



# Small Business Grants

## Program Guidelines

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## Program Overview

In response to the coronavirus disease of 2019 (COVID-19), the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide state, local, and Tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery.

The City of Corona will utilize \$600,000 of ARPA SLFRF funding to create the Small Business Grant Program (Program) to respond to the negative economic impacts of COVID-19 and reinvigorate local economic recovery.

The Program will consist of two sub-grant types and two funding levels:

- Entrepreneur - \$5,000
- Small Business - \$10,000

The Entrepreneur grant is designed to support very small business operations with four (4) or fewer employees. Eligible grantees must have a physical, home-based or commercial operation within Corona city limits.

The Small Business grant is designed to support slightly larger business operations with five (5) to twenty-five (25) employees. Eligible grantees must have a physical, commercial operation within Corona city limits. Home-based businesses are not eligible for and will not be considered for the Small Business grant.

The Program is based on the availability of funds, program guidelines, and submission of all required information and supporting documentation. Eligible businesses may be eligible to receive a working capital grant of up to five thousand dollars (\$5,000) for Entrepreneurs or ten thousand dollars (\$10,000) for Small Businesses. The grant may be used for working capital to cover the day-to-day business operating expenses such as commercial rent/lease payments, commercial mortgage payments, payroll and benefit costs, utility expenses, inventory, Personal Protective Equipment (PPE), or other similar expenses that occur in the ordinary course of operations. See the Program Requirements section of this document for additional information on eligible expenses.

# Program Requirements

## Entrepreneur Grant Eligibility

- Business must have a physical, home-based, or commercial location within Corona city limits.
- Private, for-profit businesses with four (4) or fewer employees including sole proprietorships, independent contractors, and owners.
- As of the date of the application, Business must have obtained all licenses, permits, and appropriate land use entitlements required for the business to legally operate, unless grant funds will be utilized to bring business into compliance.
- Business must certify that it was negatively impacted by the COVID-19 pandemic. Examples of a business being negatively affected by the pandemic include, but are not limited to:
  - A decrease of 25% or greater in sales.
  - The business has had to lay off at least one of its employees (Full or Part time).
  - One or more of the employees in the business have contracted COVID-19, while at work.

## Small Business Grant Eligibility

- Business must have a physical, commercial location within Corona city limits.
- Private, for-profit businesses with at least five (5) but no more than twenty-five (25) employees including sole proprietorships, independent contractors, owners, and owners on behalf of tenants.
- As of the date of the application, Business must have obtained on all licenses, permits, and appropriate land use entitlements required for the business to legally operate, unless grant funds will be utilized to bring business into compliance.
- Business must certify that it was negatively impacted by the COVID-19 pandemic. Examples of a business being negatively affected by the pandemic include, but are not limited to:
  - A decrease of 25% or greater in sales.
  - Laying off at least one of its employees (Full or Part time).
  - One or more of the employees in the business have contracted COVID-19, while at work.
- Business must demonstrate that within the previous two (2) years it has completed a City of Corona-sponsored entrepreneurship development program, or a similar entrepreneurship/business development program (program must be completed no earlier than January 1, 2021).

- City of Corona programs include: Emprededor@s, Emprededor@s 2.0, SCORE Business & Entrepreneurial Leadership Series, or SCORE Growing Your Business Series

## Ineligible Business Types

- Nonprofit or public entity
- Businesses with more than four (4) employees for the Entrepreneur grant and businesses with more than twenty-five (25) employees for the Small Business grant
- Start-up businesses with less than one (1) year of operating history as of January 1, 2023
- A business engaged in any activity that is illegal under federal, state, or local law
- A passive business, investment company or investor who is required to file a Schedule E on its federal tax returns
- A speculative business, meaning a business for the sole purpose of purchasing and holding an item until the market prices increases or other business principally engaged in risky activity for the chance of an unusually large profit
- A business that restricts patronage for any reason other than capacity, specifically any business that illegally discriminates against its customers
- Residential or real estate investment projects including short-term rental operators.
- Casinos/gambling establishments
- Adult-entertainment related businesses
- Cannabis-related businesses

## Grant Funding

- Maximum grant amount of \$5,000 for Entrepreneur and \$10,000 for Small Business
- Program grant funds will be awarded on a reimbursement basis for costs incurred on Program eligible expenses. Program eligible expenses incurred within three (3) months prior to grant award are eligible for reimbursement.

## Eligible Program Expenses

Program grant funds may be used to cover a business's day-to-day operating expenses including:

- Commercial rent/lease or mortgage payments (Corona address only)
- Employee payroll and benefits
- Utilities
- Inventory
- Personal Protective Equipment (PPE)
- Other similar expenses that occur in the business's ordinary course of operation

## Ineligible Reimbursement Expenses

The following is a nonexclusive list of expenditures that are ineligible Program expenses and will not be reimbursed with Program grant funds:

- Damages covered by insurance.
- Expenses that have been or will be reimbursed or recovered through other funding programs, such as the reimbursement by the federal government pursuant to the CARES Act
- Reimbursement to donors for donated items or services
- Workforce bonuses other than hazard pay or overtime.
- Severance payments.
- Legal expenses or settlements
- Debt service or loan repayment

## Program Agreement

Applicants are required to enter into a Program Agreement prior to the City issuing grant funds. The Agreement will outline requirements of the project applicant which will include, but are not limited to, the following:

- Authorized funding
- Term and schedule
- Insurance and indemnification requirements
- Conflict of interest
- Mutual compliance with all applicable laws, ordinances, and codes of the federal, state, and local governments

# Program Procedures

## Program Administration

- Centralized Application Process – an online application will be located on the City of Corona's webpage at \_\_\_\_\_
- The City of Corona website will be the centralized repository for all applications, agreements, and tracking database.
- The City of Corona landing page will describe the Program and provide online preliminary eligibility review.
- Grantees will be required to sign and upload a Program Agreement to ensure funding is being used appropriately and in accordance with all applicable laws.
- As part of reporting and tracking requirements, the City of Corona will track the number of grants provided along with the corresponding funding amount. A Final Report shall be prepared at the end of Program Guidelines terms.
- The City of Corona's Economic Development Director may modify the Program guidelines as necessary to achieve the objectives of the Program.

## Implementation

To implement the Program, the City of Corona will:

1. Work with the Small Business Administration (SBA), SBA's Small Business Development Center, the Corona Chamber of Commerce, and other small business resource agencies throughout Corona to promote and market the Program so that as many small business owners as possible throughout the City learn about the Program and can apply.
2. Launch a rapid deployment application process for the Program and a public link which will direct applicants to an online application on the City's website. The landing page for the application will describe the Program and invite eligible applicants to apply. All application responses will be securely stored and will serve as a repository for all Program documents and available for City Economic Development staff to view at any time.
3. Ensure that all Program materials and applications are available in English and Spanish.
4. Establish a process for review of applications by City staff to determine the initial eligibility status of the business based on eligibility criteria set forth in these Program Guidelines.
5. Ensure all ineligible applications are notified of ineligible status by email.
6. If the number of applications and/or amount of requested grant funds exceeds the available Program funding, conduct a lottery to select grantees.

7. City will evaluate the documentation provided by the business and approve or deny the application based on information provided by the applicant and the eligibility criteria established for the Program by these Program Guidelines. Documentation is intended to substantiate eligibility for the Program, including validation of number of employees, business and financial history, business license, and other key information necessary to mitigate risk and fraud, and verify adverse impacts caused directly by the pandemic.
8. Ensure that all applicants (both approved and denied) that submitted complete and eligible applications are notified within 10 business days of the City's decision.
9. Approve eligible applications and have them remotely closed. Documentation will include signed copies of the Program application, agreement, grant deed, etc.
10. Provide all necessary reports and documentation, including progress reports and a Final Report at the end of the term. All Program documentation and tracking will be available by request of City staff.

## Application Intake and Eligibility Determination

### Application

Each application must be completed in its entirety, signed by the applicant or an authorized representative of the applicant, uploaded to the application portal, and submitted with all required documents as listed on the application. The application must be complete by the application submittal deadline **date of \_\_\_\_\_, 5:00 p.m.**

### Verification and Eligibility Determination

The City will verify all information as necessary. Applicants will be notified in writing regarding eligibility status.

### Selection Process

If the number of eligible applications exceeds the amount of available Program grant funds, the City will conduct a lottery to select grantees. The City will announce all eligible applicants of the lottery and will make every effort to hold the lottery in a public or virtual capacity that can be viewed by all eligible applicants.

### Approval and Notifications

Following the application eligibility review and selection of grantees, the City and each grantee will enter into a Program Agreement that contains the terms and conditions required by the Program and self certifies the application. Additionally, the applicant will be required to submit the following completed documentation:

- W-9 form.
- Direct Deposit form



## Award and Reimbursement

### Reimbursement

In order for reimbursement to be processed, detailed invoices and/or receipts of eligible expenses must be provided to the City totaling the amount of the Program grant award or greater. Following review of submitted receipts and invoices, the City will issue reimbursement from Program funds to the applicant.