

Frequently asked Questions for the Northampton Emergency Small Business Grant Program

4.29 What if I have laid off staff but my income as Owner is over the household limit?

A. There are very strict qualifications concerning low- to moderate-income (LMI) qualifications from HUD for this grant.

In three (3) parts of the application (in the very first section with the STOP signs, then section B and then again Section C), it states that If the owner is over income and doesn't qualify as a LMI household, then the business will qualify **only** if 51% of the current employees are low to moderate income.

In many cases, small business owners have already had to make hard decisions about their staffing ahead of the timing of the grant funds in order to help their staff and themselves gain unemployment benefits and reduce business costs. We know these have been difficult decisions for business owners to make and regret that this will disqualify some applicants.

4.15 Are you still taking applications?

Yes, we will be taking them until May 1st at 11:59 PM

4.13 Is this taxable income?

This is the answer from the City: We will need taxpayer identification numbers for each grant and we will be sending out 1099s at the end of the year to the grantee and IRS. It will be up to the grantee or their tax preparer to figure out if this is income or if they have offsetting business expenses.

4.13 If a business has already changed and is working in a different way, can they included the inventory they will be purchasing in the future as an acceptable use for the funds?

At this time we are not aware of any limits from HUD concerning the expenditure for inventory using these grant funds. We are checking with the Special Economic Development as to that specific use of CDBG funds and at this time do not have a definite answer, but if you are in this situation, please apply and we will know the regulations before our review process. Thank you for your patience.

4.13 What does pivot mean?

When talking about a business, pivot means to change or adapt your business, to move forward in a new way.

4.13 Who makes decides who gets the grants?

Each application will be reviewed by an internal committee of Valley Community Development. Decisions will be based on eligibility, use of funds and ability to pivot.

4.13 How quickly will the money be dispersed?

We expect it to take 2-3 weeks after the funds are released from the Federal government. This timing we are unclear about and could take up to 3 weeks.

How can I use these funds and what are examples of uses?

The purpose of the grant is to assist businesses to remain open, as well as stimulating and helping business adapt during this time of COVID-19.

The following are examples of allowable uses:

- Machinery – new machinery that can be used to alter, redesign, or create a new product
- Inventory – used to create or modify a product or service
- Materials or Supplies – related to the redesign of your existing business, or to create a new product, or to add to your product line as a result of changes in the way you do business.
- Equipment - equipment for remote working, contactless credit card processing equipment
- Consulting Services - creating a website for selling online, hiring a developer to create an E-Commerce site, training to provide a new service or product, upgrading software programs, bookkeeping or accounting to help your business pivot

Note: This is not an all-encompassing list.

Where can I get additional help?

- Free assistance with preparing financial records and financial statements and submitting the grant application is available from Valley Community Development's Small Business Program. If there is high demand, there may be some wait time to set an appointment, which may delay your application submission.
- Specific questions may be answered by emailing grants@valleycdc.com, although due to a large volume of questions, this may also delay your application.

Why am I expected to disclose my entire household income, as that does not relate to my business?

This is per federal regulations under HUD's Community Development Block Grant Program.

What income will I be asked to supply?

You will be asked to supply annual gross income for all members in your household for anyone 18 years or older. For the business(es), use net business income. (Annual income to be calculated/projected from date of application.)

What happens if I do not use the funds within 2 months?

The funds are requested to be used in 2 months; if that is not possible, due to Program guidelines, this may not be the best funding for you.

If I have a P.O. Box in Northampton, does that make me eligible?

No. You must have your business registered in Northampton or have a physical business location in Northampton. Home based businesses are eligible.

What documentation will I need to apply?

You will need to submit a 2019 profit and loss statement, ideally with the fillable file supplied, but you can use any profit and loss statement.

You will not need proof of income, but will be required to answer questions about your income and sign a certification stating that all the information provided in the application and attachments is true.

Can the funds be used for services, equipment, machinery, inventory, supplies or materials that I have already purchased?

No, the funds can't be used for any item or service that you have already purchased. Date of purchase must be no sooner than your grant agreement date.

Do I need to supply proof of purchases?

Yes, you will need to supply receipts for any items or services purchased with the grant funds.

Will I be asked about my employees?

You will only be asked about detailed employee information if you as the business owner are over income, and are submitting an application because at least 51% of your employees are low/moderate income.

If you state that 51% of your employees are low/moderate income, you will be asked for their name, annual income, and job title. **You do not need to get your employees household incomes.**

1099 employees do not need to be included.