

**Frequently Asked Questions**  
**Small Business Express Program**

**Program**

**1. Is the Revolving Loan a line of credit for general working capital?** No, the revolving loan program is a loan program for specific eligible uses with a focus on retaining existing full-time jobs. Funds are generally disbursed in one payment.

**2. How do I know whether to apply for a loan or a grant?** It depends on the Company's circumstances: (1) The Revolving Loan Program offers loans to help support companies to retain existing full-time employees. (2) The Job Creation Incentive Loan Program offers loans to help support companies growth, including the creation of new full-time jobs and the retention of existing full-time jobs. This program allows for consideration of some loan forgiveness for job creation. (3) The Matching Grant program offers grants for job creation. The program requires a dollar for dollar match from the Company.

*(Effective for all applications received on or after December 15, 2017: MCRC will no longer accept EXP grant-only applications. Applications for a Matching Grant and Job Creation Incentive Loan combination will continue to be accepted as well as loan-only applications.)*

**3. Can a grant and loan request be made through MCRC at the same time?** Yes, you may apply for both a Matching Grant and a Job Creation Incentive Loan at the same time and on one application form. (As of December 15, 2017, MCRC is no longer accepting grant-only applications.)

**4. Is there a job obligation associated with the award of funding?** Yes, the purpose of the Small Business Express program is to create and retain jobs in Middlesex County. For the Revolving Loan, applicants would have an obligation to retain existing full time jobs for 24 months. For the Matching Grant and Job Creation Incentive Loan, applicants must create new full-time jobs within 12 months and then retain both the new full-time jobs and the existing full-time jobs for 24 months.

**5. Is there a job/grant or job/forgiveness ratio?** While applications are reviewed on a case by case basis, generally the ratio is \$5,000 to \$10,000 per new full-time W-2 job. Consideration is given to factors such as the salary level and the skills, education and experience needed to qualify for the job. If an applicant is applying for a grant and is proposing entry level or lower wage salaries, then a minimum of two new full-time W-2 jobs must be created to meet the \$10,000 grant minimum (\$5,000 per job). Please note that if an applicant receives both a grant and a loan, typically there is no forgiveness on the loan. (Effective date: August 28, 2017)

**6. Do new full-time 1099 type positions count toward the job obligation?** No, the positions must be full-time positions where the employee receives a W-2 form and the employer reports the job to the CT Department of Labor. Please note that often company owners do not fall under this category.

**7. Can I apply if I've been in business over 12 months but don't have three years of financials yet?** Yes, provide the financials that you have (audited financials or signed tax returns), including the most recent profit and loss statement and balance sheet.

**8. Does the Project Financing Plan and Budget form need to be filled out to reflect my entire company budget?** No, the purpose of the form is to identify how the company proposes to use the MCRC funds and if appropriate, also the grant match funds (non-MCRC funds).

**Example:** ABC Company is applying for Small Business Express funding for an expansion project. The Company plans to expand their product line in order to grow their customer base. The project will consist of leasehold improvements, purchase of machinery and equipment, computer equipment, software, marketing (website upgrade) and salaries. MCRC legal costs must also be part of the project. The Company is requesting a \$50,000 matching grant and has \$50,000 in private matching funds to put into the project. In addition, the Company is requesting a \$200,000 loan. The Company is planning to add three new full-time jobs as part of the expansion and is requesting a portion of the funding toward salaries. (The general policy is that applicants can request up to 50% of the total amount requested to be used for new hires salaries.)

**9. Can the applicant be reimbursed for expenditures made prior to the date that MCRC receives the application?**

No. Only eligible expenses made after the date MCRC receives the application would be considered. Prior to an assistance agreement, any expenditures made by the applicant would be done at their own risk.

**10. Can MCRC funds be used toward the purchase or lease of machinery and equipment?** Funds can be used toward the purchase of machinery and equipment, but not toward the lease of machinery and equipment.

**11. Can MCRC funds be used toward salaries?** Yes, up to 50% of the requested MCRC funds can be used for salaries for new full-time jobs. However, the Company needs to be in a position to support the jobs once the MCRC funds are depleted.

**12. Can MCRC funds be used to refinance existing debt?** Generally no, although credit card debt in the Company name and accounts payable could be considered if it is not more than 25% of the request.

**13. Can MCRC funds be used to purchase a business?** No.

**14. What sources will qualify for the grant matching funds?** Eligible sources include Company funds located in a bank account (not accounts receivable), lines of credit, federal funds and approved loans.

**15. Where do I send my application?** Send the complete application package by email to [jpuigliese@middlesexchamber.com](mailto:jpuigliese@middlesexchamber.com) or by mail to Jeff Pugliese, MCRC, 393 Main St, Middletown, CT 06457. In order to expedite the review of your application, please do not send partial application packages.

**16. Is there an application fee?** No.

**17. Are there any other fees?** Yes, if MCRC approves the application for funding, then the applicant is responsible for payment of MCRC's legal costs incurred to prepare the contract documents (assistance agreement), whether or not a closing takes place. These costs are in addition to the applicant's own attorney's costs. The applicant is required to pay the MCRC legal bill prior to the release of funds. These costs may vary based on the specific circumstances of the application, but are estimated at \$1,000 for a grant only application and \$2,000-\$3,000 for a loan or grant/loan combination.

**18. How long does the process typically take?** That depends and varies with each small business applicant's successful submission of all required information and the financial situation of the applicant. MCRC's goal is 45 days from the point where a complete application package is received, but the timeframe could extend out to 60 or 90 days or more depending on the factors such as review issues and the applicant's responsiveness.

### **Payment**

**1. How are funds disbursed?** Typically, the funds are disbursed in one payment. However, each project is reviewed case by case and may differ depending on variables that could impact each agreement. In some cases, funds could be arranged to be disbursed in phases.

**2. Can I defer loan payments?** Possibly—each project is reviewed on a case by case basis and the decision would be made based on the specific circumstances.

### **Taxes**

**1. Are MCRC grants taxable?** Grants may be taxable. Please consult your tax advisor on your Company's specific tax situation.

### **For More Information**

**1. Who do I contact for more information?** Jeff Pugliese at 860-347-6924 or via email at [jpuigliese@middlesexchamber.com](mailto:jpuigliese@middlesexchamber.com)