

Rockingham County COVID-19 Small Business Grant Program

In response to the COVID-19 pandemic, the Governor of Virginia issued Executive Order 53 which, among other things, forced the closure of non-essential businesses in Rockingham County. The forced closure has severely impacted various retail, hospitality, entertainment, employment and administrative services, and travel-related businesses.

The County received funding from the Coronavirus Aid Relief and Economic Security (CARES) Act. The U.S. Department of Treasury guidance allows the CARES Act funds to be used for costs and expenses incurred because of the COVID-19 public health emergency, specifically mentioning the making of grants to small businesses.

A small business grant program will be the most efficient and effective way to distribute resources to small businesses in Rockingham County and its seven towns. The program can assist a small business with cash needed for working capital to support rent or mortgage payments, utility, payroll, or other similar expenses that occur in the ordinary course of business.

The Rockingham County Economic Development Authority (the EDA) is authorized to make money grants for economic development pursuant to Section 15.2-4905(13) of the Code of Virginia (1950). To implement this grant Program, the Board of Supervisors of Rockingham County (the Board) and the EDA will enter into the Rockingham County – Economic Development Small Business Grant Program Agreement, dated as of June 24, 2020 (the Agreement). A copy of the Agreement is attached to this Policy as Exhibit A. With the oversight of the EDA, the Small Business Grant Review Team (the Grant Review Team), hereby established by the Board, acting through the Board Chairman, will administer the Grant Program. The Grant Review Team shall consist of two County staff members, two Board members and one EDA member. The Board hereby initially allocates \$500,000 of the CARES Act funds received to this Grant Program. If the need is demonstrated, the Grant Review Team may request additional funding.

Qualification Criteria:

A business must meet the following criteria to qualify for a grant:

1. Be a business in the retail, hospitality, entertainment, employment and administrative services, or travel-related sectors.
2. Have a minimum of three and a maximum of fifty full-time equivalent employees on-site in Rockingham County.
3. Have gross annual receipts of less than \$2,000,000.
4. Must not be a part of, a subsidiary of, or be otherwise owned or controlled by a business with more than fifty employees.
5. Be physically located in Rockingham County.

6. Have been current on all County taxes as of March 1, 2020.
7. Must have experienced due to Covid-19 a revenue loss of 25% or more when compared to the average revenue for the same period during the preceding two calendar years.

Businesses that employ 3-25 full-time equivalent employees are eligible for a grant of \$5,000.

Businesses that employ 26–50 full-time equivalent employees are eligible for a grant of \$10,000.

Locally owned franchise businesses are eligible for grants.

Banks, financial institutions and franchise businesses not locally owned are not eligible for the Grant Program.

Application Review Process

1. The grant shall be advertised for 10 business days, from June 29, 2020 to July 10, 2020.
2. Applications shall be accepted from July 13, 2020 until close of business, July 24, 2020.
3. The Grant Review Team shall meet the week of July 27, 2020.
4. Applications shall be time and date stamped upon receipt and shall be reviewed on a first come, first served basis.
5. The Grant Review Team shall assess the applications to ensure that the criteria of this Grant Program are met.
6. Payments shall be distributed beginning August 3, 2020.

If the initial allocation of \$500,000 is not sufficient to meet all qualified applications received, the Grant Review Team shall report the additional need to the Board with a recommendation of whether to allocate more CARES Act funds to this Grant Program or reduce the grant amount proportionately.

If there remains a balance of the \$500,000 allocation after the initial application process, a second application period shall open. During the second application period, gross annual receipts maximum shall be adjusted to \$5,000,000. All other criteria and procedures shall remain the same, including that the advertisement period shall run for 10 business days, followed by a 10 business day application period, with distribution of payment the following week.

Documentation required of Applicant:

1. Completed and signed application
2. IRS form W-9

3. Proof of monthly gross receipts history for the previous two years through June 30, 2020 (if the business has not produced receipts for two years, supply all monthly receipts since inception)

Disbursement Requirements

1. **Receipt of Application.** The small business must have provided the Grant Review Team with a complete Small Business Grant application.
2. **Certification of Application.** The Grant Review Team must have certified that the small business qualifies for the Small Business Grant program and that the small business has provided all the information required to make this determination.
3. **Report to EDA.** The Grant Review Team shall send to all EDA board members via email the list of businesses qualified to receive a grant. All applications and documentation will be available for the review of EDA board members. EDA board members must raise any objections by close of business on August 6, 2020, for the initial application period. Vouchers must be approved by the EDA Chairman prior to disbursement. Checks for any applicant objected to by an EDA member shall be held until the objection is rescinded by the member or overruled by a simple majority vote of the other EDA members. Checks shall be mailed on August 7, 2020. All subsequent rounds will follow the same pattern.

Repayment of CARES ACT Grant and Credits

If a recipient ceases its operations in Rockingham County within one (1) year of receiving grant funds, the recipient shall immediately reimburse the EDA the full amount of grant funds received. Any refund received by the EDA shall be repaid to the County.