



LANCASTER CRIZ AUTHORITY COVID-19 SMALL BUSINESS RECOVERY & SUSTAINABILITY FUND FAQ

(As of January 11, 2021. Subject to change.)

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

The City Revitalization & Improvement Zone (CRIZ) SBRSF is awarding grants that do not have to be paid back. The funding was received as part of the annual CRIZ revenues that the CRIZ Authority receives from the Commonwealth of Pennsylvania. These funds can only be used to assist small businesses located in the CRIZ District.
- 2. What is the total CRIZ SBRSF size?**

A total of up to \$3,000,000 has been set aside for the grants. 100% of the funds will go to businesses with 30 employees or less and be awarded based on the applicant's score.
- 3. When will the CRIZ funding be available? Who will be eligible?**

We anticipate that the online application portal will open on January 25th, 2021. Businesses located within the CRIZ with 30 employees and fewer will be eligible, with additional guidance publicly available prior to the grant application opening. Eligible CRIZ businesses include for-profit and 501(c)3 entities meeting the criteria in Paragraph No. 5 may apply.
- 4. How do I determine if my business is in the CRIZ?**

If you are unsure if your business is located in the CRIZ you can email Randy Patterson at rpatterson@cityoflancastgerpa.com or check the CRIZ map at: <https://lancaster-pa.maps.arcgis.com/apps/Viewer/index.html?appid=ca27f1a2ea8545708418937d902bb621>. You can zoom in to see your specific property. If it is not in one of the areas shown in color it is not in the CRIZ.
- 5. What are the eligibility criteria?**
 - Entities must have had thirty (30) or less employees by headcount at their highest reported point between January 1, 2020 and November 30, 2020. (If the business came into 2020 with more than 30 employees they are not eligible, even if the employee count was reduced later in the year.)
 - Entities in existence prior to 2020 must have sustained a revenue loss beginning April 1, 2020 through November 30, 2020.
 - Entities must provide an internal payroll report dated between January 1, 2020 – November 30, 2020 showing their highest attained employee 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) are ineligible.
 - A CRIZ business that opened after January 1, 2020 may apply for assistance, but assistance will be limited to rent payments, payments due on business loans associated with the CRIZ location and payments on equipment leases for the equipment used at the CRIZ location. The maximum amount of grant assistance is limited to \$15,000.
 - Businesses that received funding in Phases I, II or III of the Countywide Recovery Lancaster Fund may apply, however, applicants not awarded in previous Countywide phases will be funded first; grant

award amounts to businesses that received funding awards in Phases I, II or III of the Countywide Recovery Lancaster Fund are also reduced as outlined in FAQ #7 for prior awardees.

- Business must agree to a certification (Appendix B) and submit a W-9 at the time of application.

6. What can grant funds be used for?

CRIZ Covid-19 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. Refer to the 6th bullet point in Paragraph No. 5 above for more limited eligible uses of grant funds for businesses that opened after January 1, 2020.

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 Round I, II, or III grants of the Countywide Recovery Lancaster Fund or PPP for payroll.

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

Company Size	Maximum Award (1st Time Awardee)	Maximum Award (Received Other Funding Through Countywide Recovery Grant Program)	Maximum Award (If Business Started After 1/1/2020)
1-30 Employees	\$25,000	\$20,000	\$15,000

Entities should only apply for the amount of grant funding that is allowed within the guidelines. Not all applicants will receive the maximum award.

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

8. 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 #41).

APPLICATION PORTAL AND ESTIMATED TIMELINES

9. When will the grant application process open?

Businesses may apply at www.RecoveryLancaster.com beginning on January 25th. Prior to that, specific information about how to apply will be available on the CRIZ Authority web site at <https://cityoflancasterpa.com/investment-incentives-tax-credits-and-financing/criz/> and the Recovery Lancaster web site. This will give applicants adequate time to gather necessary documentation. Please refer to FAQ #29 in order to be prepared to fill out the application,

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

The portal will be open five consecutive business days, opening at 8:00AM on Monday, January 25th and closing at 5:00PM on Friday, January 29th.

11. 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.

12. May I fill out a paper application?

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

13. 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 the grant program. If an applicant has questions on documentation, they are encouraged to contact their accountant or other business advisors for assistance.

14. 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.

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

No. Please have all your application materials ready when you go in to the web site to apply. All applicants will receive a confirmation email when their application has been received. If you do not submit your application, we are unable to retrieve it.

ELIGIBILITY

16. Who is eligible?

Eligible applicants are businesses (corporations, partnerships, LLCs, and 501(c)3 nonprofits) that operate in the current CRIZ District in the City and whose CRIZ location employee headcount was 30 or fewer after January 1, 2020. If the CRIZ business did not open until after January 1, 2020 the business is eligible to apply but for no more than \$15,000 and only for expenses related to rent, debt payments on loans associated with the CRIZ business location and equipment lease payments for equipment used at the CRIZ location.

17. If I have received other funding assistance, can I still receive grant funding through the CRIZ Covid-19 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/III of the Countywide Recovery Lancaster SBRS.

18. My business has multiple locations in the CRIZ. May I apply more than once?

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

19. Should the information provided in the grant application include just my operations in the Lancaster CRIZ District or my companywide information?

*The information provided should include **only** the entity's operations and information for the CRIZ location.*

20. If I own more than one business in the CRIZ (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 business entity operating under a separate employer identification number or Social Security number is considered an eligible applicant.

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

Yes, however, an eligible franchisee applicant must have a physical location operating in the CRIZ

District, and must have employed 30 or fewer employees at their highest headcount at the CRIZ location between January 1, 2020-November 30, 2020. All funds awarded must be used for costs incurred at the Lancaster CRIZ District location. Franchisees should count only the total number of employees under an individual EIN or SSN for the CRIZ location as their total headcount.

22. 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.

23. 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 April 1, 2020.*

24. 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).

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

No. Passive businesses such as commercial and residential landlords as well as property management companies are ineligible.

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

No. A Lancaster CRIZ-based business that had a revenue loss on its 2019 tax return cannot apply for a grant unless there was also a loss in 2020. CRIZ grant funds may only be associated with a loss of revenue beginning March 19, 2020 and used to cover expenses incurred after the March 19, 2020 emergency disaster declaration issued by the Governor through June 30, 2021.

27. I'm a new CRIZ business that started in 2020, can I apply?

Yes. You must be able to document a revenue loss and operating deficit following the March 19, 2020 emergency declaration by the Governor.

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

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

APPLICATION INFORMATION

29. 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 1-November 30, 2019 Revenue Statement*
- *April 1-November 30, 2020 Revenue Statement*

- *If you cannot produce revenue or profit & loss statements for the requested period of time, you may alternatively complete and submit a revenue summary report following the sample in Appendix A.*
- *2019 Gross Revenue*
- *The date (at least month and year) the business was established*
- *Highest Number of Employees Reported Between January 1, 2020-November 30, 2020*
 - *Entities MUST submit your payroll report for the highest employee count point between January 1, 2020 and November 30, 2020. 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 if one was filed to support net profit, operating expenses, depreciation and other demographic information, if available. **Only CRIZ businesses that opened after January 1, 2020 are exempt from having to submit a Federal Tax Return.***
- *Background Information on How COVID-19 Has Impacted Business Operations and/or Working Capital*

30. 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 for a pay period between January 1, 2020-November 30, 2020, with a substantiating payroll report.

Count each full-time and each part-time employee you employed at the CRIZ location 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.

31. 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 the headcount.

32. Is the owner included in the headcount?

Yes, if the owner works in the business on a regular basis.

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

Preferred documents are internal income statements showing revenue, expenses and net income for April 1 to November 30, 2019 and a statement for April 1 to November 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, October, November 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.***

34. We received COVID specific relief funds, should those be included in our April-November 2020 revenues?

COVID specific relief funds/revenue should NOT be included in your April-November 2020 operating revenues/financial reports. This would include items such as PPP, EIDL, State/County/Local grant programs or other special funding you received due specifically to COVID. We are looking for your operating revenues, not special program funding received.

35. 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?

NAICS codes impact scoring for applications. 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 and that will be reviewed and a determination made on its accuracy.

36. Will my information be publicly released?

The Lancaster CRIZ Authority 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 CRIZ Authority Board 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, street address of 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.

37. 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.

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

Please check Appendix B of this document for the CRIZ Covid-19 SBRSF Certification Document.

SCORING AND APPROVALS

39. 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 #41) 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.

40. 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 CRIZ Authority Board at its next available public meeting following the application review period (anticipated to be in February). The CRIZ Authority Board will receive the full list of applicants. (See FAQ #36.)

41. What are the scoring criteria?

Criteria	Weight	5	4	3	2	1
Year over Year Revenue Decline (April-November) <u>or</u> average monthly revenue decline for businesses started before April 1-December 31, 2019	35%	100-80%	79-60%	59-40%	39-20%	19-0%
Other special COVID funding received since March 1, 2020 including, but not limited to: PPP, EIDL, PIDA CWCA, Lancaster City Emergency Fund, Statewide Small Business Assistance, County Recovery & Sustainability Fund Phase I / II/III	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; 711-Performing; Arts/Events; 713-Amusement; 721-Hotels/Lodging; 722-Food & Beverage; 812-Personal Care; Retail	25%	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 or type listed
Time in Business	10%	>10 years	6-9 years	3-5 years	1-2 years	< 1 year
Highest number of Employees reported after January 1, 2020	10%	21-30	15-20	10-14	5-9	< 5
Diverse Business Ownership (<i>Tiebreaker: extra scoring for 51% of business ownership being from a diverse demographic</i>)	5%	Yes				No

42. 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, or other minorities qualifies.

43. If you applied but did not receive a grant in the Recovery Lancaster Countywide program phase I, II or III, can you apply for this CRIZ specific fund?

Yes. Please note, however, that the eligibility and scoring criteria have changed and are specific to CRIZ businesses.

44. If you were awarded a grant in the phase I, II or III of the Recovery Lancaster Countywide program, can you apply for a grant from the CRIZ Program?

*Yes, **however**, applicants not awarded in previous phases will be funded first and grant amounts to businesses that received funding awards in Phases I, II or III of the Recovery Lancaster Countywide Program would be reduced as outlined in FAQ #7.*

DISBURSEMENT & DOCUMENTATION

45. Who will disburse the funds?

The CRIZ Authority will disburse funds following review and approval of the recommended applicants by the CRIZ Authority Board.

46. 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 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 either of these specific documentation requirements have an error or have not been submitted, however CRIZ businesses must have all required documentation submitted in order to be placed on the list of grant recommendations provided to the CRIZ Authority Board for final approval.

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

The CRIZ Authority will process grant awards as quickly as possible following approval by the CRIZ Authority Board of Directors.

48. 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

49. Are awarded funds taxable income?

Yes, but please consult your tax professional for guidance or an official determination.

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

APPENDIX A

April - November 2019 Revenue Statement - CRIZ Small Business Recovery & Sustainability Fund

Entity Legal Name: _____

Business Name: _____

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

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 - November 2020 Revenue Statement - CRIZ Small Business Recovery & Sustainability Fund

Entity Legal Name: _____

Business Name: _____

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

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 CRIZ COVID-19 Relief Fund - Certification by Applicant

Name & Address of Recipient Entity: _____

Date of Certification: _____

CERTIFICATION, ACKNOWLEDGEMENT AND RECEIPT OF CRIZ FUNDS AND/OR GOODS

Section 2 of Act 68 Of 2020 authorizes the Lancaster City Revitalization and Improvement Zone (CRIZ) Authority (hereinafter, the "Authority") to allocate and grant 2019 CRIZ funds transferred to the Authority by the Commonwealth of Pennsylvania in November 4, 2020 (hereinafter, the "Grant") to qualifying CRIZ businesses to provide reimbursement or payment of expenditures incurred following the proclamation of disaster emergency issued by Governor Wolf on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency, and as long as the Grant covers costs incurred during the period March 19, 2020 through June 30, 2021.

In consideration for the Grant and as a condition for its receipt, Recipient warrants, acknowledges, and certifies that all representations made to the Authority 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 CRIZ Grant from the Lancaster CRIZ Authority.
2. General Requirements for Use of Funds. Recipient shall use the Grant lawfully and consistently with the purposes outlined in Section 2 of Act 68-2020 amending Section 1813-C Restrictions (a) Utilization (1.2) and Section 1813-C Restrictions (b) Prohibitions (2). Specifically, the Grant shall be used only to cover those costs that are expenditures incurred following the proclamation of disaster emergency issued by Governor Wolf on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency; and were incurred during the period that began on March 19, 2020 and ending on June 30, 2021.
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 County program or expenses that have been or will be reimbursed by any other source of grant funding.
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 Authority 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 CRIZ program. Recipient further agrees to cooperate with the Authority 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 CRIZ Program expenditures as the Authority must return any funds not used to cover costs incurred by June 30, 2021 to the Commonwealth of Pennsylvania.
6. Nondiscrimination/Sexual Harassment. With regard to the use of CRIZ 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.
7. Indemnification. Recipient, its heirs, successors, and assigns, officers, employees, representatives, and agents shall indemnify and hold the Authority, the City of Lancaster and the Commonwealth of Pennsylvania, its elected officials, 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 Authority, its 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 CRIZ Program.
8. 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.
9. Forfeiture and Recoupment. Recipient understands and acknowledges that its failure to comply with the above

requirements, misuse, misappropriation, or misrepresentation with respect to funds received under the CRIZ Program shall result in forfeiture and recoupment of funds.

10. 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