

Commonwealth of Pennsylvania COVID-19 Relief Small Business Assistance

When do I have to have my application and documents submitted to be considered in the first round?

The first application window will close and not allow new submissions after 11:59 pm on July 14. The application portal will only allow for uploading of required documents. The deadline to submit all required documents will be July 16 at 11:59 pm. New applications cannot be started or accepted after July 14 until the opening of the next application round.

How will I know you have all my information to be considered?

You will receive a confirmation email from pacdfinetwork@lendistry.com to confirm your application has been received. If more information or documents are needed, Lendistry will contact you by email and work with you to complete your application or verify the information you submitted. Lendistry is available to assist you in understanding what business information is needed and how to upload documents.

Confirmation emails come from Lendistry at pacdfinetwork@lendistry.com. If you did not receive a confirmation email after submitting your application, please check your Spam Folder for emails from pacdfinetwork@lendistry.com and add the email address to your email account's safe sender list.

When will I find out the decision?

Decisions will be made on a rolling basis following each application period. The first application window will close and not allow new submissions after 11:59 pm on July 14.

The PA CDFI Network will begin reviewing all applications after the close of the application period on July 14th, 2020. The grant selection process will take a few weeks after the close of the application period on July 14, 2020. Notice about approvals will occur on a rolling basis starting as early as July 31. We anticipate that all applicants will receive notice no later than August 10 as to the status of their application, whether it is approved, rolled over for a future round consideration, or declined.

We appreciate your patience, and ask that you refrain from contacting Lendistry or the PA CDFI Network as to the decision status for completed applications prior to August 10.

Will the application portal close?

Yes, the application portal will close on July 15th for system updates.

When does the next application window open?

The second application window is expected to open in August. The PA CDFI Network will send an email announcing when the next application window is open. Stay informed by signing up for email notifications from the PA CDFI Network.

Applicants who applied in the first application window do not need to reapply, qualified applications will be automatically rolled over into the next funding round for consideration. An update about your application status will be sent by August 10th.

Sign up at:

https://docs.google.com/forms/d/e/1FAIpQLSfximN3WPL4dlpvn5_UB18AyUKHqeQ5-EQ7e_hWWD0V2NqmGw/viewform

What are the key dates for the first funding round of the grant program?

Round 1

Application Open	June 30, 2020
Application Close	July 14, 2020
Application Pause	July 15, 2020

We anticipate approvals on a rolling basis to start as early as July 31 and continue into the beginning of August. An update about your application status will be sent by August 10th. Applicants who applied in the first application window do not need to reapply, qualified applications will be automatically rolled over into the next funding round for consideration.

My application was started, but unfinished before the first application window closed at 11:59 PM on July, 14th. Do I need to restart my application?

Any unfinished applications can be continued and finished when the application window reopens. You may use your login to complete your application. The second application window is expected to open in August.

What do I do if I am having trouble connecting my bank account?

Please note bank verification is not required for this stage of the review process. Grant recipients will be asked to connect their account for grant disbursement.

What information are you pulling from my bank?

To ensure that the bank account you provided is valid and to prevent fraud, Lendistry is verifying that the name on your bank account aligns with the business information you provided in your

application. As well as, that the business bank account is active with transactions from the last 90-120 days.

Lendistry and the PA CDFI Network do not have access to your bank login credentials, including username or password. Security is our utmost priority. The technology used to verify your bank account is owned and operated by VISA and applies their banking standards and security protocol.

Why is my bank not listed, and what can I do if it's not an option in your system?

For applicants that move to the verification step during the review process of the grant, Lendistry will send you a link to validate your bank account information online. In lieu of validating your bank account information online, applicants can obtain stamped bank statements from their bank. Lendistry can work with you on how to submit this information and documents.

I have a criminal history, am I eligible to apply?

Yes, are eligible to apply. The COVID-19 Statewide Small Business Assistance program follows the certification and program eligibility requirements for the Small Business Administration (SBA). The SBA recently revised requirements and we have updated the grant program criteria to include:

The business will only be excluded if the 20% owner is facing felony charges. The parole/probation exclusion is now limited to 20% owners whose probation or parole commenced within the last five years for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year for other felonies.

Certification documents are updated with this new information. If you previously signed a certification document, you do not need to sign an updated certification at this time. Lendistry will work with you on updating certifications during the review process.

*******FINAL DRAFT 6.28.20 FOR PUBLICATION*******

Commonwealth of Pennsylvania COVID-19 Relief Small Business Assistance

Business Applicant FAQs

- **What can funds be used for?**

The grants have to be used for COVID-19 related losses or expenses. These include:

- Payroll costs, costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums.
- Mortgage interest payments (but not mortgage prepayments or principal payments); interest payments on any other debt obligations that were incurred before February 15, 2020.
- Rent payments, utility payments.
- Working capital for the purpose of covering the costs of re-opening business operations after being fully or partially closed due to the state-mandated business closure period commencing March 2020, as long as the expense was incurred due to COVID-19.
- Any expenses related to the expense of implementing COVID-19, including but not limited to specialized equipment, barriers, PDE's, and employee training expenses to ensure compliance with state and federal CDC guidelines for reopening.

Grant funds cannot be used for expenses or losses that were already covered by the Payroll Protection Program, Economic Injury Disaster Loan (EIDL) or other emergency funding.

- What are COVID related expenses?

COVID-related expenses are additional costs to re-open; costs to adhere to COVID-19 distancing or sanitation requirements; or normal operating expenses that could not be covered due to reduced revenues due to COVID-19. These include:

- Payroll costs, costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums.
- Mortgage interest payments (but not mortgage prepayments or principal payments); interest payments on any other debt obligations that were incurred before February 15, 2020.
- Rent payments, utility payments.
- Working capital for the purpose of covering the costs of re-opening business operations after being fully or partially closed due to the state-mandated business closure period commencing March 2020, as long as the expense was incurred due to COVID-19.
- Any expenses related to the expense of implementing COVID-19, including but not limited to specialized equipment, barriers, PDE's, and employee training expenses to ensure compliance with state and federal CDC guidelines for reopening.

- Are PA COVID-19 Working Capital Access (CWCA) recipients eligible and, if yes, can the grant be used to pay off the CWCA debt (or at least a portion of it)?
Yes, CWCA recipients may apply. However, funds from this grant cannot be used to cover the same expenses that were covered by CWCA. Grant funds CANNOT be used to repay CWCA loans. Grant can only be used for payment on debts incurred before February 15, 2020.
- Are recipients of county/city business relief funds eligible to apply and will that be considered in any way in the process?
Yes, county/city relief recipients may apply. However, funds from this grant cannot be used to cover the same expenses that the county/city relief funds covered.
- Are Federal Paycheck Protection Program (PPP)/ or Economic Injury Disaster Loan (EIDL) recipients eligible to apply and will that be considered in any way in the process?
Yes, PPP and EIDL recipients may apply. However, funds cannot be used to cover the same expenses that the PPP/EIDL funds covered.
- How do they decide who will receive the grant?

All applications will first be determined to meet all of the eligibility requirements. Then eligible businesses will be scored based on the program criteria. Priority will be given to businesses owned and operated by low and moderate-income business owners; businesses located in low-income and rural communities and disadvantaged areas; certain industry sectors most impacted by economic shutdown; and businesses impacted the most financially based on gross revenue losses.

At least 50% of grants will go to historically disadvantaged businesses that have traditionally experienced discrimination when seeking financial services and financial products. These businesses are at least 51% owned by persons who are Black, Hispanic, Native American, Asian American, or Pacific Islander.

Additional priority will be given to women-owned businesses; and businesses operating in communities participating in one of the designated revitalization programs, including active DCED designated [Main Street and Elm Street communities](#), a community in the [Trail Town Program™](#), communities located in the [PA Wilds™](#), [commercial corridors in Philadelphia](#), or [Neighborhood Business Districts in Pittsburgh](#).

- When will they make the decision?

Decisions will be made on a rolling basis following each application period. The first application window will close on July 14th. All applications received between June 30th and July 14th will then be scored.

- Will they contact me directly if I win the grant?

You will be notified directly if you receive a grant. If you are awarded you will be notified within 27 business days of the close of the application window.

- How many rounds are there?

There will be a minimum of two (2) rounds.

- Do I need to reapply for each round?

No. If you apply and are not awarded a grant, your application will automatically be moved into the next round.

- If I received a grant in one round, can I apply again?

No. Businesses who are awarded a grant are not eligible to apply. Any business (awarded or not awarded) should not apply again in subsequent application rounds, your application will automatically be moved onto the next round.

- Will everyone who applies receive a grant?

No. There are more than 1 million businesses in Pennsylvania who are eligible to apply and we anticipate an overwhelming need for these grants. Eligible businesses will be scored based on the program criteria. Priority will be given to businesses owned and operated by low and moderate-income business owners; businesses located in rural communities and disadvantaged areas; certain industry sectors most impacted by economic shutdown; and businesses impacted the most financially based on gross revenue losses. At least 50% of grants will go to historically disadvantaged businesses that have traditionally experienced discrimination when seeking financial services and financial products. These businesses are at least 51% owned by persons who are Black, Hispanic, Native American, Asian American, or Pacific Islander. Additional priority will be given to women-owned businesses; and businesses operating in communities participating in one of the [designated revitalization programs](#), or designated [commercial corridors in Philadelphia](#), or [Neighborhood Business Districts in Pittsburgh](#)

- Why was I not picked in the first round, my business needs the money?

There is an overwhelming need for small businesses that have been economically impacted by COVID-19 pandemic and related statewide business closure. If you were not selected in the first round and your business meets all of the eligibility requirements you will be considered for future rounds of funding.

- I have a loan outstanding with one of the participating CDFIs. How do I participate in the loan forbearance and payment relief benefit?

You need to reach out to your CDFI lender and discuss any forbearance or adjustment of repayment terms directly with them.

- I have a franchise business with multiple locations. Can I apply for assistance for each location?

No. Businesses with common ownership can only apply once. If you own multiple franchises or multiple locations for your business, you may only apply one time.

- I own multiple businesses. Can I apply for each business?

Owners of multiple businesses will be considered for only one grant. Owners of multiple businesses are encouraged to apply with the business that best fits the program priorities.

- Is there a difference in which CDFI organization services a grant application in my area?

You may select any CDFI that serves your area. Each county will have at least two CDFIs from which businesses can choose to apply. Some counties will have several more options. You can research CDFIs that serve your county at pabusinessgrants.com. Pick the one that you think best fits your needs, as they can also provide other financing assistance for you, like working capital loans, equipment loans and technical assistance to help you and your business.

- I'm examining the list of financial institutions and looking for the one that would fit me best. There are several groups listed in my county. Can I apply to various organizations?

No. Submitting multiple applications will only delay your application from being processed. Pick the one that you think best fits your needs, as they can also provide other financing assistance for you, like working capital loans, equipment loans and technical assistance to help you and your business.

- Which grant do I apply for, the Disadvantaged grant or the Main Street grant?

You do not need to worry about this. You will submit one application and the process will place you in consideration for the correct pool of funds.

- What documents will I need to submit as part of my application

- 1) Most recent federal **tax return** filed (2019 or 2018) – must be in an electronic format for online upload, such as PDF.
- 2) *If the applicant was a startup in 2019* and has not yet filed taxes, a management prepared statement of revenue and expenses as of December 31, 2019; must be in an electronic format for online upload, such as PDF.
- 3) *If the applicant is a startup as of January 1, 2020*, a profit and loss statement as of 3/31/20 - must be in an electronic format for online upload, such as PDF.
- 4) Copy of **official filing with Department of State or local municipality for your business** such as: (one of the following); must be provided in electronic format for upload, such as PDF.
 - a) Articles of Incorporation
 - b) Certificate of Organization
 - c) Fictitious Name registration
 - d) Government-issued Business License
 - e) Any form of acceptable government-issued photo ID; must be in an electronic format for online upload, such as PDF.

For step-by-step instruction of all information that will need to be provided in the application, please refer to the Portal Guide Book

- Are the application questions posted on the website so that I can prepare to answer the questions before beginning the actual application?

You can refer to the Portal Guide Book which takes you step-by-step through the application process.

- How much can a business apply for?

Grant amounts will range from \$5,000 to \$50,000. The grant amount for which a Business is eligible is based on its annual revenues as documented in its most recent tax return. Owners of multiple businesses will be considered for only one grant.

Eligible Business Annual Revenue	Grant Amount Available per business
Up to \$50,000	\$5,000
\$50,001 - \$75,000	\$10,000
\$75,001 - \$100,000	\$15,000
\$100,001 - \$250,000	\$20,000
\$250,001 - \$500,000	\$25,000
\$500,001 - \$750,000	\$35,000

\$750,001 - \$850,000	\$40,000
\$850,001 - \$1,000,000	\$50,000

- Are the revenue thresholds for the grant amounts based off of GROSS revenue?

Revenues are based on the IRS tax form definition: Gross Sales (less any returns and allowances) as reported on Line 1.c. on both the 1120 (corporate return) and 1120S (S-Corp return) and on IRS Schedule C for single-member LLC's and sole proprietorships it is Line 3.

- How long will I have to complete my application?

Application window for the first round of funding is expected to open on June 30th and remain open for 10 business days. Applications will continue to be accepted after 10 business days but will be considered for future rounds of funding. Additional rounds will be announced soon. There will be multiple rounds of application windows, and each will be open for a period of approximately 10 days. It is not a first-come, first-served program. If you can't apply in the first round, there will be additional rounds in which you can apply. However, we encourage you to apply as soon as you can.

- If my business is a partnership or has multiple owners and some are low-income others are not. What is the % of ownership that must be low income?

51% of ownership to determine eligibility for Low-Income status and also to determine minority- or women- ownership status.

- Is the 25 employees or fewer count prior to COVID-19 or post COVID-19 impact? Are only W2 employees counted?

To be eligible a business must have 25 or fewer full-time equivalent (FTE) employees prior to February 15, 2020. To count FTE employees, apply one for a 1 FTE for a full time person and 1/2 FTE for any part-time employee no matter how many hours the employee works. Then sum to determine total employment for this requirement.

- If I owe taxes to the federal government, am I able to apply for these grant dollars ?

Business owners must be current on federal and state taxes, or current on a formal payment plan to be eligible to receive a grant from this program.

You can contact the IRS or the PA Department of Revenue to pay any past due taxes or develop an acceptable payment plan. The business owner/tax payer must contact the agency.

- Am I eligible for the program if my revenue for this year is less than \$1 million but last year (and the years before) it was more than \$1 million?

Grants are available only for businesses with annual revenues (prior to March 1, 2020) of \$1 million or less and have 25 or fewer full-time equivalent employees (FTEs). Revenues are based on the IRS tax form definition: Gross Sales (less any returns and allowances) as reported on Line 1.c. on both the 1120 (corporate return) and 1120S (S-Corp return); and, on IRS Schedule C for single-member LLC's. For sole proprietorships it is Line 3.

- My business is incorporated outside of PA but I generate the majority of my business revenue in PA. Am I eligible to apply?

Eligible businesses must operate primarily in Pennsylvania and must file a Pennsylvania tax return and must have 51% or more of business revenue generated from PA operations.

- Are real estate companies/brokers/sales agents eligible grantees?

Real estate professionals who practice real estate as their operating business and file a Schedule C on their personal tax returns are eligible. Passive real estate companies and investors who file a Schedule E on their personal tax returns are not eligible. Real estate businesses in which the majority (>51%) of their income is rental income are also not eligible.

- A driver's license is a required document. Is a state ID allowed instead of a driver's license? Or would other forms of picture identification be allowed?

Yes, any government issued Photo ID will be accepted. State ID, or a passport would be other forms that could be accepted.

- Do I have to submit documentation to verify ownership? Do multi-owner companies have to submit for one owner or all?

We will need information from only the owner that is filing the application. Only one business owner can apply.