



Business Safety Net Program

INTRODUCTION:

The City of Worcester (City) has established the Worcester Business Safety Net program to provide flexible grant assistance to Worcester small businesses who have experienced economic hardship due to the COVID-19 pandemic. This program will also assist new small businesses that have opened during the COVID-19 pandemic.

FUNDING SOURCE:

Funding for these programs comes from Federal **Community Development Block Grant CARES Act (CDBG-CV)** and **American Rescue Plan Act (ARPA)**. The goal of this funding is to provide assistance to those businesses most disproportionately impacted by the COVID-19 pandemic, especially low-income communities and communities of color.

GRANT PROGRAMS:

Businesses can only apply to one of two **Business Safety Net Programs**. All businesses that apply are eligible for additional funding for **COVID Protections**.

1. PROGRAM 1: For businesses open **before April 1, 2020**, and were operating as of December 31, 2021
2. PROGRAM 2: For businesses open **on or after April 1, 2020**, and were operating as of December 31, 2021

These funds may only be used for expenses incurred between March 3, 2021 - December 31, 2024.

APPLICATION DEADLINE:

Applications for the first group of Business Safety Net awards will be accepted until **October 14th, 2022**. Applications received after October 14th, 2022 will be prioritized for the second group of awards. Applications should be submitted online, but if necessary they can be

submitted as a hard copy. The online application portal is anticipated to be live the week of August 22nd on www.worcesterma.gov/arpa

ELIGIBLE APPLICANTS:

Funding will be prioritized towards businesses in industries most directly affected by periods of closures, policies, or general loss of revenue related to COVID-19. These include but are not limited to:

- Food and Nutrition (including Food Trucks)
- Retail
- Arts, Entertainment and Recreation
- Healthcare and Social Assistance
- Hospitality, Travel Planning and Services
- Collaborative Workspaces
- Personal Services and Cosmetology
- Personal and Laundry Services
- Janitorial Services (Cleaning Businesses)
- Child Day Care Services

INELIGIBLE APPLICANTS:

Ineligible applicants include, but are not necessarily limited to:

- Independent Contractors
- Check Cashing Agencies
- Cannabis-related businesses
- Gun Shops
- Pawn Shops
- Liquor Stores
- Adults Entertainment Businesses
- Dollar stores
- Member-service organizations (social clubs)
- Businesses owned in whole or in part by corporations, trusts, LLCs, partnerships or cooperatives.
- Businesses with owners who hold an ownership interest (percentage) in any other business applying for this grant.
- Businesses primarily engaged in political or lobbying activities.
- Businesses owned in whole or part by foreign individuals (non-permanent resident) or corporations.
- Ineligible applicants also include franchisees of national or regional chain businesses

The City reserves the right to reject any application that is incomplete or does not meet the Program Requirements in the sole opinion of the Business and Community Development Division. In addition, the City may decide on a case-by-case basis to reject any application that does not meet and advance the goals of this Program.

MEMBERS OF THE COMMUNITY DISPROPORTIONATELY IMPACTED BY COVID-19:

The City of Worcester is dedicated to prioritizing communities who have been disproportionately impacted by the COVID-19 pandemic in this funding effort.

Preference will be given to Business owners of Communities Disproportionately Impacted by COVID-19:

- Racial and Ethnic Minorities
- Low to moderate income households
- Business is in a qualified census tract
 - A Qualified Census Tract is defined as any census tract in which at least 50 percent of households have an income less than 60 percent of the Area Median Income (AMI), or which has a poverty rate of at least 25 percent.
 - To find out if your business is in a Qualified Census Tract, click the link below:
https://www.huduser.gov/portal/sadda/sadda_qct.html
 - Enter your Business Address in Search Bar (ex. 455 Main St, Worcester, MA) , click “Go”
 - Under “Map Options” click 2nd checkbox “Color QCT Qualified Tracts (Zoom 7+)”
 - If your business is within the purple area, your business is in a Qualified Census Tract

ELIGIBILITY REQUIREMENTS:

- Businesses that have less than **\$300,000.00** in net income.
- Businesses must have at least **\$15,000.00** in total yearly expenses.
- Business must currently be in operation.
- Business must be a for-profit entity (sole proprietorship, partnership, corporation, cooperative or LLC).
- Business must be owned by individual(s).
- The business must be in good standing with the Commonwealth of Massachusetts and have no outstanding tax liens or legal judgements.
- Less than **50** full time employees

APPROVED USES OF FUNDS:

Costs for meeting COVID-19 prevention, mortgage, rent or utility arrears, costs to retain employees, loss of inventory, rent, mortgage, utility costs, or other fixed costs and operating expenses. Other costs may be considered on a case-by-case basis.

NON-APPROVED USES OF FUNDS:

Non-approved use of funds include, but are not necessarily limited to:

- Purchase of property
- Lobbying
- Uses that bear no relation to harm experienced by the public health crises.
- Grantees must prevent the duplication of benefits, meaning these requested grant funds may not be used to pay expenses if another source of financial aid has paid that same expense.

PROGRAM 1: OPEN BEFORE APRIL 1, 2020

Open to Brick & Mortar Small Businesses that were open before **April 1st, 2020** and were operating as of **December 31, 2021**.

FUNDING AMOUNT:

\$10,000.00 – Business that occupy commercial space, as well as home-based Childcare businesses within the City of Worcester.

COVID PROTECTIONS GRANT - Additional Funding

\$1,500.00 – For short-term capital assistance to implement COVID-19 prevention or mitigation tactics

Examples of COVID-19 protocol Investments –

- Signage and Signboards
- Personal Protective Equipment (PPE)
- Disposable Menu Printing Costs
- Sanitizing Equipment and Supplies
- Customer partitions
- Air purifiers
- Reconfiguration of business space
- Installation of other dividers
- Air purifiers

PROGRAM 2: OPEN ON OR AFTER APRIL 1, 2020 and Home-Based Businesses

Open to Brick & Mortar Small Businesses that were open on or after **April 1st, 2020** and were operating as of **December 31, 2021**. Open to all home-based businesses that are in an eligible industry operating as of **December 31, 2021**.

FUNDING AMOUNT:

\$5,000.00 – Business that occupy commercial space, as well as eligible home-based businesses within the City of Worcester

COVID PROTECTIONS GRANT - Additional Funding

\$1,500.00 – For short-term capital assistance to implement COVID-19 prevention or mitigation tactics

REQUIRED SUBMISSIONS

1. Completed application form (enclosed).
2. Business Tax Returns
 - a. 2020 & 2021 Form 1120 or Schedule C. (if 2021 not available, 2021 Profit and Loss Statement is acceptable)
3. Personal Tax Returns
 - a. 2021 Form 1040 for all owners / principals with 20% or greater ownership in business. (If 2021 not available, submit 2020 only)
4. W-9 Form completed and signed
5. System for Award Management (SAM.gov) Registration proof www.sam.gov
6. Proof of payroll (a recent pay or wage statement, bank statement, or paystub) if there are more than 2 employees.

PROGRAM APPLICATION ON NEXT PAGE



ELIGIBILITY QUESTIONS

Is your business in the City of Worcester?

Yes No *If no, your business is not eligible*

Does your business have less than \$300,000.00 in net income (from 2021 business tax return)?

Yes No *If no, your business is not eligible*

Does your business have at least \$15,000.00 in annual expenses?

Yes No *If no, your business is not eligible*

Do you have less than 50 full time employees?

Yes No *If no, your business is not eligible*

Are you a home-based business?

Yes No *If yes, please state type of business:* _____

Are you in good standing with the Commonwealth of Massachusetts and City of Worcester (ie. no current tax delinquency, etc.)?

Yes No *If no, your business is not eligible*

Did you open your business **before April 1, 2020**, and operating as of Dec 31, 2021?

Yes No *If yes, you are potentially eligible under Program 1, if no move to next question*

Did you open your business **on or after April 1, 2020**, and operating as of Dec 31, 2021?

Yes No *If yes, you are potentially eligible under Program 2*

OWNER INFORMATION

Applicant First Name: _____ Middle Int. _____ Last Name: _____

Applicant Home Address: _____
Street City
State Zip

Phone Numbers: _____
Cell Business

Email Address: _____

CO-OWNER INFORMATION *(skip if only one owner)*

Applicant First Name: _____ Middle Int. _____ Last Name: _____

Applicant Home Address: _____
Street City
State Zip

Phone Numbers: _____
Cell Business

Email Address: _____

BUSINESS INFORMATION

Business Name: _____

Business Address: _____
Street City State
Zip Same as home address

Business Type: Sole Proprietor Limited Liability Company (LLC)
 Corporation Partnership

OWNERSHIP MANAGEMENT

Owner 1:	_____	_____	_____
	Name	Title	% Interest Owned
Owner 2:	_____	_____	_____
	Name	Title	% Interest Owned
Owner 3:	_____	_____	_____
	Name	Title	% Interest Owned
Owner 4:	_____	_____	_____
	Name	Title	% Interest Owned

TYPE OF BUSINESS (check one)

Food and Nutrition
Retail
Arts, Entertainment, and Recreation
Healthcare and Social Assistance
Hospitality, Travel Planning and Services
Collaborative Work Spaces
Personal Services and Cosmetology
Personal and Laundry Services
Janitorial Services (Cleaning Business)
Child Daycare Services

Other: _____

When did you open your business? _____
MM/DD/YYYY

Years in Business: _____
Year(s) Month(s)

Years at present address? _____

Do you Rent Or Own (Mortgage)

If rent, lease expiration date: _____
MM/DD/YYYY

How much do you pay for space per month? \$ _____

Square footage of occupied space: _____
Sqft

COVID-19 IMPACT

Number of Employees **before COVID-19**: _____
Full Time Part Time Total

Number of Employees today: _____
Full Time Part Time Total

Net income **before COVID-19**? \$ _____ *Net Income in 2019 Taxes*

- If business is a Sole Proprietor, Net Income can be found on Line 31 on Schedule C
- If business is a Partnership, Net Income can be found on Line 22 on Form 1065
- If business tax classification is C-Corporation, Net Income can be found on Line 28 on Form 1120.
- If business tax classification is S-Corporation, Net Income can be found on Line 21 on Form 1120S.

COVID-19 IMPACT (Cont.)

How did the COVID-19 Pandemic cause you to lose revenue? (*check all that apply*)

- State forced me to close business
- Customers didn't feel safe coming into my business
- Capacity limits, limiting # of customers in my business
- Labor shortage
- Supply Chain disruptions
- Inflation – cost of goods/services too expensive
- Other

Please Explain COVID-19 Impact

How will you use the grant funds?

Please tell us how you will use our Business safety net grant to help your business keep your employees and keep your business operating during this time (ex. payroll, rent, utilities)

Use 1:	<u>(example – rent)</u>	<u>\$</u>
Use 2:	<u></u>	<u>\$</u>
Use 3:	<u></u>	<u>\$</u>
Use 4:	<u></u>	<u>\$</u>
Use 5:	<u></u>	<u>\$</u>
	Total:	<u>\$</u>

COVID-19 PROTECTIONS INVESTMENTS – ADDITIONAL FUNDING

Do you want to apply for COVID Protections Grant Funds?

Yes No *If no, skip to next section*

What COVID-19 Protections Investments will you use these funds for (check all that apply)?

- Signage and Signboards \$ _____
- Personal Protective Equipment (PPE) \$ _____
- Disposable Menu Printing Costs \$ _____
- Sanitizing Equipment and Supplies \$ _____
- Customer partitions \$ _____
- Air purifiers \$ _____
- Other: _____ \$ _____

Total: \$ _____ *Only up to \$1,500*

Have you received any other COVID-19 related Business Relief? (check all that apply and disclose grant amount received):

- PPP – Paycheck Protection Program
- EIDL – Economic Injury Disaster Loan
- Shuttered Venues Grant
- Restaurant Revitalization Fund
- City of Worcester’s Small Business Resiliency Grant
- Other: _____
- None: _____

Business Owner(s) Income Information

By sharing this information, you can qualify for CDBG-CV funds if you do not qualify for ARPA funds

51% of the owners in your business must be low to moderate income to qualify for CDBG-CV. If your combined income (everyone in your household who is 18 and older) is above the income limit, please skip.

FY 2022 Income Limit Category	Persons in Family							
	1	2	3	4	5	6	7	8
Low (80%) Income Limits (\$)	61,900	70,750	79,600	88,400	95,500	102,550	109,650	116,700

[Click for More Detail](#)

Example: you have 4 people in your household, your combined income is \$90,000 per year, please skip to next section

How many people live in your household, including yourself? _____

Please list everyone **over the age of 18** in your household, and their annual income (from latest tax return)

Name (*yourself*): _____ Annual Income: \$ _____

Name: _____ Annual Income: \$ _____

Name: _____ Annual Income: \$ _____

Name: _____ Annual Income: \$ _____

Total: \$ _____

Does everyone above file taxes together?

Yes No *If no, must submit all separate form 1040s*

PRIMARY BUSINESS OWNER DEMOGRAPHIC INFORMATION

For reporting purposes only, please skip if you do not wish to complete.

Completing this section may qualify you to be included in the City's Diverse Businesses Directory Diverse Business Directory includes small businesses who are Woman Owned and or Minority Owned

What do you identify as?

Male Female Other

Handicapped?

Yes No

Single head of household?

Yes No

Please identify the appropriate racial and ethnic category below:

- Native American/Alaskan Native
- Native American/Alaskan Native & Black/African American
- Asian
- Asian/Hispanic
- Black/African American
- Black/African American & White
- Black/Hispanic
- Native Hawaiian
- Other Pacific Islander
- White
- White/Hispanic
- Other: _____

STATEMENT OF APPLICANT

Through my/our signature, I/we hereby certify the information provided in this application is complete and correct to the best of my/our knowledge. I am aware of eligibility requirements of the City of Worcester's ARPA & CDBG-CV COVID-19 Business Safety Net Program as outlined in this application, as well as by the U.S. Department of Treasury & U.S. Department of Housing and Urban Development. I/we hereby certify that, to the best of my/our knowledge, I/we am/are eligible for assistance through the aforementioned program. Additionally, I/we hereby certify that I/we understand that if the City of Worcester finds my information to be fraudulently represented, I/we will be liable for repayment of all program funds, as well as other penalties, allocated under Federal Regulation 24 CFR Part 28.

I/we hereby authorize the City of Worcester's Executive Office of Economic Development to independently verify the information provided in this application.

Applicant Signature: _____

Co-Applicant Signature: _____

Date: _____

SUBMISSION CHECKLIST

DOCUMENT	COMPLETED	Notes
Completed Application	<input type="checkbox"/>	
Business Tax Return		
2020 Form 1120 or Schedule C	<input type="checkbox"/>	
2021 Form 1120 or Schedule C	<input type="checkbox"/>	
2021 P&L Statement (if 2021 not filed)	<input type="checkbox"/>	
Personal Tax Return		
2021 Form 1040: Business Owner 1	<input type="checkbox"/>	
Completed W-9 Form		
Completed W-9 Form	<input type="checkbox"/>	
UEI # & SAM.GOV		
Unique Entity ID # Received:	<input type="checkbox"/>	UEI #:
Proof of Payroll		
Proof of payroll (bank statement, paystub)	<input type="checkbox"/>	