

NSCDF Application Guidelines and Program Overview

Updated June 30, 2020



The Commonwealth of Pennsylvania has allocated \$200 million for grants to small businesses to help them recover from the effects of the COVID-19 pandemic and related shut-down orders.

- \$100 million allocated for historically disadvantaged businesses
- \$100 million allocated for other small businesses

Overview

1. The Northside Community Development Fund (The Fund) is one of three CDFIs in Southwestern PA that will be taking applications through its website – www.NSCDFund.org
2. The program is not a “first come, first served” basis. Applications will be scored based on primary and secondary priorities listed below.
3. The application portal will be open starting on **June 30** and will remain open for up to four funding windows. The first window will close on **July 14**.
4. Applications received by **July 14** will be reviewed for funding in the first window of \$50 million.
5. If you receive a grant, you will be notified.
6. If you do not receive a grant, your application will automatically be rolled into the next grant window. **YOU DO NOT NEED TO APPLY MORE THAN ONE TIME.**
7. You should only apply through one CDFI. Applying through more than one CDFI does not increase your chances of receiving a grant and will lead to delays in processing your grant application.
8. The Fund will provide technical assistance to business owners during application preparation and online submission through an application hotline and other means, including a walk-in center for people who need help with the application.

Program Eligibility

1. Grants of \$5,000 to \$50,000 are available for small businesses that have been negatively affected by the COVID-19 pandemic and related statewide business closure. Funding tiers are listed below.
2. Grants are available only for businesses with annual revenues (prior to March 1, 2020) of \$1 million or less and who have 25 or fewer full-time employees (FTEs). (Revenues are based on the IRS tax form definition: Gross Sales (less any returns and allowances) as reported on Line 1.c. on both the 1120 (corporate return), 1120S (S-Corp return), and on IRS Schedule C for single member LLCs and sole proprietorships, Line 3).
3. Eligible businesses must be based in and operate primarily in Pennsylvania. Applicants will self-certify that 51% or more of revenues are generated in PA.
4. Eligible businesses may be structured as C-corporations, S-corporations, limited liability corporations, sole proprietors, independent contractors or self-employed individuals.
5. Businesses must have been in operation as of February 15, 2020
6. Historically disadvantaged businesses are defined as businesses that are 51% or more owned and operated by people identifying as African American, Hispanic, Native American, Asian American or Pacific Islander (based on the US CDFI Fund definition of individuals historically lacking access to financial services.)
7. Businesses must currently be operating or have a clear plan to re-open once the Commonwealth permits re-opening of the business.



Program Priorities

1. Primary Priority Will Be Given To:

- a. Businesses owned and operated by low- and moderate-income business owners. Low and moderate income business owners are defined as those with a total household income of 80% or less than the county Median Family Income, based on the US Census Bureau's 2018 American Community Survey (2018 ACS) or HUD 80% of Median Household Income.
- b. Businesses located in rural communities and disadvantaged areas defined as U.S. CDFI Fund Investment Areas, including those located in communities experiencing higher than average poverty rates, lower income (less than 80% of area median), unemployment rates and/or high population loss.
- c. Certain industry sectors including retail, food and hospitality, health and wellness, personal care (beauty/nail salons, spas and barbershops) and childcare and adult day care.
- d. Businesses impacted the most financially based on gross revenue losses.

2. Secondary Priority Will Be Given To:

- a. Women-owned businesses
- b. Businesses operating in communities participating in one of the following designated revitalization programs including: an active Main Street Program or Elm Street Program, a town in the Trail Town Program™, a town located in the PA Wilds™, or designated commercial corridors in Philadelphia, and Neighborhood Business Districts in Pittsburgh.

3. Grant Amounts

The Emergency Fund Grants will be tiered according to the Gross Revenue of the Business (defined above). Owners of multiple businesses will be considered for only one grant.

Relief Program	Eligible Businesses	Amount Available per Business
Micro Business grant:	Annual revenue up to \$50,000	\$5,000 grant
Micro Business grant:	Annual revenue \$50,001 - \$75,000	\$10,000 grant
Micro Business grant:	Annual revenue \$75,001 - \$100,000	\$15,000 grant
Small Business grant:	Annual revenue \$100,001 - \$250,000	\$20,000 grant
Small Business grant:	Annual revenue \$250,001 - \$500,000	\$25,000 grant
Small Business grant:	Annual revenue \$500,001 - \$750,000	\$35,000 grant
Small Business grant:	Annual revenue \$750,001 - \$850,000	\$40,000 grant
Small Business grant:	Annual revenue \$850,001 - \$1,000,000	\$50,000 grant



Required Documentation and Information From Applicants

1. Most recent tax return filed (2019 or 2018) – must be in an electronic form for online upload, such as PDF.
2. If the applicant was a startup in 2019 and has not yet filed taxes, a management prepared statement of revenue and expenses as of December 31, 2019; must be in an electronic form for online upload, such as PDF.
3. If the applicant is a startup as of January 1, 2020, a profit and loss statement as of 3/31/20 - must be in an electronic form for online upload, such as PDF.
4. Copy of official filing with the Department of State or local municipality for your business such as: (one of the following); must be provided in electronic format for upload, such as PDF.
 - a. Articles of Incorporation
 - b. Certificate of Organization
 - c. Fictitious Name registration
 - d. Government issued Business License
5. Any form of acceptable government-issued photo ID; must be in an electronic form for online upload, such as PDF.

Ineligible Businesses

1. Businesses that are not physically based in Pennsylvania
2. Businesses that are in active default (not on a payment plan) with taxes or fees owed to the federal government or Commonwealth
3. Businesses engaged in any activity that is illegal under Federal, state, or local law
4. Businesses owned or controlled by any owner that has ever obtained a direct or guaranteed loan from the State of Pennsylvania or any Federal agency that is currently delinquent or has defaulted within the last seven years and caused a loss to the government.
5. Non-Profits, Churches and other religious institutions
6. Financial businesses primarily engaged in the business of lending, such as banks, finance companies and factors
7. Passive real estate companies and investors who file a Schedule E on their personal tax returns are not eligible. Real estate businesses in which the majority (>51%) of their income is rental income are also not eligible
8. Life insurance companies
9. Private clubs and businesses which limit the number of memberships for reasons other than capacity
10. Government-owned entities or elected official offices
11. Businesses primarily engaged in political or lobbying activities
12. Businesses engaged in any illegal activity, socially undesirable or those that may be considered predatory in nature, such as pawnshops, rent to own, check cashing businesses and adult bookstores
13. An owner of 20 percent or more of the equity of the applicant is incarcerated, on probation, on parole; presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; or has been convicted of a felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance within the last five years or any other felony within the last year



Eligible Use of Funds

1. Payroll costs, costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums.
2. Working capital for the purpose of paying mortgage principal and interest payments (but not mortgage prepayments); and principal and interest payments on any other debt obligations that were incurred before February 15, 2020.
3. Rent payments, utility payments.
4. Working capital for the purpose of covering the costs of re-opening business operations after being fully or partially closed due to the state-mandated business closure period commencing March 2020, as long as the expense was incurred do to COVID-19.
5. Any expenses (costs) incurred related to the expense of implementing COVID-19, including but not limited to specialized equipment, barriers, PDEs, and employee training expense to ensure compliance with state and federal CDC guidelines for reopening.
6. Any Covid-19 related expenses not already paid for with other relief measures such as state grants or loans, US SBA Paycheck Protection Loans, local or regional grant and/or loan programs.

