

# HELOTES SMALL BUSINESS GRANT PROGRAM

Program Guidelines (For all businesses)

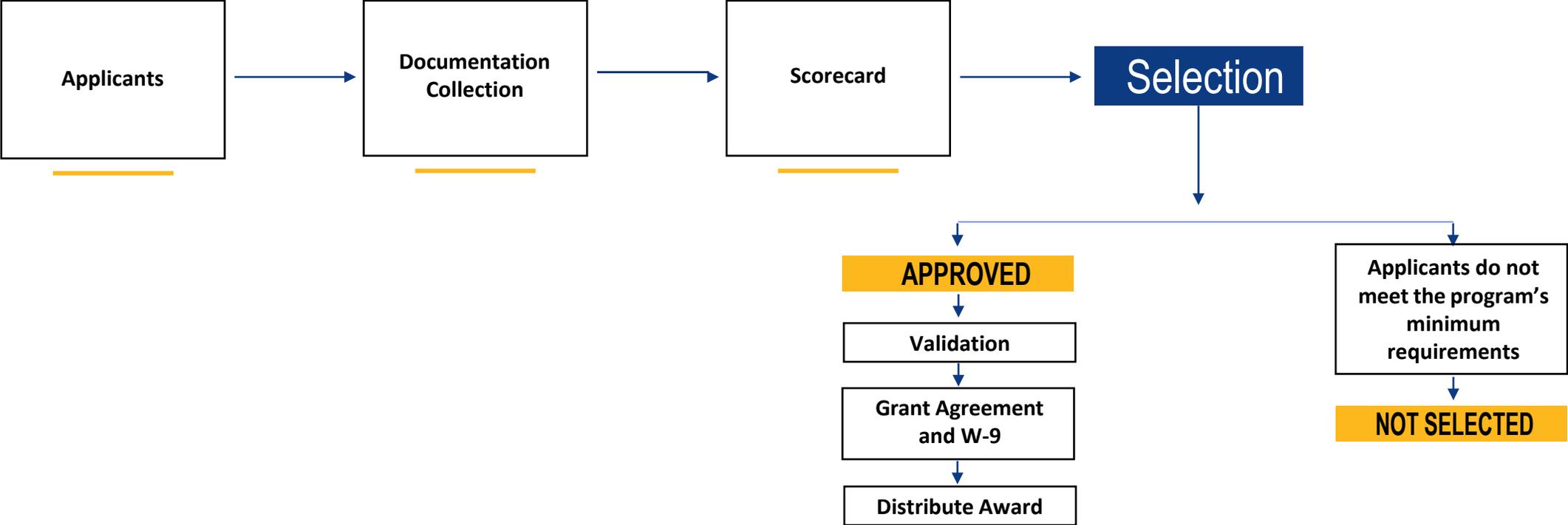




# ABOUT THE PROGRAM

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# SECTION 1: PROCESS OVERVIEW



# SECTION 2: PROGRAM OVERVIEW

- \$425,000 funding administered by the Helotes Economic Development Corporation (HEDC) with support from BCL of Texas as the Intermediary, known collectively as "Partners."
  - The program is **not** on a "first come, first served" basis.
  - The application portal will be open at 8:00 a.m. on Monday, April 5 and close at 5:00 p.m. on Friday, April 23, 2021 as determined by the HEDC.
  - Partners will conduct outreach and marketing to ensure small, vulnerable, and disadvantaged businesses and nonprofits have access to the grant application platform.
  - Partners will provide technical assistance to business owners and nonprofits (to include translation/interpretation services) during application preparation and online submission.
  - Once applications are received, BCL of Texas will process for eligibility. Once the program closes, grant awards will be distributed based on the program priority factors.
  - Maximum grant amount is \$25,000 per business.
- A committee of internal BCL of Texas team members will confirm the scorecard creation and geographical distribution based on program priority factors, including the COVID health and safety restrictions following Texans Helping Texans, local county status, and other factors affecting business operations.
  - If demand for grants from small businesses and nonprofits meeting the prioritization criteria exceeds available funding, priority factors will be assessed.
  - Applications received will be processed in two (2) stages:
    - Stage 1: Applicants upload selected financial documents, identification documents, and a business certification regarding accuracy and truthfulness of information submitted.
    - Stage 2: Eligible applicants will be requested to provide additional documentation for grant disbursement.
  - HEDC will distribute grants to approved small businesses and nonprofits.
  - BCL of Texas will arrange to deliver applicable tax forms to grantees.

# SECTION 3: GRANTEE ELIGIBILITY

**Eligible businesses must have a physical address and operate in the City of Helotes.**

A small business or small nonprofit must satisfy the following criteria to be eligible to receive a grant award:

- Must meet the definition of an “eligible small business” (see Definitions and Additional Information).
- Active businesses or nonprofits operating since at least February 1, 2020.
  - Businesses must currently be operating
- Business must be impacted by COVID-19 and the health and safety restrictions, such as business interruptions or business closures incurred because of the COVID-19 pandemic.
- Business must be able to provide organizing documents including 2018 or 2019 tax returns or Form 990s, copy of official filing with the Texas Secretary of State, if applicable, or local municipality for the business such as one of the following: Articles of Incorporation, Certificate of Organization, Fictitious Name of Registration, or Government-Issued Business License.
- Applicant must be able to provide acceptable form of government-issued photo ID.
- Applicants with multiple business entities, franchises, locations, etc. are not eligible for multiple grants and are only allowed to apply once using their eligible small business with the highest revenue.

## DEFINITIONS AND ADDITIONAL INFORMATION

- “Eligible small business” means small businesses and small nonprofits operating in the City of Helotes.
- “Small businesses” means sole proprietors, independent contractors, 1099 workers, and/or registered “for-profit” business entities (e.g., C-corporations, S-corporations, limited liability companies, partnerships) that have yearly gross revenue of \$4 million or less based on most recent available tax return (2018 or 2019); must have less than 40 FTE (full time equivalent) employees.
- “Small nonprofits” means registered 501(c)(3), 501(c)(4), 501(c)(6), or 501(c)(19) nonprofit entities that have yearly gross revenue of \$4 million or less based on most recent available Form 990 (2018 or 2019); must have minimum yearly gross revenue of \$10,000; nonprofit entities types include corporation, limited liability company, or unincorporated association.
- Applicants will be required to certify eligibility, including that the grant will be used for the specific applicant and that such applicant is the business with the highest revenue.
- Revenue determined based on IRS tax form definition of “Gross Sales” (less any returns and allowances) as reported on Line 1.c. on both the 1120 (corporate return) or 1120S (S-Corp return); Line 3 on IRS Schedule C for single member LLCs and sole proprietorships; Line 1.c on Form 1065, for partnerships; Line 1.c and Line 2 on Schedule F for farming businesses; and Line 12 on Form 990 for nonprofits. Schedule E is not eligible.

# SECTION 4: INELIGIBLE BUSINESSES

- Businesses without a physical location in the City of Helotes
- Nonprofit businesses not registered as either a 501(c)(3), 501(c)(4), 501(c)(6), or 501(c)(19)
- Government entities or elected official offices
- Businesses primarily engaged in political or lobbying activities (regardless of whether such entities qualify as an eligible small nonprofit)
- Passive businesses, investment companies, and investors who file a Schedule E on their personal tax returns
- Churches and other religious institutions (regardless of whether such entities qualify as an eligible small nonprofit)
- Financial businesses primarily engaged in the business of lending, such as banks, finance companies, and factoring companies
- Businesses engaged in any activity that is illegal under federal, state, or local law
- Businesses of professional services such as physicians, clinics, dentists, attorneys, engineers, architects, insurance agencies, vacation and long-term rentals, and sexually oriented businesses
- Businesses engaged in any socially undesirable activity or activity that may be considered predatory in nature such as rent-to-own businesses and check cashing businesses
- Businesses that restrict patronage for any reason other than capacity
- Speculative businesses
- Businesses of which any owner of greater than 20% of the equity interest in it (i) has within the prior three-years been convicted of or had a civil judgment rendered against such owner, or has had commenced any form of parole or probation (including probation before judgment), for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state anti-trust or procurement statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, or (ii) is presently indicted for or otherwise criminally or civilly charged by a government entity, (federal, state or local) with commission of any of the offenses enumerated in subparagraph (i) above
- “Affiliated” companies (as such term is defined in 13 C.F.R. § 121.103)
- Multiple business entities, franchises, locations, etc. are not eligible for multiple grants and are only allowed to apply once using their eligible small business with the highest revenue
- Business who received more than \$20,000 from previous Helotes EDC, Bexar County, or LiftFund COVID-19 grant funds

# SECTION 5: USES OF FUNDS

## ELIGIBLE USE OF FUNDS

- Only those costs incurred due to the COVID-19 pandemic and the health and safety restrictions such as business interruptions or business closures incurred because of the COVID-19 pandemic. The following are the eligible uses of grant funds:
  - All employee expenses including payroll costs, health care benefits, paid sick, medical, or family leave, and insurance premiums
  - Working capital, overhead (including rent, utilities, mortgage principal and interest payments (excluding mortgage prepayments), debt obligations (principal and interest) incurred before March 1, 2020
  - Costs associated with re-opening business operations after being fully or partially closed due to state-mandated COVID-19 health and safety restrictions and business closures
  - Costs associated with complying with COVID-19 federal, state, or local guidelines for reopening with required safety protocols, including but not limited to equipment, plexiglass barriers, outdoor dining, PPE supplies, testing, and employee training expenses
  - Any other COVID-19 related expenses not already covered (for the same period) through grants, forgivable loans, or other relief through federal, state, county, or city programs

## INELIGIBLE USES OF FUNDS

- Human resource expenses for the State share of Medicaid
- Employee bonuses or severance pay
- Taxes
- Legal settlements
- Personal expenses or other expenses unrelated to COVID-19 impacts
- Expenses for repairs from damages already covered by insurance
- Reimbursement to donors for donated items or services

# SECTION 6: HOW RECIPIENTS WILL BE DETERMINED

## GRANT RECIPIENTS WILL BE DETERMINED BASED ON

1. Businesses located in areas impacted the most by the effects of COVID-19, based on COVID health and safety restrictions following Texans Helping Texans, local county status, and other factors affecting business operations.
2. Businesses impacted the most financially based on gross revenue losses.
3. Certain impacted industries including retail, food and hospitality, health and wellness, and personal care (beauty/nail salons, spas, and barbershops).
4. “Underserved small business groups” meaning (l) women-owned, Minority/Person of Color-Owned, or veteran-owned businesses where at least 51% of the business is owned and run daily by said group(s).
  - “Minority/Person of Color-Owned Small Business” means the following racial or ethnic groups (as identified by the applicant): African American/Black, Asian, Native American, or Alaska Native, Native Hawaiian or Pacific Islander, or Latin/Hispanic.

# SECTION 7 : REQUIRED DOCUMENTATION

## STAGE 1

### Application Requirements

Businesses will need to:

1. Complete a grant application (made available through an online portal by BCL of Texas);
2. Upload selected financial and organizational documents; and
3. Self-certify the accuracy of information by signing an Application Certification.

The following information is required from all applicants in Stage 1:

1. A copy of the signed certification form referenced above.
2. Business operating bank statements for 2020 or 2021 in the quarter claiming 15% or more in loss compared to prior year.
3. 2019 Tax Return – provided in an electronic form for online upload, such as PDF/JPEG or another approved upload format.
4. An acceptable form of government-issued photo ID, provided in an electronic form for online upload, such as PDF/JPEG or another approved upload format.
5. Acceptable evidence of less than 40 FTE (full time equivalent) employees. Payroll documents with employee listings/count and IRS 941 for 4th quarter.

## STAGE 2

### Additional Requirements for Businesses Determined to be Eligible

Once selected for funding, applicants will be required to provide additional documentation as set forth below and re-certify to the accuracy of information provided.

The following information is required from all applicants in Stage 2:

1. Copy of official filing with the Texas Secretary of State (which must be active), if applicable or local municipality for your business such as one of the following, which must be provided in electronic format for upload, such as PDF/JPEG or another approved upload format:
  - Articles of Incorporation
  - Certificate of Organization
  - Fictitious Name of Registration
  - Government-issued Business License (sole proprietors without fictitious name)
2. For eligible nonprofit entity applicants, a copy of the entity's most recent IRS tax exemption letter.
3. Disclosure of previously awarded grants from federal, state, or local entities funded with CARES Funds. (Such as EIDL, PPP, Bexar County LiftFund, or HEDC Small Business Assistance Grant)