

Fort Bend County American Rescue Plan Act - Small Business Program Frequently Asked Questions (FAQs)

Q1. Where can I get the latest information on COVID-19?

A1. You may find the latest COVID-19 information by going to the Centers for Disease Control website at www.cdc.gov. You can also get information on our website at www.fortbendcountytexas.gov or other local and state government official websites.

Q2. What is the Small Business Emergency Grant Program?

A2. The American Rescue Plan Act (ARPA) has provided additional funding for Fort Bend County for COVID-19 recovery. As a supplemental grant award to provide financial assistance to the small business community is being implemented by Fort Bend County, the program will accept applications from May 17, 2021 until funding is exhausted (whichever comes first).

Grant Level	2020 Revenue	Grant Award
Level 1	\$15,000 - \$100,000	\$ 5,000.00
Level 2	\$100,001 - \$2,000,000	\$ 15,000.00
Level 3	\$2,000,001 - \$5,000,000	\$ 25,000.00

Q3. I received a Fort Bend County Grant in 2020/2021. Can I apply for the 2021 ARPA supplemental grant?

A3. If you meet the ARPA program eligibility requirements, you are encouraged to apply.

Q4. I had a balance from my previous grant reward. I only used the payroll portion of the grant for my employees, not myself. Can I allocate the balance as owner's draw instead of repaying it back to Fort Bend?

A4. Yes, however it must be properly documented.

Q5. How do I apply to the County's Small Business Emergency Grant Program?

A5. The Fort Bend County Commissioners Court has approved a small business emergency grant program to assist businesses impacted by COVID- 19. You may apply for the program online by going to the Fort Bend County website at <https://fortbend-era.powerappsportals.us/smallbusinessownerinfo/>

Q6. If I cannot access the web can I still apply?

A6: Yes, however the online portal is the best way to ensure your application is fully processed. If you do not have access to the web or internet, you may phone the call center at 281-238-CARE or 281-238-2273. Case Managers will be available from 8:00am until 5:00pm Monday through Friday.

Q7. What are the eligibility criteria for small business owners for receiving a small business emergency grant?

A7. Applicants must meet **ALL** the requirements to qualify -

- The business must be registered and operating Fort Bend County for at least two consecutive years.
- The business must have been fully operational of December 30, 2019*.
- The business must have filed or completed tax return for two (2) consecutive years (i.e., 2019 and 2020 in the business name.)
- The business must provide proof of submission for full tax return, which includes form 1120-S for Corporation, 1065 for Partnership or 1040 along with Schedule C for Sole Proprietors.
- The business must have at least 1 employee (W2) and no more than 50 FTEs (W2 and

1099) employees

- The business must complete and pass a FICO report verification.
- The business must have made \$25,000 - \$5,000,000 in revenue (gross receipts and sales) in 2019
- The business must have made \$15,000 - \$5,000,000 in revenue (gross receipts and sales) in 2020
- The business must show at least a 15% decline in revenue from 2019 to 2020 or show a 25% increase in expenses from 2019 to 2020

**Businesses that can demonstrate start-up investments and launch activities prior to March 1, 2020 will also be considered for the Level 1 Award.*

Other Considerations/Guidelines:

1. Supplemental Grant Awards will be available for small business applicants that are below \$5,000,000 in annual revenue, based upon their 2020 Tax Return or CPA letter.
2. Receipts and documentation for all eligible expenditures must be submitted for audit purposes within three (3) months of loan disbursement or funds, or prior to June 30, 2022, whichever is sooner.
3. Only one business allowed per owner, unless there is a separate physical location and a separate EIN.
4. The expectation is that the business would remain operational in Fort Bend County through December 31, 2022, and significantly beyond.
5. The application for the Small Business Emergency Assistance Grant Program will remain open until funds are exhausted or fully committed (whichever comes first).

For Businesses that started after December 31, 2019 and/or were not operational prior to March 1, 2020 due to the COVID-19 shut-down order, the following guidelines will apply:

1. The business must demonstrate that they were operationally and physically preparing to open prior to the COVID-19 shut down. Examples:
 - a. Signed lease agreements for the business location prior to March 1, 2020.
 - b. Funding (i.e., loans, capital commitments, etc.) acquired for opening and launch of operations prior to March 1, 2020.
 - c. Employees hired or employment agreements with start dates prior to March 1, 2020.
 - d. Other documentation that would demonstrate the business would have been operational prior to March 1, 2020 but could not open or operate due to the COVID-19 shutdown order.
2. Businesses that meet these criteria will be awarded the Level 1 grant award initially.
 - a. Business will need to provide their full and completed business 2020 tax returns or audited financial statements to receive a Level 2 or Level 3 grant award.
 - b. Businesses will need to provide their full and completed 2020 tax return as part of the final audit/closeout procedures or be subject to recapture.

Q8. Is the small business emergency grant taxable? If I receive 1099, do I need to pay Tax?

A8. It is the responsibility of the County to issue the 1099 for the amount of the payment issued, but the applicants will need to consult a tax professional to find out if the funds need to be report and/ or the best way to report the funds.

Q9. Is there a maximum amount that can be allocated as owner's draw with this new grant cycle?

A9. Not specified, however payments should align with payroll history.

Q10. What if my business moved to Fort Bend County last year, can I still apply?

A10. You are encouraged to apply, and the Small Business Team will review and evaluate each case with supporting documentation submitted. Please include a signed and dated statement explaining your situation with your uploaded documentation.

Q11. Is the small business emergency grant open to self-employed or sole proprietors?

A11. Yes, however you must be operating as a business and have filed a Schedule C in the business name on your federal tax return or have an active and valid Texas Franchise Account that is current.

Q12. Regarding the 15% decline in revenue, does that pertain to just one quarter in 2020 from 2019 or do you have to show a >15% loss for the entire 2020?

A12. A 15% downturn in annual revenue should be demonstrated through a year over year comparison based on the business tax return.

Q13. I am a 1099 contractor; can I still apply?

A13. 1099 contractors that are employed through a larger business are NOT considered a business/corporation. Applicants must show documentation of business formation and business name listed on tax documentation.

Q14. Is there a limit to how many employees I should have?

A14: Each business must have at least 1 employee and no more than 50.

Q15: I need to complete my audit for funds I received from the CARES grant. Will this impact my ability to receive the ARPA grant award?

A15: Yes, additional funds will not be granted until the CARES Act audit is complete. Please email fbcsmallbusiness@mpact-consulting.com for instructions.

Q16: What type of documentation is needed to submit to qualify for the small business emergency grant program?

A16: Initial Grant Mandatory Documents are as follows:

Sole Proprietor or Single Member LLC:

- Government Identification (Driver's License, Passport, etc.)
 - This must be a clear full copy and must be current (not expired).
- Brief statement on how funds granted will be used to assist your business from COVID-19. This must be signed and dated.
 - Applicant must provide supporting documentation for requested assistance. For example, if intention is to pay lease (must provide lease agreement); if using for payroll (must provide payroll detail)
- 2019 Schedule C with business name listed or DBA (doing business as) document.
- 2019 Full Tax Return (please include form 8879 e-form (if filed electronically) and Schedule C)
 - Form 8879 must be dated when the taxes were filed, i.e. an applicant should retrieve this from their preparer or CPA. If the tax return has not been filed, an audited P&L for tax year 2019 is acceptable.
- 2020 Full Tax Return (please include form 8879 e-form (if filed electronically) and Schedule C)
 - Form 8879 must be dated when the taxes were filed, i.e. an applicant should retrieve this from their preparer or CPA. If the tax return has not been filed, an audited P&L for tax year 2020 is acceptable.

S-Corporation/ C-Corporation / LLC (Limited Liability Company)/ Partnership:

- Government Identification (Driver's License, Passport, etc.)

- This must be a clear full copy and must be current (not expired).
- Certificate of Formation (if applicable)
- Brief statement on how funds granted will be used to assist your business from COVID-19. This must be signed and dated.
 - Franchise Tax Account Status - link: <https://mycpa.cpa.state.tx.us/coa/>
- 2019 Business Tax Return (Form 1120, 1065, 1120-S, and/or any supplemental documentation that provides gross sales for the business, i.e. schedule E or K)
- 2020 Business Tax Return (Form 1120, 1065, 1120-S, and/or any supplemental documentation that provides gross sales for the business, i.e. schedule E or K)
- Form 8879 if taxes were filed electronically.
- Commercial Lease (if not operating from home)
- Payroll (Provide the 2 most recent payroll statements)

Additional Documents that may be requested:

- Commercial lease agreement – (Requested if we cannot confirm location of operations)
- IRS E-file signature form (Form 8879)
- 2019 or 2020 IRS Transcript link: <https://www.irs.gov/individuals/get-transcript>
(Requested if we cannot confirm sufficient detail or submission of tax return to IRS.)
- Audited Profit and Loss statement for 2020 tax year. (Requested if applicant has not filed taxes for business at time of eligibility)
- Affidavit to submit tax documents once filed with IRS. (Requested when applicant has mailed tax return and is awaiting confirmation of IRS receipt.)
- Payroll (Provide the 2 most recent payroll statements)
 - If the applicant does not have payroll, please provide a statement indicating this.
- Commercial Lease
 - Please DO NOT accept residential leases.
 - This must be a current commercial lease.
 - If the applicant does not have a commercial lease, please provide a statement indicating this.

Q17. Can a non-profit apply for this grant?

A17. Non-profits are not eligible.

Q18: If applied, will I be assigned to someone for questions as we turn in paperwork?

A18: Yes. After applying you will hear back from a Case Manager in 7-10 business days after your case has been assigned.

Q19: Do you have the application in other languages?

A19: The application is in English and there is an option to translate in other languages within the portal.

Q20: Can I use these funds to expand my business?

A20: The funds can be used for operating expenses such as payroll/ owner's draw, commercial lease/mortgage payments, personal protective equipment (PPE) for employees, and for direct advertising expenses for re-opening and COVID-19 CDC guidelines.

Q21: How much is my business eligible to receive if I was not in business in 2019?

A21: If your business did not open by March 1, 2020, but you can demonstrate you were "preparing to open" by providing copies of signed leases, payments to contractors or employees, acquisition of funding, capital commitments, or other documentation, you may be eligible for a \$5,000 grant.

Q22: What are the expenditures allowed by the ARPA Small Business Emergency Grant Program?

A22: Eligible Expenditures for the ARPA Grant are as follows:

- Personal Protective Equipment (PPE)
- Payroll Expenses/Owner's Draw
- Direct Advertising Expenses for Re-Opening and COVID-19 CDC Guidelines
- Commercial Lease/Mortgage Assistance

Q23: What are the acceptable date time frames for eligible receipts of expenses for the Fort Bend Small Business Grant?

A23: Expenses occurred on January 1, 2021, through December 31, 2021, and listed under eligible uses for ARPA funds will be accepted to fulfil grant award obligation. Grants awarded in 2022 will be allowed to submit receipts from 2022.

Q24: What if I made over \$5,000,000 or less than \$25,000 in 2020 but not in 2019 annual revenue, can I apply?

A24: Although this initial phase is for businesses with annual revenue (gross receipts and sales) of \$25,000 - \$5,000,000, we encourage you to apply and you may be able to qualify should there be a phase two with new qualifications of this program.

Q25: I have been approved for a grant award. How long will it take to receive my payment/check?

A25: It may take up to 4 weeks from the time you have been approved to receive your grant payment.

Q26: Will the ARPA grant be audited?

A26: Yes. Approved applicants can upload receipts for eligible expenses to their receipt audit portal for review. Instructions on how-to upload receipts can be found at [Covid-19 Assistance Training Videos - Fort Bend County Coronavirus Response \(coronavirusfortbend.gov\)](https://www.coronavirusfortbend.gov/Covid-19%20Assistance%20Training%20Videos)

Q27: Is there a supplemental grant available?

A27: Yes. Approved applicants who have received the initial ARPA grant award may be eligible for a supplemental grant. ALL requirements for this supplemental grant must be met and are as follows:

- The business must have been approved for the initial ARPA grant
 - The business must have completed audit of receipts for funds received through the ARPA Grant Program
 - The business must have made \$25,000 - \$5,000,000 in revenue (gross receipts and sales) in 2019
 - The business must have made \$15,000 - \$5,000,000 in revenue (gross receipts and sales) in 2020
 - The business must have made \$25,000 - \$5,000,000 in revenue (gross receipts and sales) in 2021
 - The business must show at least a 15% downturn in revenue from 2019 versus 2021 or show a 25% increase in expenses* from 2020 versus 2021.
 - The business must still be in good standing with the State of Texas
 - The business must still be located and operating in Fort Bend County
- *In order to use the expense option, the applicant must have a filed/executed tax return 2019, 2020, and 2021.*

Approved Supplemental Grant Award is based on annual revenue in 2020 (available in Question 2).

Q27: What documentation should I provide for the supplemental grant?

A27: The **required documents** for the supplemental grant are:

- Recertification form completed and signed
- 2021 Business Tax Returns) or 2021 Schedule C for Sole Proprietorships
- Signed page of 2021 Business Tax Return: Form 9325 **or** Form 8879 **or** Form 8453-S **or** Tax Transcript **or** Receipt.
- Updated Franchise Tax Status (if applicable)

Additional Documents that may be requested:

- Audited Profit & Loss Statement (P&L) for **2021**
- 2021 Tax Affidavit
- Proof of Startup Activities
- Other documents as needed to substantiate business operations

Q28: What expenses will be considered to calculate the percentage for the 25% increase in expense option?

A28: Eligible expenses are outlined below per each tax document type.

- **Form 1120, 1120s and 1065 - Deductions**
 - Box 13. Salaries and wages
 - Box 14. Repairs and maintenance
 - Box 16. Rents
 - Box 22. Advertising
 - Box 26. Other deductions
 - Only include office expenses, supplies, utilities, telephone, and internet services. Must have Commercial Lease on file.
- **Schedule C – Part II Expenses**
 - Box 8. Advertising
 - Box 11. Contract Labor
 - Box 18. Office expenses
 - Box 20. Rent or lease
 - Included only line 20b Other Business Property (must provide full executed commercial lease)
 - Box 21. Repairs and maintenance
 - Box 22. Supplies
 - Box 25. Utilities (must provide fully executed commercial lease)
 - Box 26. Wages
 - Box 27a. Other expenses
 - Only include telephone and internet services (must provide fully executed commercial lease)

DISCLAIMER:

Ultimately Fort Bend County has the authority to deny/approve business at their discretion based on evidence presented by applicant, Federal government and/or county guidelines. Each case will be comprehensively reviewed to ensure the integrity of the eligibility process is followed.

For questions about your application or for technical support please email us at fbcbsba3@mpact-consulting.com. Please allow 24 to 48 hours to respond during normal business hours. You may also call the **Small Business Help Line Number at 832-520-4348**