

Allen, Frisco, McKinney\Tri-City Collin County Small Business Grant Program McKinney

The Cities of Allen, Frisco and McKinney are launching the Tri-City Collin Small Business Grant Program (Tri-Cities SBGP) for businesses physically operating within the incorporated boundaries of the Cities of Allen, Frisco and McKinney in Collin County. The goal of this program is to help the businesses that have been negatively impacted suffered economic hardship through business closures due to COVID-19.

If you still have questions after reading the information below, please email questions to (Insert Email) or call (Insert Phone Number) from 8 a.m. to 5 p.m. Monday through Friday.

McKinney, Allen and Frisco (the “Tri-Cities”) are launching a program to provide grants to Collin County small businesses located in the “Tri-Cities” who were negatively affected and suffered economic hardship due to business closure during the COVID-19 pandemic.

For-profit businesses with physical operations (Storefront/Office) located in incorporated boundaries of the “Tri-Cities” in Collin County with 100 or fewer employees (excluding ineligible entities listed below) are eligible to apply.

The application period for eligible McKinney businesses will be open from June 24, 2020 to midnight on July 8, 2020.

The eligible amount of the grant is the lesser of \$25,000(the “Maximum Grant Award defined below) or a maximum grant calculated to include three months of *estimated expenses for payroll and fixed costs from March 1 to May 31, 2020.**

***The applicant will provide the following information to determine the estimated expenses:**

- **Applicants are required to provide supporting information on monthly payroll and fixed costs for first quarter of 2020 (form 941) - including gross payroll, retirement costs and health insurance costs; since it is assumed that payroll costs will be low for March of 2020, a pre-COVID monthly-average will be applied to arrive at a reasonable estimate of payroll costs up to three months. Sole proprietors can determine their average monthly amount using Schedule C net income divided by twelve (must have a net profit)**

- Applicants are required to provide supporting information on fixed costs for January and February of 2020 (rent, lease or mortgage payment for real and business property that is paid to an unaffiliated/unrelated third party, utilities, and property\general liability insurance excluding costs of your personal residence). A pre-COVID monthly-average will be applied to arrive at a reasonable estimate of fixed costs up to three months.

The funds allocated to the “Tri-Cities” SBGP were provided by Collin County as part of the federal CARES Act. Collin County is allocating these federal funds to all Collin County cities to help cities, businesses and residents recover from economic hardships caused economic hardships resulting from the COVID-19 pandemic. by the COVID-19

General Information

Maximum Grant Award (up to): \$25,000

Individual grants will be awarded based on such factors as need, eligibility, number of employees, loss due to full/partial shutdown, being closed during the COVID-19 pandemic and availability of funds.

Eligibility

- Business started before March 1, 2019
- 100 Employees or fewer per business location
- No more than \$15 Million in Gross Annual Revenue per business location
- If an applicant owns more than one business, the owner is eligible to apply for up to three businesses within “Tri-Cities” that are also in Collin County. Ownership is defined as 20% or more. Applicant must disclose all persons or entities that own 20% of more of the affected business
- Applications and required documentation will be reviewed and scored by a third- party administrator in accordance with these “Tri-Cities” SBGP Program Guidelines.
- The applicant will receive an email indicating whether their “Tri-Cities” McKinney SBGP application was approved, denied, or the applicant did not qualify for the program
- Checks or Electronic Fund Transfers will be issued to qualifying applicants by National Development Council, the third-party administrator.
- Applicant must have no outstanding Municipal or Collin County tax liens or judgments.
- The application period will be open from noon on Wednesday, June 24, 2020, through midnight on July 8, 2020.
- The Cities of Allen, Frisco and McKinney in Collin County are governmental bodies subject to the Texas Public Information Act (the “Act”). Information submit by businesses to the third-party administrator or the “Tri-Cities” for the “Tri-Cities” SBGP

as part of the application process may be subject to the Act and, therefore, subject to public release.

- Elected City Council members and any relation within the second degree by consanguinity or the second degree by affinity to such members are not eligible to receive grant funds.

Application Process includes

- Good Faith Certification as to truth and accuracy of submitted information/documentation and that the grant request is necessary due to conditions caused by COVID-19
- Unsworn Declaration of Owner as part of the online application process

Types of businesses:

- Corporation
- Individual
- Sole proprietorship
- Single-member limited liability company (LLC)
- LLC treated as a partnership
- LLC – C corporation
- LLC – S corporation
- Partnership
- Franchises

Eligible Uses of Grant Proceeds

- Payroll costs for employees or owners draw (sole proprietors/partners)
- Contract labor
- Supplier payments
- Rent, lease or interest on mortgage payment for real property used for business purposes, like storefront or warehouse, excluding personal residence.
- Rent, lease or purchase payment for business property (e.g., delivery vehicle; food truck; kitchen equipment; furniture, technology, payment, and communications systems and equipment)
- Insurance (Health, Payroll, Property\General Liability)
- New or expanded technology applications and Wi-Fi services
- Utility payments for business properties, excluding municipally owned and operated utilities and all utilities used for a personal residence.
- Cost of critical business operations (raw materials, marketing expenses, etc. payments)
- PPE and sanitation supplies and equipment

- Interest on other business debt obligations incurred before March 1, 2020, excluding personal residence.

Documents Required

- Documentation of business (Choose one of the following)
 - o Secretary of State Texas File number; State of Texas License number; DBA, 2018 or 2019 tax return (return only, schedules not required); Social Security Number, Employer Identification Number or Individual Taxpayer Identification Number, Certificate of Filing. If sole proprietor, please provide documentation on when you started your business. Ex. Include Occupational license, Sales Tax Certificate
- Drivers' license or state-issued ID
- Most recent filed business tax return (return only, schedules not required)
- Most recent payroll report and number of employees – 1st QTR 941 for 2020
- Bank Statements for the following four months – March & April 2019; March & April 2020
- For Sole Proprietor, applicants provide 2018 or 2019 Schedule C
- Form W-9
- Each business will be required, as part of the application process, to attest that they are not an “Ineligible Business” as listed below.

Ineligible Businesses

- Non-Profits
- Non-Storefront & Home-Based Businesses
- Sexually/Adult-Oriented Businesses
- Lobbying organizations and political organizations subject to Internal Revenue Code 527
- Gaming-related businesses,, including casinos, racing operations or other activities whose purpose involves gambling
- Multi-level marketing-related businesses
- Governmental taxing entities/agencies/departments
- Any business on engaged in illegal activities under federal, state or local laws
- Any business that is otherwise prohibited by federal or Texas law
- Any business that is ineligible or precluded to receive federal or State of Texas funding under federal or State law (including but not limited to the CARES Act)
- Businesses in default or arrearage on past or current federal or state financing or funding programs
- Businesses involved or affiliated with personal or corporate indictment, arraignment or conviction of criminal offenses

Application Review and Grant Award

- NDC will be completing the application review. Eligible applicants will be ranked based on length and severity of closure due to COVID-19.
- The list of eligible applicants will be provided to the City for secondary review.
- Eligible applicants will be funded based on ranking until total program funds are exhausted. If program funds are not fully utilized, a second round may be considered.
- The City of McKinney has allocated \$5,000,000 for this program. If eligible applicants do not exceed programmed funding, an additional application round may be considered.

Schedule

- Application submittals: June 24 to July 8, 2020
- Application review: July 8 to July 22, 2020.
- Grant payments issued: July 22 to July 31, 2020.

Frequently Asked Questions:

My business received PPP funding. Am I still eligible for a McKinney\Collin SBGP grant?

Yes, businesses that received PPP funding are eligible for the McKinney\Collin SBGP grants. McKinney \Collin SBGP grant amounts will not take PPP funding into account.

What documentation do I need for proof of the existence of my business?

The third-party administrator only needs to receive one document that proves the existence of a business. That document may be the Secretary of State of Texas File number, State of Texas License number, DBA, or a tax return. It is not necessary to provide more than one of these documents.

What businesses are considered “sole proprietorships” to use net income to calculate payroll costs?

Any business with only one owner that does not have payroll cost may be considered a sole proprietorship and may report using net income as a sole proprietor. This includes corporations and LLCs with one owner and with no payroll cost; however, sole proprietors who have payroll costs (that file 941's, W-3's, etc.) must report payroll costs, not net income.

My business has locations in Collin County and other counties. Do I qualify for the McKinney\Collin SBGP grant program?

Yes, if your business meets the other criteria, you will qualify. But applicants may only receive grant funding for payroll and/or fixed costs for those portions of the business that are located in the incorporated boundary of the City of McKinney within Collin County.

How do I prove how long I have been in business?

Provide your Certificate of Filing with the Secretary of State. If you do not have it, you can find it on the Texas Secretary of State website at <https://direct.sos.state.tx.us/acct/acct-login.asp>

If you are a sole proprietor, you can provide a DBA, first state bank statement, first income tax or sales tax filing, or a professional license.

My professional services business was considered essential by local\state government orders, but I feel that my business was affected by the mandates. Can I still apply?

Yes, all businesses that otherwise meet the criteria outlined in this McKinney\Collin SBGP program document may apply if such business is located in the City of McKinney and within Collin County. You will only be allowed to apply for reimbursement of actual losses that occurred during the time period outlined in this document.

Will I be notified whether or not my application is approved for a grant?

Yes. The third-party administrator will notify all applicants on whether they are approved for a grant or not or have been disqualified for ineligibility.

Do I need to file all of these documents?

Yes. These documents are necessary to ensure all applicants meet the required eligibility to receive grants. These same documents are required by many state and federal grant programs.

How soon will these grants be awarded?

The McKinney\Collin SBGP will work to turn around grant funds quickly upon the conclusion of the submission period. The intent is to issue grants by late July.