



CARES Act Assistance: Small Business Assistance Program Frequently Asked Questions (FAQs)

1) What is the purpose of the City of Fort Collins CARES Small Business Assistance Program?

The City of Fort Collins CARES Small Business Assistance Program available funding is \$750,000 and offers up to \$7,500 emergency relief to small businesses facing serious financial loss due to the COVID-19 pandemic. These funds come from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. Congress designated a portion of funds to go to local governments to meet urgent financial needs within Communities. The goal of the funding is to provide temporary financial relief to those most impacted by the pandemic and resulting business closures and modifications.

The Pre-Application process opens Tuesday, September 8, 2020 and Pre-Applications must be submitted by 5:00 PM MST Wednesday, September 23, 2020.

2) How many businesses/not-for-profits do you expect will receive funding? How will award decisions be made?

This will depend on the award amounts and how many of each type of assistance is distributed. Priorities for distribution include:

- **Location** – Priority will be given to businesses within an Urban Renewal Plan Areas or Enterprise Zones. Unsure if your business is in a target area, check at the sites below:
 - Urban Renewal – Please go to <https://www.renewfortcollins.com/> and click on Plan Area Maps in the top menu options.
 - CO Enterprise Zone - <https://choosecolorado.com/doing-business/incentives-financing/ez/>
 - Opportunity Zone - <https://www.irs.gov/credits-deductions/businesses>
- **Receipt of Other Assistance** – Priority will be given to businesses that have not previously applied for and/or received other COVID-19 assistance from any source.

- **Percent of Revenue Decline** – Priority will be given to businesses that have sustained greater revenue decline.
- **Gross Annual Revenue** – Priority will be given to businesses with annual revenue under \$500,000 in 2019.
- **Employee Count** – Priority will be given to businesses with 10 or fewer employees.
- **Use of Funds** – The proposed use of funds will be evaluated as part of the selection process.
- **Capacity Impacts** – Priority will be given to applicants that can demonstrate they have had to reduce their capacity due to a public health order or guideline.
- **Owner’s Household Income** – Priority will be given to low-income business owners.

3) How must the funds be used?

- Reimbursable expenses may will/must include:
- Working capital
- Costs associated with critical business operations
- Machinery and equipment
- Personal protective equipment
- Sanitation supplies and equipment necessary to protect employees and customers consistent with national, state, or local guidance
- Payroll expenses
- Healthcare benefits
- Rent, lease, or mortgage payment for real property used for business purposes
- Utility payments for business properties
- Software/Hardware to encourage remote work
- Other similar costs/expenditures to be considered by the selection committee based on need and circumstance

Eligibility FAQ

4) What businesses/not-for-profits are eligible/ineligible to apply for funding through this program?

Minimum **eligibility** for business:

- ✓ Have between two and twenty (2-20) non-family employees (including the owner) as of February 29, 2020. All legal types of businesses/organizations are eligible if they meet all of the criteria listed here; and
- ✓ Have gross revenues of less than \$2 million per year; and
- ✓ Have incurred an annualized revenue loss of at least 20% due to COVID-19; and
- ✓ Are physically located in the City of Fort Collins city boundaries in an appropriately zoned location (if your business is conducted in a mobile truck, this question refers to the location of the commissary); and
- ✓ Have been in operation since July 1, 2019; and
- ✓ Have an active City of Fort Collins Sales Tax/Business License; and

- ✓ Must be in good standing with the City and do not have any current unpaid code enforcement or utility liens (Applicant Business is current with property taxes and City fees, or has a payment plan in place with County and/or City as of April 30, 2020.); and
- ✓ Are expecting to return to full operations after local and state emergency guidelines during COVID-19 are rescinded; and
- ✓ Business can verify that it has experienced a loss of income due to COVID-19;
- ✓ Owner can verify lawful presence in the United States; and
- ✓ Applicant Business is current with property taxes and City fees or has a payment plan in place with County and/or City as of April 30, 2020.

Ineligible businesses include:

- X Marijuana retail and wholesale businesses; or
- X Corporate-Owned Franchises; or
- X Publicly traded companies; or
- X Businesses owned or operated by officials or employees of the City of Fort Collins Other ineligible businesses include, but not limited to, companies involved in real estate investment, multi-level marketing, adult entertainment, or firearms; or
- X Companies with outstanding local tax liabilities or tax liens as of July 1, 2020, or currently in bankruptcy (Corporate or Personal); or
- X Businesses who have received over \$50,000 in other COVID-19 related grants or loans; or
- X Business is not operating in violation of any State, Federal, or local laws.

5) Am I eligible if I meet some, but not all, of the eligibility requirements?

No, a business must meet ALL eligibility requirements to be eligible.

6) I am applying for a nonprofit – what do I need to include as proof?

During the Application process, will need to submit a letter from the IRS or the State of Colorado verifying your status as a nonprofit. If you have another form of proof, please submit it, and we will review and verify that it satisfies this requirement.

7) 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?

All legal types of businesses/organizations are eligible if they meet all of the eligibility criteria.

8) Are building owners eligible to apply for this program?

Yes, if the building owner operates out of a physical commercial storefront (not a residence), has at least one but not more than 20 employees, and meets other eligibility requirements.

9) Do I need to be a City of Fort Collins resident?

No, but your business must be physically located within the City limits of Fort Collins.

10) I own a business in Fort Collins and a business outside of Fort Collins – can I still apply?

Yes, but only for the business within City of Fort Collins city limits.

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

If you have multiple businesses that are separate legal entities in Fort Collins, you may submit multiple applications.

12) What do you mean by 20 employees? Do I count as an employee? Is that part-time or full-time?

This application requests the number of employees at the time of application and only counts employees on the business's payroll. This does not include independent contractors. The business owner does count as an employee. You must have at least one employee in addition to the business owner.

13) Before COVID-19, I had 30 employees, and I recently laid off 10 employees. Now I currently have 20 employees, am I eligible for the program?

Yes, applicants should report the number of employees at the time of application and include any details on the Estimated Disaster Economic Injury Worksheet section pertaining to number of employees.

14) 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.

15) 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.

16) What does it mean to be in "good standing" with the City?

Applicants should not be currently involved in litigation or enforcement proceedings with the City for a violation of the City Code or in breach of contract with the City. Applicants involved or previously involved in legal or financial issues may not qualify. The City reserves the right to disqualify applicants who have or had a legal or financial concern which should be disclosed in the applicant's response.

Funding/Financial FAQ

17) If I apply for Federal SBA funding can I still receive City funding?

Yes. We encourage you to pursue all applicable supports. We understand that the barriers for SBA loans are high and the process is long. Even some businesses that are potentially eligible for SBA might not be able to hold on long enough for the SBA approval process. For this reason, the review team will consider the eligibility

of businesses for receiving other sources of funds, as well as cash flow needs, to inform decisions for these situations.

18) If I receive this funding will I still be able to apply for other funding at the state and federal level?

Yes, you may only submit one application per business for the City program, but we encourage you to seek out additional state, federal, and other resources as applicable.

19) Will I be taxed on the funds business receives?

If you are awarded funding, you will be taxed. You will receive a 1099-MISC form from the City of Fort Collins in early 2021 that you may need to file with your 2020 tax return. Be aware that receipt of this funding may increase your tax liability, so check with your tax advisor and plan ahead.

20) What types of financial records and related documentation will be required as part of the application process?

The Committee shall review and consider the following financial documentation in determining whether funding should be made. Financial documents for April 2019 and April 2020 demonstrating revenue decrease due to COVID-19 Financial documents can include: point-of-sales reports, bank statements, quarterly sales tax filings, 2019 tax returns, or CPA-certified profit & loss statements. The reports referenced above should be PDF financial software system generated reports to the extent possible. The Committee shall also review and consider any other information relevant to the listed criteria.

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

Please submit an attachment that documents your business' revenue to be considered. Suggestions include an interim financial statement or a simple Profit and Loss statement that shows expenses and sales.

Application/Process FAQ

22) What will the application process look like?

First, make sure your business is eligible for the CARES Small Business Assistance Program. Go to <https://www.fcgov.com/business/> for the Eligibility Checklist.

If you deem your business eligible, you will fill out and submit the Pre-Application in ZoomGrants. You will need to create a ZoomGrants Account and Log In. <https://zoomgrants.com/gprop.asp?donorid=2061&limited=3011>. The Pre-Application must be submitted by 5:00 PM MST Wednesday, September 23, 2020.

The Application can be repeatedly accessed and saved in ZoomGrants before submission. ZoomGrants will automatically save the information you enter,

however; it is recommended that applicants back up their responses in a word processing document.

The Evaluation Committee will review the Pre-Applications and determine which applicants will proceed to the Application and Documentation step.

23) I don't have a scanner. How can I get my tax returns and other documents into the application?

ZoomGrants accepts several file extension types, including pictures. If you do not have a scanner, you can take pictures of your documents and upload them. Just make sure that information is clear in the pictures.

24) It says that my files are too large.

All files should not exceed 4MB (megabytes), which is approximately 250 PDF pages depending on quality. We recommend you save files in PDF format with 150 DPI quality or lower.

25) Are you accepting paper applications?

No. All nonessential City offices are closed, so we are processing applications remotely. If you do not have access to internet, please contact staff at ehoinfo@fcgov.com or (970) 416-4349 for further assistance in filling out an application

26) Are applications awarded on a first come first serve basis?

No. Applications will be received on a rolling basis and reviewed through a discretionary process. Applications will be scored based on established criteria and either approved or denied. Applications will be reviewed and processed until funds are exhausted.

27) Who will review applications?

Applications will be reviewed by a trained team of diverse City staff members. Spanish applications will be reviewed by bilingual reviewers.

28) When will I find out if I was awarded?

The committee will review applications on a rolling basis. Applicants should anticipate a decision within ten business days of submission, though this could be longer depending on volume.

29) If I'm denied this round, can I apply again later?

Unfortunately, no. However, all applications will be kept on file.

30) What documents will I be asked to provide in the Application portion?

Assistance finalists will be asked to provide the following:

- Sales tax license
- Liquor license (if applicable)
- Most recent Larimer County Health Inspection report (if applicable)

- List of COVID-related federal, state and/or local government already received or anticipated to be received (PPP, EIDL, etc.)
- Most recent filed Tax Return
- Certification that funding will not be used to cover the same expenses as PPP and/or EIDL loans
- Certification that funds will not be used to repay PPP and/or EIDL loans or any other loans
- Financial documents for April 2019 and April 2020 demonstrating revenue decrease due to COVID-19.
 - Financial documents can include: point-of-sales reports, bank statements, quarterly sales tax fillings, 2019 tax returns, or CPA-certified profit & loss statements