

COVID-19 Mitigation Business Grant Policy

1. Application Requirements, Period, and Funding Acknowledgement

- 1.1. **Minimum application requirements.** Applicants must be a business or a social business (hereafter referred to as *business*) that has been in existence prior to July 1, 2020, are headquartered (including an in-home office) within the Carrboro Town limits and must retain at least the same number of full-time equivalent employees on payroll for a minimum of six-months. All grant award recipients will be required to enter into a Grant Agreement.
- 1.2. **ARPA and State law funding requirements.** These funds are provided to the Town of Carrboro as a part of the American Rescue Plan Act. The American Rescue Plan Act requires that businesses receiving these funds must adequately demonstrate and document how these funds will be used by their business to mitigate the negative economic impacts from COVID-19. Additionally, they must be used in compliance with the U.S. Treasury's Interim Final Rules and Guidance on Coronavirus State and Local Fiscal Recovery Funds. Applicants that do not demonstrate a negative economic impact from the pandemic and how funds received will mitigate the negative economic impact, will not be considered for funding. In addition, all funding must be consistent with State statutory authorization and the North Carolina Constitution.
- 1.3. **Application Period.** Applications for this grant program will be accepted from November 1, 2021, to November 19, 2021. If all funds are not awarded after all grant applications are reviewed, a second round of grant applications may be accepted.
- 1.4. **Falsification.** Any information submitted in, and a part of the grant application shall be true and accurate to the best of the business leadership's knowledge. Any falsification may result in the application being denied and the applicant barred from applying for this grant program in the future. If falsification is discovered after an award has been made, the applicant shall be required to return or repay the grant award.

2. Application Review and Prioritization

- 2.1. **Application.** The application for this program is attached as Appendix A.
- 2.2. **Review Committee.** The previously established Carrboro COVID-19 Loan Review Committee will be re-assembled to review and prioritize all submitted applications meeting the minimum application requirements. The review committee will use the priorities identified in section 2.3 to award priority. Additionally, the Review Committee will look at the Negative Economic Impact Narrative section strongly to evaluate the negative economic impacts from COVID-19. The committee shall submit applicants that they determine to be awarded to the Town Council for final approval.

- 2.3. **Priorities.** Grant applications will be evaluated and prioritized based on the following criteria.
- Businesses owned by, employing, or serving low to moderate income persons – 10 points
 - BIPOC Business – 10 points
 - Woman Business – 10 points
 - Tourism Sector Business – 10 points
 - Year-over-year revenue loss of 30 percent or greater for any 6-month period from April 2020 to April 2021 – 10 points
 - A Certified Living Wage Employer – 6 points
 - Locally owned business – 6 points
 - Businesses with 2 or fewer locations – 4 points

3. Eligible Uses of Grant Funds

- 3.1. **Grant Activities.** The grant awards may be utilized for costs related to the following activities.
- Back rent and utilities including but not limited to overdue gas, water, electric, or internet utilities, overdue building or facility rents, or overdue property taxes.
 - COVID-19 loan repayment including but not limited to private loans issued after April 1, 2020, business credit card debt acquired after April 1, 2020, loans issued by the Town, County, or State after April 1, 2020 (Federally issued PPP and EIDL loan repayment is not permitted).
 - Training under- or un-skilled employees including but not limited to the salary for an employee trainer to train under- or un-skilled employees, or courses for training seminars for new under- or un-skilled employees related to the business type.
 - Capital expenditures to adapt business to a post-COVID-19 environment including but not limited to equipment, building improvements, or outdoor dining enhancements.
 - Marketing and advertising including but not limited to social media, print, radio, or television advertising, providing rewards for loyalty programs, or purchasing promotional marketing materials.
- 3.2. **Maximum Grant Award.** The maximum grant award is \$10,000. No more than one grant may be awarded to any one-business organization.
- 3.3. **Change in Activities.** Applicant may not alter or change the approved activities without prior approval by the Town. Any unauthorized activities may result in the entire grant award being withdrawn and the applicant required to repay all funds to the Town.
- 3.4. **Expenditure Deadline.** All funds awarded must be expended no later than 18 months after the award has been made.

4. Reporting and Accountability

- 4.1. **Reporting.** Award recipients shall submit a Status Report every six months until all funds have been expended. The report shall include: amount of activities funds have been expended, number of full-time equivalent employees, and a short narrative explaining the status in expending the full funds awarded.
 - 4.1.1. **Final Report.** A Final Report shall be submitted to the Town after all funds have been expended. The Final Report must include copies of receipts, copies of checks, photos of items purchased or capital improvements made, a narrative of how the grant activities have mitigated the negative impacts that COVID-19 has had on the business.
- 4.2. **Failure.** Failure to provide a final report, spend the award funds within 18 months from the award date, or spending the award funds on unapproved activities not listed in the application will result in the unspent funding or the entire grant award being withdrawn and be required to be repaid to the Town.

5. Federal Funds Provisions

- 5.1. The following Federal provisions pursuant to 2 C.F.R. 200.326 and 200 C.F.R. Part 200, Appendix 2, apply or may apply: Equal Employment Opportunity (41 C.F.R. Part 60); Davis-Bacon Act (40 U.S.C. 3141-3148); Copeland 'Anti-Kickback" Act (40 U.S.C. 3145); Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708); Clean Air Act (42 U.S.C. 7401-7671q); Federal Water Pollution Control Act (33 U.S. C. 1251-1387); Debarment and Suspension (Executive Orders 12549 and 12689); Byrd Anti-Lobbying Amendment (31 U.S. C. 1352); Procurement of Recovered materials (2 C.F.R. 200.322); and Record retention Requirements (2 C.F.R. 200.324).

6. Definitions

- 6.1. **BIPOC Business.** A business in which persons-of-color holds an ownership stake of no less than 51 percent.
- 6.2. **Business.** An entity with the intention to generate a profit in which the revenue is created by producing or the buying and selling of goods and services.
- 6.3. **Full-time Equivalent Employee (FTE).** A metric that measures the total number of full-time employees a business has based on hours worked rather than the exact number of employees. For example, each employee that works full-time is equal to 1.0 FTE and a part-time worker who works half-time of the full-time employee would be equivalent to 0.5 FTE. Your total FTE is a total of every employee's FTE number. For this calculation, full-time employee must work no less than 37.5 hours per week or 1,950 per year.
- 6.4. **Living Wage Business.** A business that possesses an active living wage certification from Orange County Living Wage or Durham Living Wage Project.

- 6.5. Locally-owned Business. A business in which persons holding a total of no less than 75 percent of ownership stake in the business have a primary residence located in Alamance, Caswell, Chatham, Durham, Orange, or Person County in North Carolina.
- 6.6. Low to Moderate Income Persons. People in a household with an income equivalent to or less than 80 percent of the area median income (AMI) as defined by North Carolina general statutes and listed in the table below.

Persons in Household	Income Limit (80% AMI)
1	\$48,400
2	\$55,300
3	\$62,200
4	\$69,100
5	\$74,650

- 6.7. Social Businesses. A mission driven organization in which the revenue used to support the mission is derived from the buying and selling of goods and services.
- 6.8. Tourism Sector. A restaurant, bar, brewery, hotel/motel, or entertainment venue.
- 6.9. Woman Businesses. A business in which women hold an ownership stake of no less than 51 percent.

Appendix A - COVID-19 Mitigation Business Grant Application

If you need assistance completing the application for this grant program please contact our partners, the Small Business Center at Durham Tech at 919-536-7241.

Business Name:

Address:

City:

State:

Zip Code:

Business Owner/CEO/CAO:

Contact Name (if different from above):

Phone Number:

Email:

Number of Current Full-time Equivalent Employees:

APPLICATION REQUIREMENTS

Before continuing, please review the following application requirements and confirm below.

Minimum application requirements. Applicants must be a business or a social business (hereafter referred to as *business*) that has been in existence prior to July 1, 2020, are headquartered (including an in-home office) within the Carrboro Town limits and must retain at least the same number of full-time equivalent employees on payroll for a minimum of six-months. All grant award recipients will be required to enter into a Grant Agreement.

ARPA and State law funding requirements. These funds are provided to the Town of Carrboro as a part of the American Rescue Plan Act. The American Rescue Plan Act requires that businesses receiving these funds must adequately demonstrate and document how these funds will be used by their business to mitigate the negative economic impacts from COVID-19. Additionally, they must be used in compliance with the U.S. Treasury's Interim Final Rules and Guidance on Coronavirus State and Local Fiscal Recovery Funds. Applicants that do not demonstrate a negative economic impact from the pandemic and how funds received will mitigate the negative economic impact, will not be considered for funding. In addition, all funding must be consistent with State statutory authorization and the North Carolina Constitution.

By checking this box, I confirm this business meets the minimum requirements of this program.

Grant Uses

Grant awards may be used for multiple grant activity categories, but the total maximum grant award cannot exceed \$10,000. No more than one grant may be awarded to any one business entity. Please use the attached budget form to identify the grant use category, what projects will be completed, a short description, and the amount of the request.

- Back rent and utilities – examples include overdue gas, water, electric, or internet utilities, overdue building or facility rents, or overdue property taxes.
- COVID-19 loan repayment – examples include private loans issued after April 1, 2020, business credit card debt acquired after April 1, 2020, loans issued by the Town, County, or State after April 1, 2020 (Federally issued PPP and EIDL loan repayment is not permitted).
- Capital improvements to adapt business to a post-COVID-19 environment – examples include equipment, enhance cleaning efforts, barriers or partitions, changes to enable social distancing, building improvements, or outdoor dining enhancements.
- Training new under- or un-skilled employees – examples include the salary for an employee trainer to train new under- or un-skilled employees, or courses for training seminars for new under- or un-skilled employees related to the business type.
- Marketing and advertising – examples include social media, print, radio, or television advertising, providing rewards for loyalty programs, or purchasing promotional marketing materials.

Negative Economic Impact Narrative

Please explain the negative economic impact COVID-19 has had on your business and how the grant funds will mitigate or resolve these impacts. Provide ample relevant documents in support of your case (such as bank statements, tax returns, financial statements, quarterly employment filings, etc).

Additional Information

Please check the box and provide additional supporting documentation where applicable. Evidence may be requested if not provided with the application.

- Tourism Sector Business (restaurant, bar, brewery, hotel/motel, or entertainment venue)
- Average year-over-year revenue loss of 30 percent or greater for any 6-month period from April 2020 to April 2021 (please submit financial statement for the appropriate period)
- BIPOC Business
- Woman Business
- A Certified Living Wage Employer (Orange County Living Wage or Durham Living Wage Project, please submit a copy of your certification)
- Locally owned business (owner resides in Alamance, Caswell, Chatham, Durham, Orange, or Person County, NC, please submit copy of driver's license with DOB and license number marked out)
- Businesses with 2 or fewer locations
- This small business or non-profit is owned by, employs, or serves low to moderate income (see definition in the policy to determine exact income limits) citizens.

If checked, please provide a short narrative explaining the reasons you checked this box. Supporting documentation may be requested if there are additional questions by the review committee.

Application Submission Statement

By submitting this application and signing below, I agree that I am authorized to submit this application on behalf of the business listed in this application, that all of the information submitted in and with this application is truthful and accurate to the best of my knowledge, that **there is no intention at this time to close the business for a period of at least 2 years after the award has been granted and that all full-time equivalent employees will be retained on payroll for a minimum period of 6-months**, and that the grant requests made in this application meet the minimum application requirements to the best of my knowledge.

Additionally, I understand that a Final Report shall be submitted, and all award funds expended no later than 18 months after the award being made and that failure to alter or change the approved activities the funds are spend on without prior approval may result in the entire grant award being withdrawn and be required to be repaid to the Town.

I also agree to abide by the COVID-19 Mitigation Business Grant Policy and state and Federal guidelines and requirements, which regulates the administration of this grant.

Business Owner/CEO/COO/CAO

Date

