

Lancaster City Small Business Emergency Fund

Frequently Asked Questions (FAQ)

1. Do I have to submit an application for both the grant and loan programs?

- No, they are the same application. However, the loan application will require additional responses and documentation. The online application process will walk each applicant through the requirements.

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

- Business Grant Applicants:
 - The application opens on May 3rd, 2021 and closes May 19th, 2021
- Small Business Loan Applicants:
 - The application opens June 14th and closes June 25th

3. How/Where can I submit my application?

- All applications (both grant and loan) are submitted via an online platform.
- The platform can be found [here](#).
- Please review the [Process and Eligibility](#) document for a list of items you need to apply.

4. Can I apply for both the grant and the loan?

- Yes, you can apply for both opportunities.

5. When will I find out if I was awarded the grant?

- The committee will review applications once the application period closes. Our goal is to inform applicants of funding decisions by *May 21st, 2021*.

6. When will I find out if I was approved for the loan?

- Your loan will be underwritten in the order that it was received, typically loans take up to 4 weeks for approval once all needed documents are received.

7. I was approved for the grant and/or the loan. How long until I get my award?

- Business Grant:
 - The grant receipt process typically takes 5-10 business days once all paperwork is collected.
 - Due to the nature of the Business Grant, a requirement to receive the Grant includes participation in the 6-week training program. Half of the award will be disbursed the

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first week of the training and the second half of the fund will be disbursed following the last day of training.

- Small Business Loans:
 - Bank ACH information will be collected in the application in order to expedite payment once approved. Please allow for 5-10 business days for the funds to be received via ACH.
 - The loan closing process typically takes 6 weeks as all paperwork is collected. Funds are received within 24 hours of loan closing.

8. I understand that by requesting Grant funds, I am required to participate in a 6 week Food Industry Sprint Accelerator. What does this program entail and what's the schedule?

- Facilitated by the Women's Business Center at ASSETS, this 6-week accelerator will explore insights into industry trends, tools to gain customer insights and assess key sales metrics for growth, and financial management. Participants will hear real-life stories of growth, innovation, and expertise from experienced food industry and financial experts.
 - **Note: it is required to attend all sessions in order to receive the full awarded grant**
- Meeting Schedule:
 - **Day:** Wednesdays via ZOOM
 - **Time:** 5:00pm- 7:00pm
 - **Start:** June 2nd
 - **End:** July 7th

9. 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 who demonstrate, to the best of their ability, prioritizing retaining employees as long as possible with award funds. However, it is not a requirement.

10. If I apply for federal SBA grant funding/forgivable loan or any other relief dollars, can I still receive grant money or a loan through this program?

- Yes, if you have received any prior relief money this past year, you are still eligible to receive grant or loan funds from this program.

11. 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.

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

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- 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 the number of businesses owned. Business owners with a minority business ownership interest (less than 50% ownership) are not permitted to apply; only one owner (w/ largest ownership interest) may apply.

13. 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.

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

- Yes, this program is ONLY for the Accommodation, Food and Drinking Places Businesses with the NAICS code designations of 721 and 722.
- No other business is eligible for the grant and training program. However, Barbershops, Salons, arts and entertainment industries are eligible for the loan program.

The following business entities are ineligible:

- Business must be tax compliant with less than \$2 million in annual revenue
- Business must be located in 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

15. 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.

16. 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?"

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

- No, We will only accept applications from businesses that can submit a tax return from at least 2019.

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

- No.

19. Can someone help me complete the application?

- Business Grant: ASSETS at 717-393-6089 or email info@assetspa.org
- Small Business Loan: Community First Fund at 717-393-2351

20. 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.

21. How much money will be distributed in total as part of the Round 2 of the program? How much in grants? How much in loans?

- We have \$143,200 for grants.
- We have \$700,000 in loans.

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

- Round 2 has approximately **\$843,200** is available in the Emergency Fund and was generously contributed by the following entities:
 1. Lancaster County Community Foundation
 2. Armstrong World Industries
 3. City of Lancaster
 4. ASSETS
 5. Community First Fund

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

- This will depend on the funding amounts. Generally, we anticipate that around 50 businesses will receive funding.
 - Business Grants: 8-10 Grantees with an average grant awarded with a grant range of \$8,000-\$15,000 based on annual revenue
 - Small Business Loans: we anticipate making approximately 25-30 loans up to \$40,000

24. How long will the application period be open?

- Each application period will be open for two weeks. See Question #2 for application open and close dates.

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25. How will grant award decisions be made?

- This is not a first-come, first-serve fund. All applications will be equitably vetted and considered based on the following characteristics:
 - Ability to commit to the 6 week training cohort
 - Eligibility based on industry
 - Longevity in business
 - Long-term sustainability
 - Historic profitability
 - Local economic and community impact of business
 - Location of business in Lancaster City
 - Impact on the streetscape of Lancaster City
 - Number of employees
 - Severity of current need

26. How will loan decisions be made?

- All loans will be underwritten using Community First Fund's standard loan policy. Loan underwriting will be reviewed and approved by the Community First Fund lending team.

27. If I participated in the first round of the Emergency Relief Program, am I still eligible to apply for this second round?

- Yes, as long as your business still qualifies per the outlined eligibility requirements, your business is eligible to participate in the second round.

28. 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?

- Yes, those with existing loans/grants are also eligible for this relief.

29. Who will review grant applications?

- Grant applications are being reviewed by a trained team of diverse ASSETS staff members. Spanish applications will be reviewed by bilingual reviewers.

30. Who will review loan applications?

- Loan applications are being reviewed by a trained team of diverse underwriters at Community First Fund. Spanish applications will be reviewed by bilingual reviewers.

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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.