



Hertford Small Business COVID-19 Relief Funding Program

While each of us has been affected by COVID-19, small and independently owned businesses have certainly experienced significant challenges.

Recognizing that small businesses are the backbone of our community, the Hertford County Board of Commissioners has launched the Hertford Small Business COVID-19 Relief Funding Program. This is a small business relief program that aims to provide grants to small business owners struggling financially due to COVID-19. The goal is to help them in the short-term, so that they can get back on their feet and remain viable for the long term.

Specifically, the purpose of the Hertford Small Business COVID-19 Relief Funding Program is to assist Hertford County-based small businesses that are experiencing financial difficulties such as mandated shutdowns, employee layoffs, and operating losses as a result of ongoing efforts of the Federal, State and local authorities to contain and minimize the spread of the COVID-19 pandemic.

The application will be available at noon on Monday, October 26th, 2020 and will remain open through 11:59 p.m. on Friday, November 13th, 2020. Applicants will be asked to submit supplemental materials with the application to Hertford County Administration 115 Justice Drive Suite 1 Winton, North Carolina 27986. These materials (constituting a completed application packet) must be received by 11:59 p.m. on Friday, November 13th, 2020 for the application to be considered for possible funding.

The application and program guidelines will be available on Hertford County's website, Facebook page and at Hertford County's Administration Office.

Businesses that have already received COVID-19 related financial assistance from either the State, Federal or local governments are eligible to apply for the Hertford Small Business COVID-19 Relief Funding Program.

For additional questions regarding the program and/or process, please see the Hertford Small Business COVID-19 Relief Funding Program Frequently Asked Questions (FAQ).

General Terms & Conditions

- Open to Hertford County, North Carolina based for-profit small businesses
- Minimum of one year in operation
- Ineligible businesses include, but not limited to, companies involved in real estate investment, multi-level marketing or adult entertainment. Companies with outstanding local tax liabilities or tax liens as of September 30, 2020, or currently in bankruptcy (Corporate or Personal) are not eligible. Companies that have a past due utility balance as of September 30, 2020 with Hertford County are also ineligible.

- Profit and Loss statement indicating profitability prior to coronavirus pandemic
- Maximum grant of \$10,000 per small business with no repayment required. The amount of the grant will be twice the average monthly expenses from your most recently filed tax return or \$10,000, whichever is less.

Qualification Requirements

- Business is located in Hertford County, North Carolina
- Business with 100 employees or less
- Business is locally and independently owned
- For-profit businesses including, but not limited to sole proprietorships, home businesses, and independent contractors (This also includes food trucks who are able to show rent payments paid to a commercial space, hairstylists/barbers who rent booths from salon owners, and actual salon owners).
- Business has experienced at least a 25% decline in revenues due to COVID-19 between January 1, 2020 and September 30, 2020.
- Business annual revenue of less than \$2.5 million as of latest completed Business Tax Returns
- Business has not filed for bankruptcy.
- Business does not have any open tax liens.
- Business does not have current open judgments.
- Businesses that have been operating for one year or less and have filed a 2019 tax return AND also meet all other eligibility criteria are eligible to apply.
- Businesses who have been operating for one year or less AND have not filed a 2019 tax return are ineligible to apply.

Required Documentation

- Financial documents for March through September 2019 and March through September 2020 demonstrating revenue decrease due to COVID-19
- Financial documents may include: point-of-sales reports, bank statements, quarterly sales tax filings, 2019 tax returns, or CPA-certified profit & loss statements
- Statement describing how COVID-19 has adversely impacted your business
- Copy of lease or mortgage agreement for your small business
- Receipt/proof of paid City taxes or screenshot
- Business must provide a valid/unexpired driver's license or government-issued photo ID
- Certificate of "good standing" or screenshot from the Secretary of State North Carolina
- Most recently completed & filed business tax returns (2019 tax returns are mandatory, 2018 are optional)
- Payroll documentation or quarterly unemployment insurance filing
- Your full social security number (SSN) and EIN/ITIN, which will be used to access your credit report and verify your business
- Your business' NAICS code
- Monthly sales revenue for each month January through September 2020 (you may provide a point-of-sale report, Excel spreadsheet/ledger or another report from business accounting software)
- Your banking information including your routing and checking account number

Eligible Uses of Funds

Each of the eligible uses of funds below will be evaluated in the context of being necessary for businesses to provide services in a different manner due to “social distancing” requirements or mandated closures caused by the COVID-19 pandemic.

- Fund working capital or operational funds to retain employees during the COVID-19 pandemic
- Purchase equipment, commercial-use vehicles, or machinery for the business
- Improve owner-occupied commercial property; owner must occupy 50% or more of total space
- Sustain or expand business services or products
- Retain or expand workforce development and job creation
- Fund tenant up-fit and lease-hold improvements to the business

Frequently Asked Questions (FAQ)

Which businesses are eligible/ineligible to apply for funding through this program?

- Small business applicants must be located within Hertford County and in locations zoned appropriately for the intended business activity.
- Business applicants must be for-profit business entities.
- Business with 100 employees or less
- Business applicants must have no outstanding tax liens or legal judgments as of September 30, 2020.
- Ineligible businesses include, but not limited to, companies involved in real estate investment, multi-level marketing or adult entertainment. Companies with outstanding local tax liabilities or tax liens as of September 30, 2020 or currently in bankruptcy (Corporate or Personal) are not eligible. Companies that have a past due utility balance as of September 30, 2020 with Hertford County are also ineligible.
- Businesses that have already received COVID-19 related financial assistance from either the State, Federal or local governments are eligible to apply for the Hertford Small Business COVID-19 Relief Funding Program.

Who will review grant applications and determine the awards?

- The Hertford Board of County Commissioners will make final determinations for the grants. The Hertford Small Business COVID-19 Relief Funding Program will be staffed by the County’s Chief Finance Officer and County Manager.
- Hertford County staff will service the grants, to include marketing the program, receiving all applications for review, disbursing funds to award recipients, providing administrative reports, and processing all associated documentation.
- The Hertford Small Business COVID-19 Relief Funding Program is funded by the Hertford County Board of Commissioners, which retains the right to amend the grant procedures as necessary to assist the broadest cross-section of Hertford County’s small businesses.

What will the application and funding process look like?

- Interested businesses should complete and submit the application by 11:59 p.m. on Friday, November 13th, 2020 to start the process and meet the submission deadline. Once the application has been submitted, applicants will receive an email from Hertford County staff within two business

days acknowledging receipt of your application. All required documents must be received by 11:59 p.m. on Friday, November 13th, 2020.

- Hertford County staff from County Administration and the Finance Office will pre-screen the applications to make sure they include all required documentation and meet the published qualifications. Completed applications will be provided to the Commissioners for their review and funding determination.
- Applicants will then be contacted in writing to share the evaluation results and what the next steps in the process will include.
 - For grant applicants, a completed W-9 and Electronic Funds Transfer form will be required to process the funds.
- Each business receiving a grant must provide an accounting of how all funds were used by the business within 180 days of the receipt of the grant.

What criteria will be used to evaluate a small business applicant's economic need to receive a grant?

- The Commissioners will compare revenue for March through September 2019 with revenue for March through September 2020.
- Additional duties of the Commissioners shall include generally monitor the duties of the Program administration. These responsibilities will include:
 - Determining innovative measures to deploy grant funds to sustain small business development and job creation, leading to recovery.
 - Meeting with staff to review grant applications and determine, which applications will be recommended for approval to County leadership, including terms and conditions.
 - Applicants must submit certain financial and tax information of their small business to Orange County's Finance & Administration Department including Federal Tax ID # and bank account information.

What are the eligible uses of the grant funds?

- Business expenses in the following categories as a result of a need to expanded a business model to accommodate social distancing:
 - Fund working capital or operational funds
 - Purchase equipment, commercial-use vehicles, or machinery for the business
 - Improve owner-occupied commercial property; owner must occupy 50% or more of total space
 - Sustain or expand business services or products
 - Retain or expand workforce development and job creation
 - Fund tenant up-fit and lease-hold improvements to the business

What are examples of unauthorized uses of grant funds?

- Businesses that are not based in Hertford County
- Refinancing existing bank debt or investor loans
- Purchase of equipment or improvement of real estate to be used for personal use
- Political activities or private membership clubs
- Owner salary and dividend payments beyond an agreed upon amount
- Speculative ventures such as drilling for gas, oil, and commodity futures
- Lending or speculative investment purchases
- Real property held for sale or investment
- Pyramid sales - distribution plan businesses

- Floor plan financing, which is defined as a revolving line of credit that allows the borrower to obtain financing for retail goods; these loans are secured on collateral including vehicles, recreational vehicles and manufactured homes
- Foreign controlled businesses
- Paying off existing debts, tax liens, judgments or collections

What is the amount of the grant program’s potential award value to a small business applicant?

- The maximum amount of the grant will be twice the average monthly expenses from your most recently filed tax return or \$10,000, whichever is less.
- All grants are subject to availability of Hertford County’s funds for this program and the level of eligible requests the program receives from small businesses.

What is the cost to a small business that receives a grant?

- The grant program has no application fee, no repayment provision and no other costs to the grant recipient.

What types of financial records and related documentation will be required as part of the grant application process?

The Commissioners shall review and consider the following in determining whether a grant should be made:

- Financial documents for March through September 2019 and March through September 2020 demonstrating revenue decrease due to COVID-19
- Financial documents may include: point-of-sales reports, bank statements, quarterly sales tax filings, 2019 tax returns, or CPA-certified profit & loss statements
- Statement describing how COVID-19 has adversely impacted your business
- Copy of lease or mortgage agreement for your small business
- Receipt/proof of paid City taxes or screenshot
- Business must provide a valid/unexpired driver’s license or government-issued photo ID
- Certificate of “good standing” or screenshot from the Secretary of State North Carolina
- Most recently completed & filed business tax returns (2019 tax returns are mandatory, 2018 are optional)
- Payroll documentation or quarterly unemployment insurance filing
- Your full social security number (SSN) and EIN/ITIN, which will be used to access your credit report and verify your business
- Your business’ NAICS code
- Monthly sales revenue for each month January through September 2020 (you may provide a point-of-sale report, Excel spreadsheet/ledger or another report from business accounting software)
- Your banking information including your routing and checking account number