptions/exceptions.
- As a sole proprietor would bank statements for income be sufficient?
 - No, bank statements will not be enough, you will be required to submit income taxes as well as the self-certification forms on income.



Additional Resources



If your business requires additional resources or information, we encourage you to visit:

<https://www.providenceri.gov/economical/covid-19-guidance-employers-workers-businesses/>





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QUESTIONS?



CONTACT US

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