

Small Business Recovery Fund Program Guidelines and Application Instructions

The Small Business Recovery Fund Program funded through US Department of Housing and Urban Development Community Development Block Grant was formulated as a response to assist businesses adversely impacted by social distancing measures implemented to decrease the impact of COVID-19. This program provides a grant for qualified businesses with 10 or fewer employees. This document outlines program guidelines, instructions for submitting an application, information needed and timeline for disbursement.

All applications must be submitted through the on-line Neighborly system:

<https://portal.neighborlysoftware.com/wacotx/Participant>

Program Guidelines

1. Up to \$5,000 will be awarded for qualified businesses to utilize for approved expenses identified.
2. Funds will be provided in the form of a grant and will be non-repayable.
3. Qualified businesses with ownership or partners currently undergoing bankruptcy proceedings are ineligible.
4. Qualified businesses must have 10 or fewer Full-Time Equivalent (FTE) employees and also operate within McLennan County.
5. Qualified businesses must be current on local, state, and federal taxes.
6. Qualified businesses must provide documentation of a City of Waco business license that was obtained prior to February 1, 2020.
7. Qualified businesses must commit to operations through December 31, 2021.
8. Qualified businesses must demonstrate HUD eligibility requirements, demonstrating ownership by a low to moderate income household or maintaining 51% of its employees meeting LMI criteria, or any other HUD criteria documenting LMI. (If applicable. Applies to business with 10 or less employees and meet CDBG Low to moderate income LMI criteria.)
9. Qualified businesses must provide previous three months bank statements to assist in demonstrating positive cash flow.
10. Applications must include the identification of approved eligible expenses to be utilized for: rent, mortgage interest, payroll, inventory, operating expenses and working capital.
11. Funds will be drawn down upon verification of meeting all criteria set forth in the application.

Current Income Limits for Households at 80% Area Median Income (Applicable to businesses with 10 or less employees and meet CDBG LMI criteria)

Household Size	1	2	3	4	5	6	7	8
Income 80%	\$35,000	\$40,000	\$45,000	\$50,000	\$54,000	\$58,000	\$62,000	\$66,000

Timeline for Disbursement

City staff estimates a two week turnaround for disbursement of funds from the time of qualification, depending upon the level of demand and completeness of applications.

Application Instructions

1. Applications will be accepted directly by the Small Business Recovery Loan staff.
2. Assistance will be provided upon the time that a complete application is submitted and received by Small Business Recovery Loan staff.
3. Applying businesses can meet HUD eligibility criteria by either demonstrating ownership by an LMI household, or documenting at least 51% of employees are LMI. (Applicable to CDBG criteria)
4. Upon approval, City staff will provide the business applicant an "approval letter".
5. Upon acceptance of the approval letter, City staff will arrange for electronic signature of the City's approved program participant agreement.
6. Upon the applicant signing the participant agreement, City staff will circulate the document for internal signatures.
7. Upon completion of obtaining internal City staff signatures, City staff will notify the business of timing for executing disbursement of funds.
8. After receiving the disbursement of funds, each qualified applicant business will have one year to complete the expenditure of funds.
9. Business will be required to submit a quarterly report with deliverables provided by the City.

Applicant Information Checklist

The following information must be compiled and submitted by each qualified applicant:

- Business name
- Contact info
- Federal Employer Identification Number
- DUNS number
- W-9
- ACH Form
- Israel Form
- 1295 Form
- Total number of employees
- If LMI owned, applicant must provide income documentation for all income earning household members including last 2 months pay stubs or previous year household taxes **(Applicable to businesses with 10 or less employees and meet CDBG LMI criteria)**
- If 51% of employees are LMI, applicant must provide a self-certification form for each LMI employee **(Applicable to businesses with 10 or less employees and meet CDBG LMI criteria)**
- Itemize list of expenses funds will be used for rent, mortgage interest, payroll, inventory, operating expenses and working capital.
- Expenses and revenues for the past three months provided in Excel format.
- Auto-Insurance
- Previous year business tax return
- Certificate of incorporation
- City of Waco business license
- Previous three months company bank statements