

Shop small. Shop local.



City of Parma Small Business Grant Program

GUIDELINES

City of Parma
Community Services &
Economic Development
Department

5517 State Road
Parma, OH 44134
(216) 661-7372

1.0 Program Introduction

In response to the economic hardships experienced by small businesses resulting from the COVID-19 pandemic, the City of Parma has established a Small Business Grant Program in an effort to retain jobs and stabilize local businesses. This Program provides gap financing for businesses that have lost revenue due to State mandates requiring business closure and/or business model changes in response to the control of COVID-19 and who are at risk of layoff(s) or closure. The Program is funded through the U.S. Department of Housing & Urban Development's Community Development Block Grant – Coronavirus (CDBG-CV) funds. The primary Community Development Block Grant National Objective of assistance to low and moderate income persons will be achieved by retaining jobs held by low to moderate income persons and providing assistance to microenterprises with low to moderate income owners.

The program will use \$125,000 of CDBG-CV to provide grants of up to \$10,000 to businesses with up to fifteen (15) employees at the time of application, or up to five (5) employees with a low to moderate income owner. The business must demonstrate a loss of gross revenue of 25% or more as a result of the COVID-19 pandemic to be considered for funding.

Applications will be received and reviewed on a first come, first served basis. Potential applicants should register for a DUNS number and create an account on SAM.gov (HUD requirement to receive funds) as soon as possible. See Section 3.2 for more information.

2.0 Program Requirements

2.1 TERMS

Funds are provided as a grant. Repayment is only required if the grant agreement is violated or the City determines duplication of benefits has occurred (see Section 2.4).

- Maximum request: \$10,000
- Minimum request: \$1,000
- Business to provide project report to City within three months of disbursement of grant funds

2.2 PROGRAM SERVICE AREA

Financing Under this Program is available to eligible for-profit businesses located within the jurisdictional boundaries of the City of Parma. The business address of the applicant will be considered the location of business administration and the address of business registration.

2.3 FUNDING SOURCE

The Small Business Grant Program is funded through CDBG-CV funds provided by the United States Department of Housing & Urban Development (HUD) to the City of Parma under the CARES Act. As such, these funds have Federal requirements, as described below.

2.4 DUPLICATION OF BENEFITS

Businesses may not receive Federally subsidized disaster assistance that duplicates any part of their disaster loss covered by insurance or another source, such as the Small Business Administration (SBA) or the Federal Emergency Management Agency (FEMA). Applicants for the City of Parma Small Business Grant Program funds must disclose any funds applied for and received from these sources or other Federal assistance programs. It is at the City's sole discretion to determine if funds received from any of these sources constitutes a duplication of benefits. Grants under this Program will be provided in an amount not to exceed the level of need. If a duplication of benefits determination is made after the City of Parma disburses funds, the amount of benefit deemed duplicated must be repaid to the City of Parma.

2.5 ELIGIBLE APPLICANTS

- For-profit businesses with up to 15 employees at the time of application may apply. Business must meet one of the following two criteria:
 1. Small business with 15 or fewer employees that can demonstrate at least one FTE job would be lost without receipt of grant funds and who must retain at least 1 FTE job for a low to moderate income person (to be evaluated after 3 months); or
 2. Microenterprise (5 or fewer employees, including the owner) that is owned by a low to moderate income individual and can demonstrate potential business closure or layoff(s) without receipt of grant funds.
- Eligible applicants must be located within the jurisdictional boundaries of the City of Parma and operate out of a physical location.
- Business must demonstrate 25% or more loss of gross revenue due to the COVID-19 pandemic.
- Annual gross revenue must be under \$1.5 million.
- Business must have been operating for 2 years prior to application.
- The business owner must be a U.S. citizen or permanent resident.
- Owner must be 18 years of age or older.
- Owner has or will have a valid SSN, EIN, DUNS, and Business Bank Account.
- Owner/applicant is not in nor has filed Bankruptcy within the last 12 months.
- Owner/applicant is current with property taxes and City income taxes and fees, or, if not, has a payment plan in place as of date of application.

- Applicant cannot have a conflict of interest with the City of Parma i.e. no persons employed by the City of Parma and their immediate family, elected officials and their immediate family, or a person with a financial interest in a contract with the City of Parma. The Director of Community Services & Economic Development reserves the right to determine conflict of interest to the best of his/her judgment.

2.6 INELIGIBLE APPLICANTS

- Nonprofit organizations are not eligible businesses under CDBG regulations and will not be considered for funding.
- Other ineligible businesses include those restricted to patrons under the age of 21 (e.g. bars serving solely liquor, liquor and tobacco stores, smoke shops, sexually oriented businesses), sports teams, payday and auto title loan businesses, franchises/chains that cannot provide proof of independent ownership, pawn shops, firearm or weapons dealers, passive real estate investments, or home based businesses operating without appropriate zoning and/or permits.

2.7 ELIGIBLE USE OF FUNDS

Grant money may only be used for the operating expenses of the awarded business. The operating expenses are defined as the day-to-day trading operations of the business such as payroll, rent, mortgage, utilities, insurance, and inventory expenses.

2.8 INELIGIBLE USE OF FUNDS

Funds under this Program may not be used to:

- Reimburse expenses incurred prior to execution of the grant agreement.
- Pay off non-business debt such as personal credit cards, or for purchases and expenses not associated with the business and its operation.
- Pay off delinquent taxes or fines.
- Finance political activities as defined at 24 CFR 570.207 (a)(3).
- Finance explicitly religious activities including those that contain overt religious content such as worship, religious instruction, or proselytization.
- Construction or physical alterations to the business address.
- Home office expenses.
- Purchase of equipment with a per-unit acquisition cost greater than or equal to \$5,000. Any equipment purchase is generally unallowable unless part of operating expenses, as defined in Section 2.7.

2.9 JOB RETENTION

Businesses that participate in this Program are required to retain at least 1 job held by an individual that is a member of a low to moderate income household for 3 months from the date of acceptance into this Program. Job retention is defined as total full-time equivalent positions retained at 40 hours per week, or any combination of part-time positions combining for 40 hours per week, including owners. If the position is expected to turn over within 3 months, the business must take responsible steps to make the position available to low and moderate income persons.

Job Retention Exception

A business with 5 or less employees and whose owner is themselves low to moderate income is considered a microenterprise. Microenterprises are not subject to the above job retention requirement.

3.0 Program Details

3.1 GENERAL CREDIT REQUIREMENTS

Outstanding debt from municipal citations, child support, taxes owed to Federal, State or local agencies, and delinquent property taxes do not disqualify applicants. If proof of formal payment arrangements are provided, the applicant is not disqualified.

3.2 OTHER REQUIREMENTS OF CDBG-CV GRANTS

Grant applicants must:

- Provide a valid DUNS number prior to contract execution. Registration for a DUNS number is required by HUD. This is a free service and should be completed as soon as possible for any business who intends to apply for this grant. Register here: <https://www.dnb.com/duns-number/get-a-duns.html>
- Have an active account in the System for Award Management (SAM). Registration in SAM is required by HUD. This is a free service and should be completed as soon as possible for any business who intends to apply for this grant. Register here: <https://www.sam.gov/>

3.3 PROGRAM ADMINISTRATION

The City will:

- Market the Small Business Grant Program
- Accept and process applications
- Complete Income Eligibility qualifications and document retained employees
- Collect third party documentation from the applicant of job loss/business closure (if not for grant assistance)
- Ensure timely disbursement of funds
- Maintain agreement documents and fiscal records
- Ensure compliance with program guidelines as they relate to the funding source

3.4 GRANT TERMS AND CONDITIONS

Financial assistance from this Program is designed to keep businesses operational and to retain jobs. Terms and conditions are determined by material submitted in this application.

- Grant – the funding is in the form of a grant. Businesses that don't qualify as a Microenterprise must be able to provide evidence (in the form of payroll records) of job retentions for at least 3 months, otherwise the funds must be repaid to the City of Parma. Microenterprises will report on the status of their business after 3 months.
- Amount – up to \$10,000 of grant funds. The grant funds are only available for jobs that will be retained as a result of these funds or HUD defined Microenterprises with low to moderate income owners. Grant amounts are based on the business's fixed monthly operating expenses and will be the lesser of \$10,000 or 3 times the average monthly payroll and operating expenses from January 1, 2020 – March 31, 2020
- Allow City to collect income and demographic data from applicants and their employees.
- Allow the City to collect third-party documentation, such as financial information, that demonstrates the potential business closure or layoff(s).

4.0 Program Operations and Grant Processing

4.1 PROGRAM MARKETING AND OUTREACH

Program marketing will be conducted by the City and will affirmatively target women and minority-owned enterprises.

4.2 EQUAL OPPORTUNITY COMPLIANCE

The Small Business Grant Program will be implemented in a manner consistent with the City's commitment to Federal and State 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 CDBG-CV funds on the basis of his/her religion, age, race, color, ancestry, national origin, sex, marital status, familial status, disability, sexual orientation, gender identify, Veteran status or any other arbitrary cause.

4.3 APPLICANT CONFIDENTIALITY

Generally, application materials are subject to public disclosure. All personal and business financial information will be kept confidential to the extent as permitted by Ohio law. Files for assisted businesses will be kept in the locked office of the Department of Community Services & Economic Development.

4.4 DISPUTE RESOLUTION AND APPEALS

Applicants who are not deemed eligible have the right to appeal the decision of the City but are limited to procedural errors in the selection process. In the event that no procedural errors are found to have occurred, the decision of the City shall be final. An Aggrieved applicant may, within 7 business days after the denial of grant funding, appeal in writing to the Director of Community Services & Economic Development. The appeal must state all facts and arguments upon which the appeal is based. The Director will review the content of the City's Small Business Program guidelines, the applicant's application, and the facts which form the basis for the appeal. The Director will render a written decision within 30 days of the receipt of the appeal.

4.5 EXCEPTIONS AND SPECIAL CIRCUMSTANCES

The City, however, reserves the right, at its sole discretion, to deviate from City-imposed policies and procedures in extenuating circumstances. A Request for Exception to Program Guidelines shall be submitted to the Director in writing by the applicant. Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines.

4.6 GRANT CLOSING PROCESS

Upon successful completion of the application process, City staff will prepare for the grant closing by preparing the grant closing documents. The City will disburse funds to the business when the grant agreement is executed. The business must spend the funds within 90 days from receipt of funding. No later than 120 days after funding, the

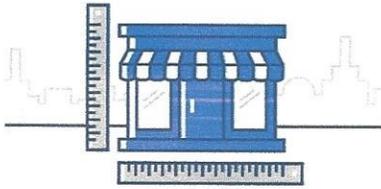
business must provide Invoices and proof of payment for all expenses paid using grant funds in accordance with the scope of work in the agreement.

4.7 APPLICATION SUBMISSION AND SELECTION

Applications will be reviewed in order of their receipt. However, only those applications that are submitted and are deemed complete by City staff will have funding reserved for them. Once funding has been depleted, no further applications will be received. Applications can be obtained by calling the Department of Community Services & Economic Development at (216) 661-7372. Submission can be by email to etollerup@cityofparma-oh.gov or by mailing to City of Parma, 5517 State Road, Parma, OH 44134.

4.8 INCOME LIMITS

Persons in Family	1	2	3	4	5
Income Limit	\$42,600	\$48,650	\$54,750	\$60,800	\$65,700



Small Business Grant Program For Businesses With 15 or Fewer Employees

**The City of Parma, Ohio
Mayor Timothy DeGeeter**

FAQS

How do I apply?

Applications are available by calling the Department of Community Services & Economic Development at (216) 661-7372 or by email at etollerup@cityofparma-oh.gov

What documentation is required?

The required documents are listed below. The City reserves the right to request further documentation and information it deems necessary.

1. Copy of Driver's License for all owners of the business
2. Proof of citizenship for all owners (birth certificates, passports, permanent resident cards)
3. Copy of Social Security cards for all owners
4. 2019 Individual 1040 for each business owner or 2018 1040 and 2019 earning statement
5. 2019 Business Federal Tax returns or for self-employed/sole owner their 2019 1040 with Schedule C or 2018 Business Federal Tax return and 2019 Profit & Loss Statement or for self-employed/sole owner 2018 1040 with Schedule C and 2019 Profit & Loss Statement.
6. 2020 Year-to-Date Business Earnings Statement
7. W-9 (requires for entities filing Business Federal Tax returns)
8. Pre-COVID employee count with detailed payrolls from January 2020 through April 2020
9. Documentation demonstrating a 25% loss or greater of gross revenue since March 2020
10. IRS Forms 940, 941 and 945
11. Monthly gross revenue/sales documentation from April 2019 to April 2020.

Can I apply for more than one grant if I own more than one small business in Parma?

Yes, different businesses in different locations with the same ownership are eligible to submit a grant application for each separate business.

What can the grant be used for?

Grant money may only be used for the operating expenses of the awarded business. Operating expenses are defined as the day to day trading operations of business such as payroll, rent, mortgage, utilities, insurance, and inventory expenses.

What are the terms of the grant?

Unless the business qualifies as a Microenterprise, at least one job held by a low to moderate income employee must be retained for 3 months.

How much do I receive if selected?

You can expect an award of the lesser of \$10,000 or an amount equal to 3 times your average monthly payroll and operating expenses from January 1, 2020 to March 31, 2020.

Is my business eligible?

The business must be located within the jurisdictional boundaries of the City of Parma, must have been in operation for at least 2 years prior to application, it must be for-profit with an annual gross revenue below \$1.5 million, and demonstrate a 25% or greater loss of gross revenue due to the COVID-19 pandemic. The business must also have 15 or fewer employees or a Microenterprise of 5 or fewer employees (including the owner) where the owner is a low to moderate income person.

Does my Home Based Business qualify?

Business operated out of the home may be eligible but expenses relating to the upkeep of the home are not eligible. HBB must be properly zoned and have its Occupancy Permit from the City prior to application.

Who is NOT eligible?

Non-profits, businesses owned by City of Parma employees, elected officials, and/or their immediate family. Businesses restrictive of patrons under 21 years of age (bars that serve only liquor, smoke shops) are also ineligible.