

# Canton CARES Small Business Grant Program for COVID-19 Emergency Relief Program Guidelines

## **I. Overview of the Grant Program**

- A. The Canton CARES Small Business Grant Program for COVID-19 Emergency Relief (the "Program") will provide small business grants of up to \$25,000 for small businesses within Canton city limits to assist small businesses to prevent, prepare for, and respond to the coronavirus. Funds in the amount of \$1,000,000 have been committed to the grant program from the American Rescue Plan Act ("ARPA").
- B. Businesses located within the City of Canton with 50 or less Full Time Equivalent employees and which have been affected by COVID-19 are eligible to apply for a grant of up to \$25,000. Priority will be given to businesses that demonstrate a record of successful business operations with the potential for continuing viability. The level of award given to a business is dependent on the following criteria:
- \$5,000: businesses which have 1 – 2 FTEs or had less than \$25,000 in revenue in 2020.
  - \$7,500: businesses which have 3 – 10 FTEs or had greater than \$25,000 but less than \$250,000 in revenue in 2020.
  - \$10,000: businesses which have greater than 10 FTEs or had greater than \$250,000 in revenue in 2020.
  - \$25,000: business in which have greater than 20 FTEs or had greater than \$500,000 in revenue in 2020.
- C. Applications may be submitted online to the City of Canton beginning at 8:00AM on Monday, September 13, 2021 thru Monday, September 20, 2021 at 5:00PM. The Application will be available at [www.cantonohio.gov](http://www.cantonohio.gov). Applications will be processed and scored by the Economic and Community Development Institute, Inc. (ECDI), a subcontractor to the City of Canton for purposes of administering this program. Final awards will rest in the discretion of the Office of Community Development of the City of Canton.
- D. Applications will be scored and grants awarded based on eligibility, relative scoring and the following criteria:
- demonstrated history and viability
  - the impact of the COVID-19 pandemic on the operation and success of the business
  - the likelihood of the business's future success
  - the number of job opportunities retained by City of Canton businesses
  - the contribution of the business to equity and diversity of small businesses and small business owners in the City of Canton
- E. The City of Canton will announce the award of grant funds during the month of October, and will distribute grant funds in November, pending receipt of all signed documentation.
- F. All grants made under the Program are being made with the intention to provide immediate funding to small businesses to meet their business needs, to keep as many small businesses in Canton operating, and to retain as many jobs for Canton residents as possible in light of the severe economic hardships brought by the COVID-19 pandemic.

## **II. Eligibility Criteria**

- A. To be eligible, a business must meet all of the following criteria as of March 16, 2020:

- The business can operate as for profit or Non-profit entity.
- The business must be privately held.
- The principal place of business for the business must be located within Canton city limits.
- The business must have been in operation for at least one year prior to March 16, 2020
- The business must employ fifty (50) or less full time equivalent employees. For purposes of this criteria, "employ" shall mean an individual who regularly works at least 20 hours per week and who are (i) individuals who are employed as employees and provided an IRS Form W-2 at the end of each calendar year, (ii) individuals who are independently contracted with the business and receive an IRS Form 1099 at the end of each calendar year, and who primarily or exclusively contract with only the business during the year. For purposes of determining whether the business employs the requisite number of individuals, the principal owners of the business may be included to meet the minimum of individuals employed, but need not be included in the number of employees if it would cause the business to exceed the maximum number of individuals employed.
- At least 50% of the individuals employed by the business, as defined herein must be permanent residents of the city of Canton.
- The business must not be in receivership or bankruptcy.
- The business must certify in the application that they are current on all Federal, City of Canton municipal income tax obligations, and Stark County property tax obligations.
- Businesses will be provided funds from American Rescue Plan Act funds. The business must create or retain jobs for at least one low-to-moderate-income individual or be located in a low to moderate census tract as identified in the most recent American Community Survey (ACS) data. Understanding that a business may need to lay off personnel during the COVID-19 pandemic, that business will agree that, if it receives funding through the American Rescue Plan Act, it will make a concerted effort, when reemploying people, to hire at least one low-to-moderate-income individual who was part of the layoffs.

B. The following businesses shall not be eligible:

- Any business operating as a sexually oriented business as that term is defined in Section 2907.40 of the Ohio Revised Code.
- Any business that primarily sells tobacco products, cigarettes, electronic smoking devices, or vapor products as those terms are defined in Section 2927.02 of the Ohio Revised Code.
- Any financial institution that makes loans or issues credit to the public, including, but not limited to, banks, credit unions, payday lenders, or any other similar business.

C. Any business that has received grant funds from another federal, or state government program related to relief for small businesses as a result of the COVID-19 pandemic may be ineligible to receive grant funds under the Program, under CDBG regulations regarding "Duplication of Benefits." Applicants should make specific inquiry concerning these regulations by contacting Denise Hicks [DHicks@ecdi.org](mailto:DHicks@ecdi.org).

### **III. Eligible Expenses**

- A. Unless excepted below, all expenses of the business that are deductible as ordinary and necessary business expenses under the U.S. Internal Revenue Code may be paid for with grant funds from the Program. Examples of eligible expenses include, but are not limited to:
- Mortgage payments for the businesses principal place of business or such other business location in City of Canton. Mortgage payments for businesses that are located in an owner's primary residence are not eligible.
  - Rent payments for the business's principal place of business or such other business location in the city of Canton
  - Rent payments for businesses that are located in an owner's primary residence are not eligible.
  - Utility payments - electric, gas, sewer, water, trash removal -for the business's principal place of business or such other business location in the city of Canton. Utility payments for businesses that are located in an owner's primary residence are NOT eligible.
  - Health, property and casualty and liability insurance payments.
  - Physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, prevention tactics.
  - Technical assistance, counseling, or other services to assist with business planning.
  - Vehicle and equipment lease or rental payments for personal property acquired after May 3, 2021.
  - Supporting payroll and benefits costs, costs to retain employees, mortgage, rent utilities costs, and other operating costs.
  - In the event that the grant to a business is funded by American Rescue Plan Act Funds, eligible expenses shall not include any expenses that are ineligible to be paid with American Rescue Plan Act Funds
- B. Each applicant for funds will include in its application to the city of Canton a description of the expenses it intends to pay with the grant funds, which will be reviewed for compliance with the eligible expenses set forth in the eligible expenses section, above. Following the expenditure of all grant funds, the business shall provide a listing to ECDI of all business expenses paid using the grant funds along with supporting documentation. Documentation will be in the form of canceled checks, paid invoices, bank statements, or similar documents evidencing payment. The listing of business expenses paid and accompanying documentation shall be submitted to the city of Canton no later than 180 days following the receipt of grant funds by the business. In the event that the grant funds were spent on ineligible expenses, the business shall repay the grant funds so spent within ten (10) days of receiving notice from ECDI. The City of Canton Law Department will do the necessary collections for all ineligible grantees that fail to repay within the 10-day time frame.
- C. All expenses reported to the city of Canton as paid using Program funds must either be incurred by the business or paid by the business on or after March 16, 2020, and within 90 days of receipt of grant funds.

### **IV. Application and Award Process**

Businesses that wish to apply for a grant from the Program shall submit their application via the online application form provided for the program. This application can be completed via computer, tablet or smartphone with an Internet browser and Internet access. In order to accommodate potential applicants unable to access electronic materials, applicants should contact Denise Hicks, [dhicks@ecdi.org](mailto:dhicks@ecdi.org), at ECDI to access hard copy materials and discuss the related submission of those materials. Applicants are highly encouraged to submit the application via the online tools provided in order to facilitate the speed of submittal and accuracy of the completion of the application. While every effort has been made to provide a simple online application for the grant, some additional information may be

required from applicants in the selection process. In those cases, that information should be readily accessible if the applicant has already submitted an application for an SBA loan.

- A. Applications taken will commence at 8:00AM on Monday, September 13, 2021 and run until 5:00PM on Monday, September 20, 2021. All applications must be submitted during this time to be considered.
- B. Upon receipt of each application, the city of Canton will forward each application to ECDI to be examined for completeness. In the event the application is incomplete and/or the applicant fails to include all information required, ECDI will notify, by email, the applicant of the incomplete submission. Failure to respond within two business days with the required information will disqualify the Application.
- C. All applications that are complete will receive a sequential grant application number indicating the order that the complete application was received. This number will factor into the review as a way of prioritizing distribution of funds in the event scoring of the application results in equal scores to other applications.
- D. The ECDI evaluation team will review and score each complete application based on the criteria outlined above and the information provided in the application. The City of Canton will review ECDI's recommendation and make the final decision.

- E. Upon approval by Office of Community Development, businesses will be awarded a grant of up to \$25,000. Grants will be funded only to the extent that grant funds are available. Grant awards will be announced by the City of Canton beginning on Monday, October 4, 2021. Following award of each grant, ECDI will email each business receiving an award a grant agreement. The business must complete and sign the grant agreement and any requested supporting documentation and return the same to ECDI to receive grant funds. Grant funds will be distributed as soon as all requested documentation and is given to ECDI.
- F. If after award of grant funds for all applications received during the first funding round there are still funds remaining to be granted and/or subsequent funds are received by the City of Canton for the purpose of making grants hereunder, subsequent rounds of funding may be announced and conducted. Any application that is complete and meets all eligibility, but was not funded in a certain round will be reconsidered for funding in the next subsequent funding round.
- G. The City of Canton may require any business owner to complete any necessary documentation to determine if the grant to that business may be funded out of the Canton CARES Small Business Grant Program for COVID-19 Emergency Relief. Completing such documentation will not be considered by the City of Canton as a pre-requisite to the business having submitted a completed application, but instead is only necessary to determine the appropriateness of funding through the provided funds.
- H. Nothing contained herein is intended to obligate or bind, nor shall it be construed to obligate or bind, the City of Canton to make, award, or fund any grant to any entity whatsoever, and no entity shall have any claim, action, or cause of action against the City of Canton or any granter of funds for failure to make, award, or fund any grant. All determinations will be made in the spirit of meeting the objectives of this program. The decisions of the Office of Community Development are final, not subject to appeal and fully within the discretion of the Office of Community Development.