



**LANCASTER COUNTY SMALL BUSINESS
RECOVERY & SUSTAINABILITY FUND PHASE 3 FAQ**
(As of October 29, 2020. Subject to change.)

GRANT FUND BACKGROUND

1. Is the Small Business Recovery & Sustainability Fund (SBRSF) awarding grants or loans?

The SBRSF is awarding grants that do not have to be paid back. The funding was received as part of the \$150 billion CARES Act Coronavirus Relief Fund which directed federal dollars to states and eligible units of local government.

2. What is the total SBRSF size?

A total of \$26,772,932.69 has already been distributed to 939 Lancaster County businesses in two-phases of funding during July and August. Phase III provides an additional initial allocation of \$10 million, with 10% more available based on demand and necessary overages.

A minimum of \$3,500,000 of the allocation will go to businesses with 20 employees or less determined by the applicant's score.

3. When will Phase III funding be available? Who will be eligible?

We anticipate that the Phase III online application portal will be open from November 9-13th. Businesses with 500 employees and fewer will be eligible, with additional guidance publicly available prior to the grant application opening. Lancaster County based for-profit, 501(c)3, and agricultural entities meeting the following criteria may apply.

- Five hundred (500) total employees by headcount or fewer at any time between April 1, 2019 – April 1, 2020;
- Entities must have filed a federal tax return for 2019;
- Entities must have sustained a revenue loss of 40% or greater when comparing revenue from April – September 2019 to April – September 2020;
- Entities greater than 20 employees must provide an internal payroll report between April 1, 2019 – April 1, 2020 showing their highest attained employee headcount prior to the pandemic; for the period reflecting their stated headcount;
- Businesses must not be permanently closed at the time of application and the time of check disbursement;
- Passive businesses (such as commercial and residential landlords) and entities who have received or will be receiving a direct allocation of funds (libraries, Fire/EMS, etc.) from the County are ineligible;
- Businesses that received funding in Phases I or II of the Fund may apply, however, applicants not awarded in previous phases will be funded first; grant award amounts to businesses that received funding awards in Phases I or II are also reduced as outlined in FAQ #5 for 2nd Time Awardees;
- Business must agree to a certification (Appendix B) and submit a W-9 at the time of applications. Additional information may be required if the grant request is for \$50,000 or more (DUNS number, SAM.gov registration).

4. What can grant funds be used for?

Phase III grant funds may be used to cover necessary working capital costs. Working capital can include payroll, rent, mortgage, supplies and other operating expenses (including safety retrofits), with the

exception of owner compensation. Grant funds cannot be used to pay compensation to shareholders, partner, sole proprietors or owners of the business nor to pay back loans to shareholders, partners, the sole proprietor or family members. Grant funds also cannot be used to cover costs that have already been paid for by other COVID funding tools, such as PPP for payroll.

5. Is there a cap amount on the size of a business grant?

In Phase III, grants will be tiered with a maximum cap tied to the number of employees (head count) a business employs. Grant amounts are based on the lesser of the amounts listed below or 25% of operating expenses not including depreciation and amortization on the 2019 tax return.

Company Size	Max. Award 1st Time Awardee	Max. Award 2nd Time Awardee
1-20 Employees	\$20,000	\$10,000
21-50 Employees	\$50,000	\$25,000
51-100 Employees	\$80,000	\$40,000
101-250 Employees	\$125,000	n/a
251-500 Employees	\$175,000	n/a

Entities should only apply for the amount of grant funding that is allowed within the guidelines-up to the maximum amount based on the number of employees. Not all applicants will receive the maximum award.

While an applicant may qualify for the grant maximum amount, Recovery Lancaster is asking applicants to request only the amount of grant funds needed so that other Lancaster based businesses can have access to grant funds as well. We are all in this together!

6. Is there enough funding to meet the need?

Available funds are limited and high demand is anticipated. There is no guarantee that all applicants will receive the funding for which they have applied. Grant awards will be based upon the scoring matrix (see FAQ #39).

APPLICATION PORTAL AND ESTIMATED TIMELINES

7. When will the grant application process open?

Businesses may apply at www.RecoveryLancaster.com beginning Monday, November 9th at 8:00 a.m. Prior to that, specific information about how to apply is available on the site. This will give applicants adequate time to gather necessary documentation.

8. How long will the grant application portal be open?

The portal will be open five consecutive days, opening at 8:00AM on Monday, November 9th and closing at 5:00PM on Friday, November 13th.

9. What is the process for applying?

All applicants MUST apply online at www.RecoveryLancaster.com to facilitate processing. Use of the portal reduces the potential for errors and omissions potentially resulting in an ineligible application.

10. May I fill out a paper application?

No, paper applications will not be available for Phase III of the grant program.

11. Will telephone assistance be available if I have questions about eligibility or required documents for the application?

No, telephone assistance will not be available for Phase III of the grant program. If an applicant has questions on documentation, they are encouraged to contact their accountant or other business advisors for assistance.

12. Will the application be available in multiple languages? Will there be technical assistance available for non-English speakers, as well?

The application will be readily available in Spanish in the online portal. Technical assistance for Spanish speaking applicants will be provided by ASSETS. Please call 717-393-6089 for assistance.

13. Can I save my application and come back to it later?

Yes, but applicants saving their application still must go back into the website and officially submit their application prior to the closing of the portal. All applicants will receive a confirmation email when it has been received. If you do not submit your application, we are unable to retrieve it.

ELIGIBILITY

14. Who is eligible?

Eligible applicants are businesses (corporations, partnerships, LLCs, and 501(c)3 nonprofits) that operate in Lancaster County whose companywide employee headcount was 500 or fewer anytime between April 1, 2019-April 1, 2020.

15. If I have received other funding assistance, can I still receive grant funding through the Small Business Recovery and Sustainability Fund?

Yes. If your business received other federal, state or local loans or grants you are still eligible to apply. This includes, but is not limited to, EIDL, PPP, PIDA, Lancaster City Emergency Fund, Statewide Small Business Assistance, and/or Phase I/II of the SBRS.

16. My business has multiple locations in Lancaster County. May I apply more than once?

No. You may only submit one application for that business entity. Applications are submitted based on the Employer Identification Number (EIN) or Social Security Number of the entity.

17. May I submit an application if I have business locations in multiple counties?

An eligible applicant for Phase III must have a physical operating location in Lancaster County, Pennsylvania, and must have employed 500 or fewer employees companywide between April 1, 2019-April 1, 2020. All funds awarded must be used for costs incurred in Lancaster County facilities and operations. For example: Company A has three locations (Lancaster, York and Berks counties). Total headcount for all three locations is 54. Company A is eligible to apply because the company's headcount is 500 or fewer. A second example: Company B has three locations (Lancaster, York and Berks counties). Total headcount for all three locations is 521. Company B is not eligible to apply because the company's headcount is greater than 500.

18. Should the information provided in the grant application include just my operations in Lancaster County or my companywide information?

The information provided should include the entity's entire operations and information.

19. If I own more than one business (including common ownership of several entities among a small number of people), am I allowed to apply for each business individually or should I apply as a group?

Each entity operating under a separate employer identification number or Social Security number is considered an eligible applicant.

20. As a franchisee, may I submit an application?

Yes, however, an eligible franchisee applicant for Phase III must have a physical operating location in Lancaster County, Pennsylvania, and must have employed 500 or fewer employees companywide during between April 1, 2019-April 1, 2020. All funds awarded must be used for costs incurred in Lancaster County facilities and operations. Franchisees should count the total number of employees under an individual EIN or SSN as their total headcount.

21. May I apply these grant funds against costs that were used to claim forgiveness under another grant or loan program (e.g., PPP loan)?

No. Funds received under this grant program may not be applied against any costs that were also used to satisfy the requirements of another grant or loan program.

22. Is there a limit on the amount of grant funds that can be used for owner compensation or other payments to owners or entities related by common ownership (e.g., related party rent)?

Grant funds may NOT be used for owner compensation. Grant funds can be used to pay rent to related parties for leases in existence prior to February 15, 2020.

23. I need grant funding to support my small business operations in light of the ongoing pandemic. However, I was convicted of a felony in the past. Am I still eligible for this grant program?

Maybe. Businesses are ineligible if an owner of 20 percent or more of the equity of the applicant is presently incarcerated for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction or within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, if the Applicant (if an individual) or any owner of the Applicant has been convicted; pleaded guilty; pleaded nolo contendere; or commenced any form of parole or probation (including probation before judgment).

24. If I own a passive business am I eligible to apply?

No, passive businesses such as commercial and residential landlords are ineligible.

25. Can I apply if my business had a loss on its 2019 tax return?

Yes. A Lancaster based business that employees 500 or fewer employees and had a loss on its 2019 tax return can apply for a grant in Phase III.

26. I'm a new business that started in 2019 or is less than a year old, can I apply?

Yes, but you must have filed a 2019 tax return and submit that with your application. For all businesses started in 2019, the revenue comparison calculation will be on your average monthly gross revenue throughout 2019 compared to your average monthly revenue in April-September 2020.

27. Does the business have to be a member of the Lancaster Chamber or EDC?

No. Grant funds are available for all businesses in Lancaster County that meet the eligibility criteria regardless of their membership status with any organization.

APPLICATION INFORMATION

28. What information will I need to gather to submit a grant request?

At this time, the necessary information to complete the application is:

- *Entity Demographic Information and EIN/SSN number*
- *Industry by NAICS Code*
- *April-September 2019 Revenue Statement*
- *April-September 2020 Revenue Statement*

- *If you cannot produce revenue or profit & loss statements for the requested six months **and** you have less than 20 employees, you may alternatively complete and submit a revenue summary report following the sample in Appendix A.*
- *2019 Gross Revenue*
- *2019 Net Profit (Loss)*
- *2019 Total Operating Expenses*
- *2019 Depreciation Included in Operating Expenses*
- *The year the business was established*
- *Highest Number of Employees Reported Between April 1, 2019-April 1, 2020*
 - *Entities with 21-500 employees reported in the application MUST submit your payroll report for the highest employee count point. This report will establish your headcount for the purposes of the application. This is the supporting documentation for the grant application.*
- *Copy of the Business' 2019 Federal Tax Return to support net profit, operating expenses, depreciation and other demographic information.*
- *Background Information on How COVID-19 Has Impacted Business Operations and/or Working Capital*
- *Companies requesting \$50,000 or more must have a DUNS number and complete a registration on SAM.gov. See What Do I Need to Prepare document for additional details.*

29. For purposes of determining my number of employees, do I use headcount or the full-time equivalents?

The grant application is based on headcount. Headcount is based on the highest number of employees reported between April 1, 2019-April 1, 2020, with a substantiating payroll report.

For applicants who employ 20 or fewer employees, count each full-time and each part-time employee you employed directly as one headcount. The number of hours an employee works does not apply to headcount. For example: an entity has 7 full-time employees and 4 part-time employees, the entity's headcount is 11 employees.

For applicants who employ 21-500 employees count each full-time and part-time employee on your substantiating payroll report. NOTE: Those with 21-500 employees must submit a payroll report with the highest number of employees reported between April 1, 2019-April 1, 2020. This report will establish your headcount for the purposes of the application and serves as the supporting documentation.

30. For employee headcount, is it just permanent full-time and part-time employees? I utilize sub-contractors or do seasonal/job-specific hiring. Do I count them?

Employee headcount includes full time and part time employees for which the entity will issue a form W-2. Third party subcontractors are not included in headcount.

31. Is the owner included in the headcount?

Yes, if the owner works in the business.

32. What are acceptable documents to submit to support Total Revenue amounts entered in the application for April 1 to September 30, 2019 and 2020?

Preferred documents are internal income statements showing revenue, expenses and net income for April 1 to September 30, 2019 and a statement for April 1 to September 30, 2020 from a computerized accounting system such as QuickBooks or other software. If income statements from the businesses accounting software are not available, please submit a report using the format in Appendix A.

Documents that are NOT ACCEPTABLE to support Total Revenue are copies or pictures of bank statements, pages of records from tablets, composition books, papers, or other documents that do not provide, at a

minimum, Total Revenue by month for April, May, June, July, August, September 2019 and 2020 and totaled for those periods.

*Only full, complete and accurate applications will be considered. **Applications with technical errors or without the required back-up documentation will be removed from the applicant pool and deemed ineligible.***

33. My NAICS code on my tax return doesn't accurately reflect my impacted business activity, what should I do to demonstrate I'm in a targeted industry?

In Phase III, NAICS codes do impact scoring for applications in order to focus funding on highly impacted industries. If you feel the NAICS code on your tax return does not accurately reflect your business activity that is being impacted by the COVID pandemic, please input an appropriate NAICS code from [this website](#). In the application, if you do input a NAICS code in that is different than your tax return, you will be required to explain why.

34. Will my information be publicly released?

The Lancaster County Board of Commissioners will receive a full list of all businesses that applied for funding, including those who are not recommended for a funding award. All funding recommendations will be approved by the Lancaster County Commissioners based upon score-driven recommendations from the application review team.

Certain application information will be available publicly for all applicants: entity legal and D/B/A name of applicant, municipality in which the business is located, funding amount requested, and criteria score result. Proprietary business and financial information submitted with the application will NOT be public information, including revenue amounts, operating expenses, purpose of funding and whether other funding was obtained.

35. Will I receive a grant if my application is incomplete, or contains errors?

*No. A grant will not be awarded if the application is incomplete, not properly executed, contains erroneous information or lacks proper documentation. **Only full, complete and accurate applications will be considered. Applications with technical errors or without the required back-up documentation will be removed from the applicant pool and deemed ineligible.** It is the applicant's responsibility to ensure the application is complete and accurate.*

36. Where can I see what I will need to certify to?

Please check Appendix B of this document for the SBRSF Certification Document.

SCORING AND APPROVALS

37. How will applications be scored?

Scoring is automated. Scoring criteria has been developed that weights based on revenue decline, other funding received, impacted industry code, time in business, employee count, profit/loss, and diverse business ownership. These criteria weights (shown in FAQ #39) will be applied to applications automatically based on information submitted. Application team members will review information submitted for accuracy and subjective analysis might be applied, as necessary.

38. What is the approval process for applicants?

All applications will be automatically scored based upon the below criteria, with the highest ranked applications being recommended for approval to the Lancaster County Board of Commissioners at its next available public meeting following the application review period (anticipated to be early December). The Commissioners will receive the full list of applicants. (See FAQ #34.)

39. What are the scoring criteria?

Criteria	Weight	5	4	3	2	1
Year over Year Revenue Decline (April-September) or average monthly revenue decline for businesses started between April 1 –Dec. 31, 2019	35%	100-80%	79-60%	59-40%		
Other special COVID funding received since March 1 including, but not limited to: PPP, EIDL, PIDA CWCA, Lancaster City Emergency Fund, Statewide Small Business Assistance, Recovery & Sustainability Fund Phase I / II	15%	Have NOT received any special COVID funding				Received special COVID funding from other sources already
Impacted Industry (<i>Extra scoring for businesses operating in most impacted industry codes</i>): 512-Theaters/Movies; 5615-Travel/Tours; 624-Child/Family Care; 711-Performing; Arts/Events; 712-Museums; 713-Amusement; 721-Hotels/Lodging; 722-Food & Beverage; 812-Personal Care;	15%	NAICS Code of business operations being impacted by the pandemic begins with the digits listed				NAICS Code of business operations being impacted by the pandemic DOES NOT begin with the digits listed
Time in Business	10%	>10 years		3-10 years		< 3 years
Highest number of Employees reported between April 1, 2019 and April 1, 2020	10%	101-500	21-100	11-20	6-10	< 6
Last Year's Net Profit / (Loss) + Depreciation as a % of total revenue	10%	≥ 0%			0% – (5%)	(5%) >
Diverse Business Ownership (<i>Tiebreaker: extra scoring for 51% of business ownership being from a diverse demographic</i>)	5%	Yes				No

40. How do I determine if my business qualifies for diverse business ownership?

Businesses whose ownership is more than 51% owned by African Americans, Hispanics, Woman, Asian Americans, Disabled persons, Veterans or other minorities qualifies.

41. If you applied but did not receive a grant in Phase I or II, can you apply in this phase?

Yes. Please note, however, that the eligibility and scoring criteria have changed.

42. If you were awarded a grant in the first phase, can you apply for a grant in the next phase?

*Yes, **however**, applicants not awarded in previous phases will be funded first and grant amounts to businesses that received funding awards in Phases 1 or II would be reduced as outlined in FAQ #5.*

DISBURSEMENT & DOCUMENTATION

43. Who will disburse the funds?

The County of Lancaster will disburse funds following review and approval of the recommended applicants by the County Commissioners.

44. If I am approved, what type of documentation will be required to receive the funds?

Applicants are required to sign a certification and submit a W-9 at the time of application. If the applicant is requesting \$50,000 or more, they will also be required to submit a DUNS number, register on SAM.gov, and provide proof that they have registered. (If you do not have a W-9, one can be created using the IRS form found here: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>. The IRS provides further instructions within the document.)

Applicants will not be automatically rejected if any of these specific documentation requirements have not been submitted, however businesses must have all required documentation in by November 25th to be placed on the list of grant recommendations provided to the Board of Commissioners for final approval.

45. If I am approved, how long until I get my award?

The County of Lancaster will process grant awards weekly following approval by the Board of Commissioners. The County must disburse funds by December 30, 2020.

46. After receiving grant funds, will I need to provide documentation to prove that the funds were used for their intended purpose?

Awardees will be required to complete a brief close-out report to outline final use of funds and outcomes from fund utilization.

MISCELLANEOUS

47. Are awarded funds taxable income?

Probably yes, though some experts believe there may be relief provided federally for income related to COVID-19 awards. Please consult your tax professional for guidance or an official determination.

HAVE ADDITIONAL QUESTIONS? Please email funding@recoverylancaster.com for assistance.

APPENDIX A

April - September 2020 Revenue Statement - Recovery Lancaster - Small Business Recovery & Sustainability Fund - Phase 3

Entity Legal Name: _____

Business Name: _____

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>2020 TOTAL April - Sept</u>
Total Revenue	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

All information and statements contained in this Form are to the best of Applicant's knowledge, true, accurate, complete and not misleading, as of the date of this Application.

Applicant's Signature: _____

Applicant's Name (Print): _____

April - September 2019 Revenue Statement - Recovery Lancaster - Small Business Recovery & Sustainability Fund - Phase 3

Entity Legal Name: _____

Business Name: _____

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>2019 TOTAL April - Sept</u>
Total Revenue	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

All information and statements contained in this Form are to the best of Applicant's knowledge, true, accurate, complete and not misleading, as of the date of this Application.

Applicant's Signature: _____

Applicant's Name (Print): _____

APPENDIX B

Lancaster County COVID-19 Relief Fund - Certification by Applicant

Name & Address of Recipient Entity: _____

DUNS# (if applicable): _____ Date of Certification: _____

CERTIFICATION, ACKNOWLEDGEMENT AND RECEIPT OF CARES ACT FUNDS AND/OR GOODS

Section 5001 of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, Pub. L. No. 116-136 (March 27, 2020), authorizes the County of Lancaster (hereinafter, the "County") to allocate grant funds and/or goods (hereinafter, the "Grant") to another unit of government as well as other entities as long as the Grant is to provide reimbursement or payment of necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (hereinafter, "COVID-19") pandemic, and as long as the Grant covers costs incurred during the period March 1, 2020 through December 30, 2020.

In consideration for the Grant and as a condition for its receipt, Recipient warrants, acknowledges, and certifies that all representations made to the County and/or its designated representatives and accompanying information, documents, and materials provided as a prerequisite to receiving the Grant are true and correct, and further certifies as follows:

1. **Receipt of Grant.** Recipient acknowledges that it has been approved to receive a CARES Act Grant from the County of Lancaster.
2. **General Requirements for Use of Funds.** Recipient shall use the Grant lawfully and consistently with the purposes of the CARES Act. Specifically, if funds, the Grant shall be used only to cover those costs that are necessary expenditures incurred due to the public health emergency with respect to COVID-19; and were incurred during the period that began on March 1, 2020 and ends on December 30, 2020.
3. **Ineligible Expenditures of Funds including Revenue Replacement.** Recipient certifies that the Grant will not be used to reimburse for damages covered by insurance, expenses that have been or will be reimbursed under any Federal, State, or Local program or expenses that have been or will be reimbursed by any other source of grant funding. In addition, if the Recipient is a government or municipal entity, the Grant will not be used to fill shortfalls in revenue to cover expenditures that would not otherwise qualify under the CARES Act. Recipients which are governmental or municipal entities acknowledge that revenue replacement is not a permissible use of CARES Act funds or the Grant.
4. **Assignability.** Recipient shall not assign any interest in or encumber the Grant and shall not transfer any interest in the same, whether by assignment or novation.
5. **Examination of Records and Cooperation in Tracking and Reporting.** Recipient shall maintain complete and accurate books, programs, and financial records, documents, and other evidence relating to the provision and use of the Grant for a period of five years from the date it receives the Grant, and shall permit the County or its designees to inspect and/or audit the books, records, premises and operations of the Recipient to assure compliance with the requirements of this CARES Act program. Recipient further agrees to cooperate with the County in its obligation to properly report recipients' identifying and demographic information in accordance with statutory, regulatory and agency provisions and guidance, and in its efforts to track CARES Act expenditures as the County must return any funds not used to cover costs incurred by December 30, 2020 to the Department of the Treasury.
6. **Recipients of Grants of \$50,000 or Greater.** Any Recipient receiving a Grant of \$50,000 or greater shall provide to the County a DUNS number and proof of registration in The System for Award Management (SAM), <https://sam.gov/SAM/> the official website of the U.S. Government for entities doing business with the federal government, before the distribution of any Grant.
7. **Nondiscrimination/Sexual Harassment.** With regard to the use of CARES Act funds received, Recipient shall not discriminate on the basis of age, race, color, religious creed, ancestry, national origin, gender, disability, or other class protected by Federal, State, or Local law, regulation or ordinance.

8. No Representations or Warranties with Regard to Goods Received. All products, goods, materials and/or other personal property received by Recipient from County are being provided to recipient on an "As-Is" and "Where-Is" basis and without any representations and warranties of any kind, all of which are specifically disclaimed; including that any such benefits are or will be fit for use for a particular purpose. In addition, goods shall be provided as they become available, and the Recipient acknowledges that no assurance is provided with respect to any particular date or time for shipping or delivery of any goods provided under this CARES Act program.
9. Indemnification. Recipient, its heirs, successors, and assigns, officers, employees, representatives, and agents shall indemnify and hold the County, its Commissioners, officers, employees, representatives, and agents harmless and defend against and from all claims, demands, costs, expenses, damages, liabilities, judgments, fines, penalties, and losses, of any nature, including reasonable attorney's fees and costs, which may arise against the County, its Commissioners, officers, employees, representatives, and agents arising from or related to Recipient's misuse, misappropriation, or misrepresentation with respect to funds or goods received under the CARES Act.
10. No Suspension, Debarment or Finding of Ineligibility. Recipient certifies that it has not been suspended, debarred or otherwise determined to be ineligible to participate in government contracting, procurement or grant program by any federal, state or local authorities or agencies.
11. Forfeiture and Recoupment. Recipient understands and acknowledges that its failure to comply with the above requirements, misuse, misappropriation, or misrepresentation with respect to funds or goods received under the CARES Act shall result in forfeiture and recoupment of funds and/or goods.
12. Signer Authorized. The individual signing this Certificate is legally authorized to do so on behalf of Recipient with the understanding that Recipient is legally bound hereby.

This Certification, Acknowledgment and Receipt is true and accurate to the best of my information, knowledge, and belief. I am legally authorized by the Recipient to sign this Certification and to legally bind the Recipient. I am making this Certification with the knowledge that it is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

RECIPIENT

Signature

Date

Printed Name & Title

EIN