

Schoharie County Microenterprise Grant Program

NOTE: Submission of an application does not guarantee project funding approval. Grant application, guidelines and scoring are subject to change.

Program Overview

The Schoharie County Microenterprise Grant Program is made possible from the New York State Office of Community Renewal, (Community Development Block Grant Program). The 2018-2019 Schoharie County Microenterprise Grant Program will provide grants to eligible Microenterprises, new or existing expanding businesses, within Schoharie County. Schoharie County Microenterprise Grant Program will be assisting businesses that create new jobs for low to moderate income persons (LMIE), and businesses owned by low to moderate income owners (LMIO).

Businesses that qualify are eligible to apply for grants ranging from \$5,000 - \$25,000.

Businesses that will employ at least one LMIE person can receive up to \$25,000. Businesses that are LMIO owner can receive up to \$15,000. Grants are intended for equipment, fixtures, furniture, supplies, and raw material. The purchases must be tangible items that are not hardwired or attached to existing structures. Funds cannot be used for construction or issued to businesses under construction, vehicles, or to pay off existing debt. Purchase of used equipment will need prior approval from the Schoharie County Microenterprise Review Committee.

During the application process and through grant implementation, Schoharie County will work with Microenterprises within the County to identify additional funding sources and assistance programs that may be available. The County will be a resource for businesses to help ensure the success and longevity of all Schoharie County businesses.

Section 1: Program Administration

The Schoharie County Industrial Development Agency (SCIDA) will serve as the Program Administrator of the Schoharie County Microenterprise Grant Program. The SCIDA will work in coordination with the Schoharie County Office of Community Development Services. The SCIDA will be responsible for marketing the program, accepting and processing applications, documenting participant Community Development Block Grant (CDBG) income eligibility, documenting the number of employees, and setting up business files to document services and eligible costs. The SCIDA will work with applicants to ensure compliance with the program guidelines.

Section 2: Program Rules and Guidelines

1. Applicants must be a private for-profit business entity, corporation, partnership, or sole proprietorship that is legal and licensed.
2. Applicants must be a new or an existing business undergoing expansion with five (5) or fewer employees, one (1) or more of which may be the owner of the business at the time of application. Each applicant must have a unique DUNS number, EIN, Training Certificate, 1040 and Family Income Form for new employees, not shared by another applicant.

3. Businesses must be located or intend to locate within Schoharie County. Proof of Schoharie County location shall be provided prior to receiving grant funds. The grant recipient's principal place of business shall be located in Schoharie County throughout the term of the grant agreement or the recipient may be required to repay the full or a portion of the award amount as determined by the Microenterprise Grant Application Review Committee.
4. Businesses must contribute at least 10%, in cash equity, of the cost of the project. Microenterprise Grant Program funds may not exceed 90% of the total project cost.
5. Businesses receiving funding must create one (1) full time equivalent (FTE) new job made available to persons from low-to-moderate income (LMI) families OR be owned by a person defined as LMI. Verification of income status shall be completed by new employees on the Family Income Form provided by SCIDA. (Family in this context, is defined as all persons that reside in the same household that are related by birth, marriage, or adoption). LMI business owners must submit income verification through copies of the most recent tax returns. LMI business owners must also reveal and certify all sources of income and assets. Income and tax information per family cannot be utilized or submitted for more than one application per current microenterprise program. (i.e. Only one member per family is eligible for a grant at the same time.)
6. For a business to be eligible, the owner(s) cannot have total liquid assets greater than \$150,000. Liquid assets are defined as any asset that can be converted to cash and would be able to be used for project purposes. Such assets do not include primary residences, pension assets (401K, IRA's, Life Insurance). Applicants will have to provide documentation of assets, including cash, savings and checking accounts, stocks, bonds, and real estate not associated with their primary residence, and other assets. Certification and tax documents will be required.
7. New jobs must start within one (1) month from the executed agreement date. Businesses must report back to the SCIDA on jobs and 51% of total jobs must benefit LMI persons.
8. Grants are intended for equipment, fixtures, furniture, supplies, and raw material. The purchases must be tangible items that are not hardwired or attached to existing structures. Funds cannot be used for construction or issued to businesses under construction, vehicles, or to pay off existing debt. Purchase of used equipment will need prior approval from the Schoharie County Microenterprise Review Committee.
9. Grant recipients must complete an approved mandatory "Entrepreneurial Training Program" as a requirement for receiving funds. SCIDA has partnered with the Schoharie County Chamber of Commerce and the Fulton Montgomery Regional Chamber of Commerce to provide the training. Other eligible training programs will be considered. Applicants need to make their own arrangements for training and training costs. A certificate of completion will be required before funds can be released. Applicants that have received training in the past 3 years and have a certificate meet the training requirements.

10. A goal is to apply a minimum of 50% of grant funds to start-up businesses. A start-up business is defined as business that has been in operation for less than six (6) months at time of application.
11. Grant funds cannot be associated with any business construction. Businesses must have all aspects of construction completed and all certificates of occupancy, permits, licenses etc. to operate before funds can be received. Business needs to be in full operation. Businesses that will involve construction and lack associated permits and/or licenses are not eligible.
12. The Grantee will solely be responsible for seeking, securing, and keeping in effect any permits needed to operate the equipment and the facility. All building code permits and certificate of occupancy must be secured before first draw of funds is submitted. The Grantee will, upon the Grantor's request, provide evidence of compliance with this paragraph to the Grantor.
13. Preference will be given to projects that maximize "leverage" by taking advantage of other grant or loan programs within the County.
14. Preference will be given to projects located in census tracts where the medium income is at or below 80% of Area Median Family Income for Schoharie County.
15. Applicants that have a received a CDBG loan or grant since January 2015 are not eligible.
16. All personal and business financial information will be kept confidential.

Section 3: National Objectives/LMI Limits

Federal standards require that a portion (51%) of CDBG program funds must benefit persons defined as low-to-moderate income (LMI) based on federal "HUD" standards, equivalent to 80% of the HUD Area Median Family Income (AMFI). In order to qualify as LMI, persons must have combined family incomes below the limits as listed in Table 1 based on household size. Family in this context, is defined as all persons that reside in the same household that are related by birth, marriage, or adoption. Subject to change in 2018.

Table 1-Schoharie County								
Family Size:	1	2	3	4	5	6	7	8
Income Limit:	48,400	55,300	62,200	69,100.	74,650	80,200	85,700	91,250

Section 4: Application Review Process

1. All applicants shall complete the attached Schoharie County Microenterprise Grant Program Application Form and provide all information and documentation as identified therein.

The program is competitive. Submission of an application does not guarantee project approval.

2. All applications shall be submitted to:

Schoharie County Industrial Development Agency
349 Mineral Springs Road
Cobleskill, New York 12043
3. The deadline for applications is 4:00 p.m. December 3, 2018. Applications received or postmarked after the announced deadline date will not be considered for an award. Additional awards may be made if all available grant funds are not fully expended before March 15, 2019 or if an awarded business drops out of the program or is deemed ineligible. The program end date is March 28, 2019.
4. The Schoharie County Industrial Development Staff will review applications to determine eligibility and completeness. SCIDA staff will contact applicants regarding missing information or to seek clarification on information provided. Following the SCIDA review, the application will be forwarded to the Schoharie County Microenterprise Grant Application Review Committee.
5. The Schoharie County Microenterprise Grant Application Review Committee will meet to evaluate and rank all submitted applications and decide on the assistance request.
6. All applicants will be notified in writing as to the outcome of their submission.
7. Applicants that do not receive a grant award can contact the SCIDA to discuss their application and identify opportunities for improvement or other available funding resources.
8. The Schoharie County Microenterprise Grant Program Review Committee will give more weight to projects that:
 - a. Create or expand an agri-business.
 - b. Are owned by active military or veterans.
 - c. Are a new or existing business locating/located on a Main Street, Central Business District, or Hamlet.
 - d. Provide essential services that are currently lacking in a neighborhood.

Depending on the level of program demand, all projects will be rated and ranked for funding according to the following scoring system (will be funded by highest score first):

<u>Measure</u>	<u>Points</u>
1. The applicant falls into one or more of the above (8 a-d) prioritized categories.	Up to 10 points

2. Number of jobs created measured in full-time FTE jobs.	10/FTE
3. The Microenterprise is a start-up (just starting or been in business less than 12 months.)	5
4. The Microenterprise owner is a State-Certified Minority-Owned or Women-Owned Business Enterprise (M/WBE).	5
5. The Microenterprise Applicant/Owner has a business plan for the project that provides adequate detail and direction to insure potential success in the opinion of the Schoharie County Microenterprise Grant Application Review Committee. Points based on complete and thorough information.	Up to 20
7. Business Readiness (e.g. CO, zoning/building permits/licenses obtained, etc.)	Up to 10
8. High probability that business will be ready for first draw within 1 month of award.	5
9. Business contribution/Owner Equity over 10% of project cost.	5
10. Owner qualifications, background, and financial standing.	Up to 10
11. Overall feasibility of the project*.	Up to 20

* The Schoharie County Microenterprise Grant Application Review Committee, SCIDA, and the SCOCDS will review projects to determine the financial feasibility of a project and what, if any, other feasibility issues exist including existing competition, geographical location, and uniqueness of the business/project. Based on individual project needs and complexities, other considerations will be weighed. This will be a comparative measure of all projects in the eligibility pool with the greatest number of points being awarded to the project with the greatest feasibility. The long-term feasibility of the Microenterprises will be assessed under this scoring criterion.

Other Considerations:

1. The Schoharie County Microenterprise Grant Program is intended as a financial assistance program for applicants with few personal assets and difficulty securing commercial bank financing. Where they exist, these issues will be considered by the Schoharie County Microenterprise Grant Application Review Committee; but they are not, by themselves, factors in support or against an application.
2. Applications will be evaluated on the merits of the case as stated in the grant application and supporting documents. ***Grant application, guidelines and scoring are subject to change. Submission of an application does not guarantee project funding approval.***
3. The Schoharie County Microenterprise Grant Program will be implemented in ways consistent with the County's commitment to state and federal equal opportunity laws. No

person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with program funds on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status, physical or mental disability, sexual orientation or other arbitrary cause.

Section 5: Use of Program Funds

1. Schoharie County Microenterprise Grant Program funds must be justified and be used directly by the applicant. Grants are intended for equipment, fixtures, furniture, supplies, and raw material. The purchases must be tangible items that are not hardwired or attached to existing structures. Purchase of used equipment will need prior approval from the Schoharie County Microenterprise Review Committee. Invoices and proof of payment will be required.
2. Schoharie County Microenterprise Grant Program funds shall not be used to purchase real estate; repay existing debt; purchase of vehicles; undertake building façade or interior building renovations (any construction); funds cannot be issued to businesses under construction, or to make any investment or payment that are outside the scope of the business. Applicants are strongly encouraged to contact the Schoharie County Industrial Development Agency to determine the eligibility of proposed expenses.

Section 6: Amounts and Terms

1. All assistance will be provided in the form of a grant.
2. The Schoharie County Microenterprise Grant Application Review Committee will have the sole authority to set the grant award amount based on the determined need of the applicant and the availability of funds. Award offerings may be less than applicant's submittal amount. Grant awards will range from \$5,000 to \$25,000. Maximum award amounts (\$25,000) will be granted to businesses that are committed to hiring LMI employees. Up to \$15,000 will be granted to LMI owned businesses.
3. A Schoharie County Microenterprise Grant Agreement between the County and/or Schoharie County Industrial Development Agency and the Microenterprise owner(s) will be executed prior to the disbursement of any funds and all guidelines and requirements must be met. This agreement will detail the terms and conditions of the funding.
4. The Schoharie County Microenterprise Grant Application Review Committee may award up to 90% of the total project cost, however cash equity participation from the applicant is required at a minimum rate of 10%. Combinations with other funding sources are anticipated and encouraged (commercial lenders and/or non-traditional programs) are anticipated. For example, if your grant request is for \$10,000, business owners must contribute at least \$1,000 of their own money to the project.
5. Businesses awarded funding must stay open and operational per agreed upon terms for a minimum of 1 year. Should the business default, 100% recoupment will be pursued.

Section 7: Disbursement of Funds

Grant funds will be disbursed based on a mutually agreed upon schedule between the SCIDA and the applicant following the approval of the applicant's application and the fulfillment of agreement requirements. Grantor shall have the right to disburse all or any portion of the Grant proceeds as deemed fit. Grant assistance will be based upon documented incurred costs (e.g. pending or paid invoices). Please note, the type of documentation required will vary based upon the expense. All conditions of the agreement must be met.

Section 8: Associated Costs – Entrepreneurial Training Program

An "Entrepreneurial Training Program" will be required in order to receive funding. The training fee range is \$150-\$200 and paid directly to the host by the applicant. Please contact the Schoharie County Chamber for details.

Section 9: Public Notification of the Schoharie County Microenterprise Grant Program

Advertisement of the Schoharie County Microenterprise Grant Program will be placed on the County's website with links to the program guidelines and application. In addition paper applications, will be available at the Schoharie County Industrial Development Agency for interested applicants.

The deadline for submittal of the grant application is 4:00 p.m. December 3, 2018.