

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 – December 31, 2021 or until funding is exhausted (whichever comes first).

Grant Level	2020 Revenue	Grant Award
Level 1	\$25,000 - \$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. You may apply for the program online by going to the Fort Bend County website at <https://fortbend-era.powerappsportals.us>. The Fort Bend County Commissioners Court has approved a small business emergency grant program to assist businesses impacted by COVID- 19.

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 physically located and operational in Fort Bend County.
- The business must have been fully operational as a small business as of December 30, 2019*.
- Must show a revenue decline of 15% or more for the year (2019 gross sales and receipts vs 2020 gross sales and receipts)
- Must have filed or completed tax returns for two (2) consecutive years (i.e., 2019 and 2020; or 2018 and 2019) in the business name.

- Must have provided an acceptable full tax return which includes 1120-S for Corporation, 1065 for Partnership or 1040 with a Schedule C
- A FICO report must be completed and approved.

**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 December 30, 2021, 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, 2021, and significantly beyond.
5. The application for the Small Business Emergency Assistance Grant Program will remain open until December 31, 2021 or 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. Yes.

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 can apply and we will assess the situation. Please explain in detail in an uploaded statement.

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 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. Annual (entire 2020), unless you are a new business and can demonstrate financial impact through quarterly comparisons.

Q13. I am an entrepreneur, can I still apply?

A13. You will need to provide a memorandum explaining your business and we will give it consideration. 1099 contractors that are employed through a larger business are NOT considered a business/corporation.

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

A14: 1 person minimum – 50 people maximum.

Q15: I have not heard back regarding the receipts I received from the 2nd grant I was rewarded. Will this impact my ability to receive a 3rd grant?

A15: Yes, additional funds will not be granted until the CARES audit is complete.

Q16: What type of documentation I need to submit for the small business emergency grant program?

A16: Initial Grant Mandatory Documents Individual

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.
 - 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
 - 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)
- Audited Profit and Loss Statement for 2018, 2019, & 2020: (Requested to verify the financial history of business to determine eligibility.)
- 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 2019 and/or 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 awarded the grant, 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? If so, which languages do you have?

A19: Application is in English and there is a Google Translate widget to assist with translation in 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 marketing strategies (including creating an online presence and other sales alternatives).

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 are eligible for a \$5,000 grant.

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

A22: Personal Protection Equipment (PPE) Payroll and/or owner draws advertising expenses Commercial leases/mortgages

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

A23: All eligible expenses occurred within January 1, 2021 and December 31, 2021.

Q24: What if I made over \$5,000,000 or less than \$25,000 in 2020 but not 2019 in 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.