

LANCASTER CITY SMALL BUSINESS EMERGENCY FUND

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Frequently Asked Questions (FAQ)

1. When will I be able to submit my application?

- The application opens on Wednesday, **April 29, 2020** and closes on **Sunday, May 10, 2020**.

2. When will I find out if I was awarded?

- The committee will review applications once the application period closes. Our goal is to inform applicants of funding decisions by May 22.

3. I was approved. How long until I get my award?

- Bank ACH information will be collected in the application in order to expedite payment once approved. After a business is approved, submits all required paperwork, and signs an agreement, it will take 5-10 business days for funds to be received by the business via ACH transfer.

4. My business was deemed non-essential and was ordered to close. Am I still eligible for a grant/loan?

- Yes, both businesses deemed essential and non-essential are eligible to apply. The program will prioritize applications from businesses in industries that have been most negatively impacted.

5. I am able to operate my business, but I've had to reduce staff due to a slowdown in traffic. Do I have to hire staff back if I get this money?

- The program gives priority to businesses that demonstrate, to the best of their ability, that they are prioritizing retaining employees as long as possible with award funds. However, it is not a requirement.

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6. If I apply for federal SBA grant funding/forgivable loan, can I still receive GRANT funding for City Fund?

- Businesses that have *received* the SBA Economic Injury Disaster Loan advance (grant) and/or the SBA Payroll Protection Program forgivable loan are not eligible for grants at this time. However, they are eligible to apply for loans.

7. I own multiple businesses. Can I apply for assistance more than once?

- No. If you have multiple businesses that are separate legal entities in Lancaster you may not submit multiple applications. This rule is in place to ensure that as many business owners as possible may be helped with the limited funding available.

8. My business has multiple locations. Can I apply more than once?

- No, if you have a single business entity that has more than one location in Lancaster, you may only submit one application to the fund for that entity. A unique business owner may only apply once regardless of number of businesses owned. Business owners with a minority business ownership interest are not permitted to apply; only one owner (w/ largest ownership interest) may apply.

9. Do I need to be a Lancaster City resident?

- No, but your business must be physically located within the city limits of Lancaster, PA and file federal and state taxes.

10. Are there any businesses that are not eligible to receive assistance?

- Most tax compliant businesses with less than \$1 million in annual revenue in the City of Lancaster are eligible to apply for assistance.

The following entities are ineligible:

- Businesses that are not physically based within the City of Lancaster
- Nonprofits, churches and other religious institutions
- Private clubs and businesses which limit the number of memberships for reasons other than capacity
- Government-owned entities or elected official offices
- Businesses primarily engaged in political or lobbying activities
- Businesses engaged in any illegal activity

11. If I am an individual who files taxes as an independent contractor or sole proprietor (schedule C and 1099s to the IRS), am I still eligible as a business?

- The program will be open to sole proprietors and independent contractors; however, priority will be given to those who are located in census tracts with high poverty and/or those that

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sustain multiple sub-contractors during a normal business cycle (pre-COVID-19 levels). At this time the Ride Share and Home Sharing economy (Uber, Lyft, Airbnb, etc.) will not be prioritized.

12. If my business has subcontractors (that file 1099, rather than a W2), should they be counted in the number of employees?

- No. However, they should be referenced in the narrative sections as applicable:
 - “Please describe the current impact of COVID-19 on your business.”
 - “How will you use these funds to help your business or retain staff?”

13. If my business is new and does not yet have tax return documents, can I still apply?

- We will only accept applications from businesses that can submit a tax return from 2018 and/or 2019.

14. My business is a nonprofit. Can I still apply?

- No.

15. Can someone help me complete the application?

- For grant applications, you may call ASSETS at 717-393-6089. For loan applications, you may call Community First Fund at 717-393-2351.

16. My business is a corporation applying for a loan. Why am I being asked to fill out a consent form for a personal credit inquiry?

- If you are applying for a loan, we will pull a personal credit for any owner of the business with over 20 percent ownership. There is **no** minimum credit score for the loan program.

17. How much money will be distributed in total as part of the COVID-19 Small Business Relief Fund? How much in grants? How much in loans?

- The fund is being launched with approximately \$1.5 million to be distributed—\$1.25 million in loans and approximately \$250,000 in grants.

18. How is this Fund being funded? How much is the City putting in? How much is coming from the private sector?

- The fund is launching with approximately \$1.5 million. Of this, the City is contributing \$250,000. Community First Fund is contributing \$800,000 and ASSETS \$200,000 to the loan fund. Fulton Bank, High Foundation, Ferree Foundation, Rodgers & Associates, and the EnCourage Lancaster crowdfunding campaign have contributed to the grant fund.

19. How many businesses do you expect to distribute funds to?

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- This will depend on the award amounts and how many of each type of assistance is distributed. Generally, we anticipate at least 100 businesses will receive funding with all the awards going to small businesses (those with annual revenue below \$1,000,000).

20. If businesses are ordered to stay closed for longer than the initial two-month order, is there a plan to help businesses even more?

- We hope to raise additional dollars for future phases of this emergency fund. We'll also look to the state and federal governments to approve programs to support small businesses more extensively.

21. Will the funds be distributed even if the order prohibiting non-essential businesses from operating remains in effect for weeks or months?

- Yes, they will. We will do everything in our capacity to help businesses stay open and preserve jobs for as long as we can and hope that state and federal programs will augment our efforts.

22. How long will the application period be open?

- The application period will begin on April 29 and close on May 10

23. How will award decisions be made?

- This is not a first-come, first-serve fund. All applications will be equitably considered based on the following characteristics:
 - Longevity in business
 - Long-term sustainability
 - Historic profitability
 - Local economic and community impact of business
 - Positive business practices
 - Location of business in Lancaster City
 - Impact on the streetscape of Lancaster City
 - Number of employees
 - Severity of current need

24. What about a business with an existing Community First Fund or ASSETS loan? Will they be eligible for this financing? Will their current debt service be on hold?

- Those with existing loans are also eligible for this relief.

25. Who will review applications?

- Applications are being reviewed by a trained team of diverse ASSETS and Community First Fund staff members. Spanish applications will be reviewed by bilingual reviewers.

26. What qualifies as a “store-front” business?

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- Examples of store-front businesses include: restaurants, grocery stores, corner stores, vehicle mechanics, clothing shops, gift shops, etc.

NOTE:

Community First Fund and ASSETS created the COVID-19 Small Business Emergency Fund to provide relief in the fastest, fairest, and most efficient way possible.

Businesses across the city and nation have been severely impacted, but please understand that this program will not have the funding available to help every business in Lancaster.

This is an unprecedented challenge and we will continue doing everything possible to identify and advocate for additional resources through federal, state, and other sources.