



**Ohio**

Small Business  
Development Centers  
at Lorain County  
Community College

## **Lorain County COVID-19 Small Business Relief Grant**

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### **Program Requirements and Application**

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**April 2020**

## Lorain County COVID-19 Small Business Emergency Relief Grant Program

### PROGRAM GUIDELINES

The Lorain County COVID-19 Small Business Emergency Relief Grant Program (the “Program”) is a grant fund that has been created in order to assist small businesses throughout Lorain County with the financial hardship imposed by the COVID-19 pandemic. The below guidelines establish the businesses eligible for funding, the type of business expenses that can be paid with grant funds, the application and award process and the process for entities to make contributions to the Program.

#### I. General Description of the Program

Eligible businesses will be able to receive grant funds from the program in order to assist those businesses with operating expenses incurred or paid after March 15, 2020, when the State of Ohio began the process of closing certain businesses within the State, and at which point several businesses were being impacted by both mandatory and voluntary closures, cancellations and postponements of operations, activities and events both in and out of Ohio. Generally, the amount of the grant per business will range from \$1000 to a maximum of \$2,500. Eligibility for the grant will be tied to a business’s complete application for the US Small Business Administration’s (“SBA”) Economic Injury Disaster Loan for economic injury specifically related to the COVID-19 pandemic, an SBA 7(a) Loan under the Payroll Protection Program, and/or another SBA loan program established to support small businesses in response to the COVID-19 pandemic (collectively referred to herein as “SBA Loan”), as well as other criteria ensuring that it is was a viable Lorain County small business employing Lorain County residents at the time of the onset of the pandemic. Applicants must submit an application in the form attached to these guidelines to the Lorain County Chamber of Commerce (the Chamber), which will review the same for completeness and compliance with these guidelines. Applicants who meet the criteria set forth below, and who applied for an SBA Loan will be awarded funding on a first come-first served basis. Once approved, and upon proper receipt of all required documentation, the Chamber will issue payment to the business as soon as practical. All grant funds will be used solely for business-related expenses, as set forth below. All grants made under the Program are being made with the intention to provide immediate funding to small businesses to meet their business needs, to keep as many small businesses in Lorain County as operating, ongoing concerns, and to retain as many jobs for Lorain County residents as possible in light of the severe economic hardships brought by the COVID-19 pandemic. All contributions of funds to the Program are made for the purpose of furthering economic development, preserving employment opportunities for Lorain County residents and preserving the operations of Lorain County’s small businesses during a time of need and emergency. The primary objective of the Program is to minimize long-term economic hardship to Lorain County residents that may result from the COVID-19 pandemic.

## II. Eligibility Criteria

To be eligible for grant funds under the Program, Lorain County businesses must meet the following requirements:

- A. The business must have submitted an application to the U.S. Small Business Administration (“SBA”) for an Economic Injury Disaster Loan Program for economic injury specifically related to the COVID-19 pandemic, an SBA 7(a) Loan under the Payroll Protection Program, and/or another SBA loan program established to support small businesses in response to the COVID-19 pandemic (again, collectively referred to herein as “SBA Loan”). The business must provide a copy of the completed application and all other documents that the SBA requires to be submitted with the application for the SBA Loan together with its SBA Loan Application Number assigned by the SBA at the time of application.
  
- B. The business must meet all of the following criteria as of March 15, 2020: The business may be a sole proprietorship, partnership, corporation (both S and C), professional association, limited liability company, limited partnership or limited liability partnership. If a corporation, professional association, limited liability company, limited partnership or limited liability partnership, the business must be registered with the Ohio Secretary of State to do business in the State of Ohio. If a sole proprietorship, the business shall provide documentation of its existence as a business, including, but not limited to income tax returns for the business, trade name registrations, business banking or credit accounts or such similar documents. If a partnership, the business shall either be registered with the Ohio Secretary of State to do business in the State of Ohio, or, if not registered, shall provide documentation similar to that required for a sole proprietorship. - The business must be privately held. - The principal place of business for the business must be located within the County of Lorain. - The business must have been in operation for at least one (1) year prior to March 15, 2020, which, at a minimum, may be evidenced by a filing by that time of documents with the Ohio Secretary of State incorporating or organizing the business or evidencing operation of the business prior to that time. - The business must employ a minimum of three (3) individual and a maximum of twenty (20) individuals. For purposes of this criteria, “employ” shall mean an individual who regularly work at least twenty (20) hours per week and who are individuals who are employed as employees and provided an IRS Form W-2 at the end of each calendar year. The business must not be in receivership or bankruptcy. The business must be current on all Lorain County municipal and Joint Economic Development District income tax obligations and Lorain County property tax obligations.
  
- C. The businesses shall NOT be one of the following, regardless of its general eligibility under subsections (A) and (B), above: - Any business operating as an entertainment device arcade. Any business operating as a sexually oriented business as that term is defined in Section 2907.40 of the Ohio Revised Code. - Any business that primarily sells

tobacco products, cigarettes, electronic smoking devices, or vapor products as those terms are defined in Section 2927.02 of the Ohio Revised Code. - Any financial institution that makes loans or issues credit to the public, including, but not limited to, banks, credit unions, payday lenders, or any other similar business.

- D. This program is for non-chain businesses only. Any business with more than three (3) locations is ineligible to receive assistance under this program. Ineligible businesses include any non-storefront based small business and/or homebased businesses, and the following sectors: (i) gas stations; (ii) professional services business (law or accounting firm; realty); (iii) any business that is an unregistered sole-proprietorship without any employees.

### III. Eligible expenses

A. Unless excepted below, all expenses of the business that are deductible as ordinary and necessary business expenses under the U.S. Internal Revenue Code may be paid for with grant funds from the Program. Examples of eligible expenses include, but are not limited to: - Mortgage payments for the business's principal place of business in Lorain County. Mortgage payments for businesses that are located in an owner's primary residence are not eligible. - Rent payments for the business's principal place of business or such other business location in Lorain County. Rent payments for businesses that are located in an owner's primary residence are not eligible. - Utility payments – electric, gas, sewer, water, trash removal – for the business's principal place of business or such other business location in Lorain County. Utility payments for businesses that are located in an owner's primary residence are not eligible. - Health, property and casualty and liability insurance payments. - Vehicle and equipment lease or rental payments for personal property acquired on or prior to March 15, 2020. - Salaries or wages of all employees employed by the business.

B. Each applicant for funds will include in its application to the Chamber an itemization of the expenses it intends to pay with the grant funds, which will be reviewed for compliance with the eligible expenses set forth in Section III(A), above. Following the expenditure of all grant funds, the business shall provide a listing to the Chamber of all business expenses paid using the grant funds along with supporting documentation. Documentation will be in the form of cancelled checks, paid invoices, bank statements or similar documents evidencing payment. The listing of business expenses paid and accompanying documentation shall be submitted to the Chamber no later than 180 days following the receipt of grant funds by the business.

C. All expenses reported to the Chamber as paid using Program funds must either be incurred by the business or paid by the business on or after March 15, 2020 and within ninety (90) days of receipt of grant funds. No grant funds may be used to pay for vehicles or equipment leased or purchased after March 15, 2020 (this prohibition is not intended to apply to inventory of the business).

#### IV. Application and Award Process

A. Businesses that wish to apply for a grant from the Program shall submit to the Chamber the following documents by email in electronic format: - A complete application on the form prescribed by the Chamber. - A copy of the business's application submitted to the SBA for the SBA Loan, together with the SBA Application Number assigned to the business's application. - A copy of all other documents submitted to the SBA with the application for the SBA Loan, with the exception of any documents related to the U.S. Internal Revenue Service's release of taxpayer information related to the business. - An itemization of the business's ordinary and necessary monthly business expenses. - An itemization of all business expenses that the business will pay with grant funds awarded from the Program. - If the SBA has already determined that the business's application for an SBA Loan is approved or not approved, the business must include a copy of the communication indicating the same.

B. Upon receipt of each application, the Chamber will examine the same for completeness and ensure that all items required by Section IV(A) are included. In the event the application is incomplete and/or the applicant fails to include all information required by Section IV(A), above, then the Chamber will notify, by email, the applicant of the incomplete submission. The applicant may then provide additional necessary information to the Grant Underwriting Team.

C. Upon receipt of a complete application and all information required by Section IV(A), above, the Grant Underwriting Team will give the application a sequential number indicating the order that the complete application was received.

D. On the day that grant funds are available, the Grant Underwriting Team will issue grant awards in order of sequential application number. Grants will be funded to as many applicants until the funding is exhausted. If additional funds are given to the Chamber for this program, we will continue providing grants to those businesses who have applied and did not receive funding not because they were ineligible, but because the fund was exhausted.

**GRANT UNDERWRITING TEAM MEMBERS** The following members shall comprise the Program's Grant Underwriting Team: One representative of the Lorain County Chamber, One representative from SBDC at LCCC and ONE representative of GLIDE.