

Weed and Dunsmuir Microenterprise Assistance



COMMUNITY DEVELOPMENT BLOCK GRANT

MICROENTERPRISE GRANT FREQUENTLY ASKED QUESTIONS

1. What is this program?
 - a. This is a 3-year program that will provide income-qualified Microenterprises in the Cities of Weed and Dunsmuir with technical and financial assistance to help them grow their businesses
 - b. Enrollees to the program will work with Staff at the Small Business Development Center on projects that will grow their business and increase sales
 - c. Enrollees will also have access to capital to assist their projects.
 - d. For example, if someone wants to start a new food truck business, and they have saved up and got a loan for a food truck, but they could use some help getting some additional equipment. This program could assist that business develop an operating plan and partially fund it.

2. How does the program work?
 - a. Microenterprise owners will apply and be evaluated for income eligibility
 - b. Once determined eligible, owners will enroll (if they haven't already), in the Siskiyou Small Business Development Center.
 - c. The owners will work with staff from the SBDC on developing projects that will grow and expand their business.

3. Who is eligible for participation?
 - a. Microenterprises (businesses with 5 or fewer employees) physically located and operating in Weed and Dunsmuir
 - b. Must have an active business license in Weed or Dunsmuir.
 - c. Microenterprise must be income qualified either by:
 - i. The principal owner (51% or more) must have an income below the Moderate-Income level (see question 6 for chart) for Siskiyou County (\$39,050 for an individual)
or
 - ii. 51% or more of the employees must have an income below the Moderate-Income level for Siskiyou County. Note, this will require income verification
 - d. Must not be engaged in the production, sale or distribution of Cannabis
 - e. Must not currently be Federally debarred, under bankruptcy, facing tax liens, delinquent on child support payments, or have received a felony

charge for financial fraud or abuse.

4. Who is not eligible?

- a. a government entity (other than an entity owned and/or operated by a Native American tribe) or elected official office;
- b. a business primarily engaged in political or lobbying activities;
- c. a passive business, investment company or investor who files a Schedule E on its tax returns;
- d. a church or other religious institution;
- e. a financial business primarily engaged in the business of lending, such as a bank, finance company or factoring company;
- f. a business engaged in any activity that is illegal **under federal, state or local law (including Cannabis)**;
- g. a business of a prurient sexual nature, including a business which presents live performances of a prurient sexual nature or a business which derives directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature;
- h. a business engaged in any socially undesirable activity or activity that may be considered predatory in nature such as rent-to-own businesses or check cashing businesses;
- i. a business that restricts patronage for any reason other than capacity;
- j. a speculative business;
- k. a business that is affiliated (as such term is defined in 13 C.F.R. § 121.103) with another Applicant; or
- l. a business, franchise or location of which the undersigned has already applied for and received a grant under the Program.

5. What is a 'Microenterprise?'

- a. A Microenterprise is a for-profit business with 5 or fewer employees, including the owner.

6. Where can I find the income limits for Siskiyou County?

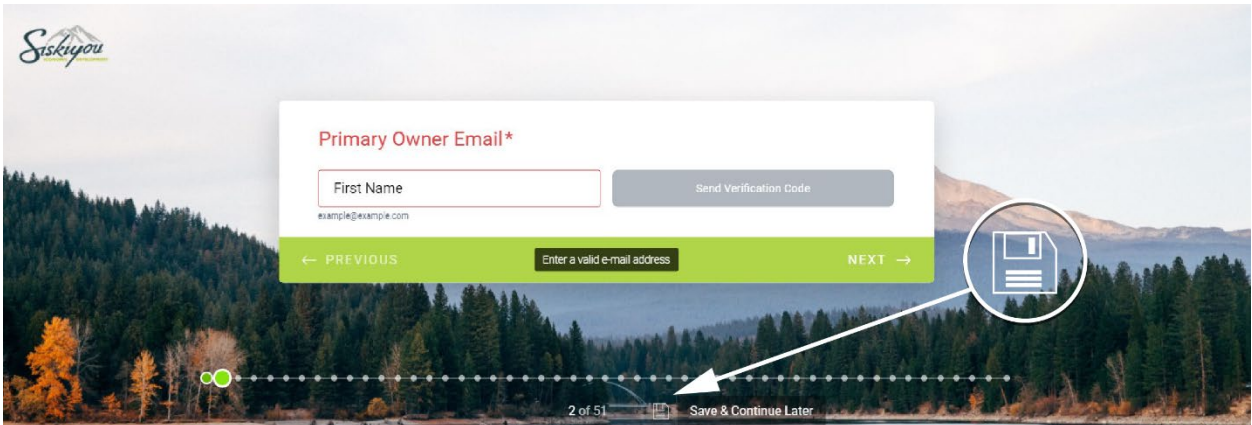
- a. It will be updated on the main homepage at :
<https://www.siskiyoucounty.org/microenterprise>

7. Do you have a paper/physical application?

- a. No, we will not be producing physical applications. If you require assistance completing the application, you may call and setup an appointment with the Small Business Development Center at (530) 842-1638 or email quintin@siskiyoucounty.org

8. Will I be able to save my application?

- a. Yes, you will! Once you verify your email, a 'Save' icon will appear on the bottom of the screen that will save your application and send you an



email to log back in.

- b. Note: You will have to create a free account with JotForm.

9. Are non-profit organizations eligible for this grant?

- a. No, unfortunately only for-profits are eligible.

10. If you recently purchased your business, are you eligible?

- a. Yes, as long as you have the financial and payroll records from the prior owner

11. What if I am a start-up?

- a. Yes, however, you will face stricter underwriting and several conditions will have to be met to receive funding.
- b. Funds will only be provided to ventures that are financially feasible in the absence of CDBG funds. Additionally, funding amounts will be lower than for established firms, until start-ups demonstrate consistent growth and stability after 6 and 12 months of operation.

12. How can I use funds?

- a. Operating expenses and working capital;
- b. Furniture, fixtures and equipment (must be movable and not permanently connected to any structure/utility);
- c. Capital improvements;
- d. Costs associated with opening;
- e. Assistance with payroll costs and hiring new employees;
- f. Funds to leverage against larger loans;

- g. Other uses as determined on a case-by-case basis
13. How can funds not be used?
- a. Any activities that include physical construction
 - b. Advances, raises, or personal expenses
 - c. Repayment of outstanding credits/debts linked to the owner/business
 - d. Equipment purchased prior to award
14. Can I apply for more than one grant? I own more than one business, can I apply separately for each business?
- a. No. Each owner/individual will only be eligible to apply for 1 grant.
15. How much is available?
- a. The maximum grant award will be capped at \$20,000. Any funds beyond that will be treated as a loan. This amount does not include program delivery and grant administrative costs.
 - b. Applicants are not guaranteed to receive the full award. Underwriting will evaluate the cash flow of the business, outstanding debt, and the business' viability without CDBG funds. Applicants may receive smaller, 'starter' grants initially, with the ability to access more funds as they mature and grow.
16. When are applications due?
- a. Applications will be accepted on a rolling basis until funds are exhausted. Upon 50% of program expenditures, the Cities will request more funds from the State.
17. Besides being eligible, who determines if I am funded?
- a. This program will offer funds on a first-come, first-serve basis.
 - b. Siskiyou Economic Development will review applications for eligibility and completeness as they arrive.
 - c. If applicants are eligible *AND* funds are available, they will not be declined.
18. How will I know if my application is received?
- a. Recipients will be notified via email.
19. Will I be notified if my application is approved or declined? How long will it take?
- a. Recipients will be notified via email of their award. It is the EDC's intent to process awards as expeditiously as possible, but notification times will vary depending on many factors.

20. What happens if more applications are received than available funds?
 - a. Due to limited funds, not all applications submitted will receive funding and some applications may receive an amount less than requested. Subsequent funding rounds and application dates will be determined based on the availability of funds.
21. What if my application is not funded?
 - a. All award decisions are final and there will be no appeals process.
22. What are the reporting requirements?
 - a. Applicants will be required to state in their application:
 - i. How much funds they are requesting;
 - ii. How the funds will be used;
 - iii. Documentation for any costs already incurred.
 - iv. 3 cost comparisons for any line-item over \$2,500
23. What happens if I do not use grant funds for their intended use?
 - a. The applicant will have to repay grant funds to the Cities.
24. As a contractor/sole-proprietor, can I apply?
 - a. If you have a valid business license in one of the eligible jurisdictions and meet the other eligibility requirements, yes.
25. How much can I apply for?
 - a. Initial Awards will be capped at \$20,000;
 - b. Applicants are not guaranteed to receive the full amount, which will be determined through the underwriting process
 - c. If there is low demand for grants, the EDC may retroactively increase grant awards for recipients.
26. If my application is incomplete, will it be declined?
 - a. Yes and no. Applicants will be initially denied, but will be asked to complete the application and provide any missing information needed.
27. My business is new, is it eligible?
 - a. Start up businesses will be permitted, however, funding will be made available only upon completion of comprehensive underwriting to determine the experience of the owner and risk associated with the venture
 - b. All businesses must complete their registrations and obtain a Unique Entity Identifier (UEI) number from <https://www.sam.gov> before becoming eligible

- c. Funds **will not** be provided to businesses or ventures that would not be economically feasible in the absence of CDBG funds
28. I do not have a business address in the Cities, but I have a business license within the County. Will I qualify?
- a. No. All businesses must be principally located and operating within one of the eligible jurisdictions.
29. If I have questions after reading this FAQ, who do I send my question to?
- a. quintin@siskiyoucounty.org
30. Would these funds be considered gross income for tax purposes for the business?
- a. Unfortunately, yes. Awardees will receive a 1099-G at the end of the tax year, and must include CDBG grants as gross income. Recipients should consult with tax experts on how to plan accordingly.
31. What is SAM.gov? Why do I need to register?
- a. Please see: [SAM.gov | Entity Registrations](#)
 - b. The State of California requires all awardees to be checked for Federal debarment.
 - c. The government will check your DUNS number to ensure you are not debarred from receiving Federal funds.
32. What documentation will I need to provide?
- a. Copy of Driver's License
 - b. Two-years of IRS Form 1040 (the full Tax Return, not just the first couple pages)
 - c. IRS Form W9
 - d. IRS Form 941 or other payroll documentation (if claiming employees on payroll)
 - e. Unique Entity Identifier (UEI) Number
 - f. Active SAM.gov Registration
 - g. Certification of Assurances (applicant will download and sign)
 - h. Supporting documentation for use of funds after award has been spent (these will vary business to business):
 - i. Receipts or invoices for equipment
 - ii. Repayable Loan documents
 - iii. Payroll records
 - iv. Profit and loss statements
 - v. Leases and utilities