



## HARRIS COUNTY SMALL BUSINESS RECOVERY FUND

### FREQUENTLY ASKED QUESTIONS

#### 1. When will the SBRF grant program begin and end?

The SBRF will be open for ten business (10) days beginning **Monday, July 13, 2020 at 8am CST and will close Friday, July 24, 2020 at 3:30pm CST**. During the **10-day application period**, applicants will be able to submit online applications at any time. Telephone operators will also be available to assist applicants at any time during the application window.

#### 2. How large is the SBRF program?

The SBRF has a total of \$30 million available for grants. This total value will be allocated evenly between Harris County's four precincts (\$7.5M each).

#### 3. What type of businesses are eligible to apply?

All business types may apply, including but not limited to:

- Sole proprietorships
- Partnerships
- Self-employed individuals
- Nonprofits
- Independent contractors

#### 4. How much funding is available per applicant?

The maximum grant awarded will be up to \$25,000 per applicant. The actual amount funded per applicant will be determined by the **greater of** the following formula:

- 1 x average monthly payroll costs (calculated on 2019 monthly avg.)
- or
- 2 x average monthly fixed costs (calculated on 2019 monthly avg.)

Example: If a business owner:

- Applies for a \$25,000 grant,
- Has average monthly payroll costs of \$15,000, and
- Has average monthly fixed costs of \$5,000 (x 2 = \$10,000),

He or she will only be eligible to receive a maximum grant amount of \$15,000 (the **greater of \$15,000 or \$10,000**).

A majority of grants awarded to small business owners will not reach the \$25,000 threshold. The amounts used in the above formula to determine the maximum grant value awarded to applicants must be accurate and verifiable.



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#### 5. What size businesses are eligible for the SBRF program?

Program funds will be distributed to selected small business owners operating businesses with 30 employees or less. The funds will be allocated to businesses in three size categories as follows:

- 0 – 5 Employees – 60% of total grant funding
- 6 -10 Employees – 20% of total grant funding
- 11 - 30 Employees – 20% of total grant funding

#### 6. Will preference be given to lower income business owners?

Yes, 60% of the total grant allocation will be reserved for business owners who do not exceed 80% HUD Area Median Family Income. The following table illustrates these income levels for various family sizes:

Family Household Count	1	2	3	4	5	6	7	8
<b>80% HAMFI</b>	\$44,150	\$50,450	\$56,750	\$63,050	\$68,100	\$73,150	\$78,200	\$83,250

#### 7. What can I use the grant for?

Eligible expenses include the following:

- Payroll costs for permanent employees and/or contract labor
- Payments to suppliers
- Rent, lease, or mortgage expenses for real property used exclusively for business purposes (excludes personal residences)
- Rent, lease, or purchase payments for business equipment (excluding any personal property not used exclusively for business purposes)
- Technology applications and Wi-Fi services
- Utilities for locations used exclusively for business purposes
- Cost of critical business operations (raw materials, marketing, etc.)
- PPE and sanitization supplies and other related COVID-19 expenses
- Interest on business debt obligations (other than personal residences) incurred after March 13, 2020



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#### **8. What are the eligibility requirements?**

To be eligible to apply for the SBRF a business must meet the following:

- Must have been in business for the entire calendar year 2019
- Be in good standing with local, state, and federal governments with no outstanding tax obligations or liabilities
- Must be able to verify negative impact on operations due to the pandemic
- Must employ fewer than 30 employees (including owner(s))

#### **9. Where must my business be located in order to apply?**

To be eligible for the SBRF grant, applicants must conduct business in Harris County, within Precincts 1 – 4. The conduct of business refers to the place of business operations and not to the location of an administrative or corporate office. If business operations are conducted in multiple Harris County precincts, the address listed on the application will be used to determine the precinct funding will be allocated from.

Due to the fact that the City of Houston has previously administered programs aimed at providing COVID-19 relief to small businesses within its city limits, other than applicants assigned to Harris County Precinct 1, applicants located within the City of Houston are not eligible to participate in the program.

#### **10. What types of businesses are ineligible to apply?**

Ineligible businesses include the following:

- Gambling establishments
- Residential builders and speculative real estate investments
- Sexually oriented businesses as defined in Local Govt. Code Ch. 243

Additionally, businesses engaged in illegal activities, those not in good standing with Harris County, state, or federal tax authorities, and those with owner(s) or partner(s) currently undergoing bankruptcy proceedings are ineligible to apply.

#### **11. How can I apply to receive a grant?**

Grant applications can be submitted online at **[www.harriscounty-sbrfund.org](http://www.harriscounty-sbrfund.org)**. Applicants that are not be able to submit an application on-line have the option to submit an application by mail or email.

For instructions on submitting an application by mail or email, please call (713) 845-2476.



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**12. Can I apply if I've already received a PPP loan or COVID-19 relief from other programs?**

Yes. However, priority will be given to applicants that have not yet been approved for proceeds from other COVID-19 assistance programs, including PPP and the Harris County LEAP small business loan program. However, grants awarded under this program may be used in conjunction with other disaster assistance programs if the grants do not duplicate the proposed use of proceeds for those programs. Recipients of LEAP funding will not be considered under this program.

If SBRF funds remain after processing all approved applications for those qualifying small business owners who have not received previous assistance from other business relief programs related to COVID-19, consideration will be given to applicants who have previously received assistance through PPP.

**13. What supporting application documents do I have to provide?**

The following documents will be required along with completion of the application:

- Business tax return for 2018 or 2019
- 3 months income and expenses
- Articles of incorporation, business license, or DBA certificate
- W-2 statement, pay stubs, or personal tax return

**14. How will qualifying applications be selected?**

At the conclusion of the 10 business day application intake period, applications will be **selected at random** using computer software. If a selected application is determined to be incomplete, the applicant will be notified and given the opportunity to correct their application without losing their place in the selection process.

**15. How long will it take to receive funding?**

If an application is thorough and complete, the application process can take as little as 5 - 15 days. After applications have been processed and recipients selected, 75% of the grant funding will be distributed within 30 days from the date the program closes, July 24, 2020. The remaining 25% of the grant funding will be distributed by November 30, 2020 provided the business owner is able to show that the applying small business remains open.

**16. What if I have questions about completing the application?**

Questions regarding the application process may be submitted by email at [info@harriscounty-sbrfund.org](mailto:info@harriscounty-sbrfund.org), or made by phone at (713) 845-2476.



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**17. How can I determine if my business is located in an eligible area?**

By providing your company address and zip code online, you can verify if your business is located within Harris County. Businesses located within the City of Houston, other than those within Precinct 1, are not eligible to apply.

**18. Do you assist start-up businesses?**

Start-up businesses are not eligible to apply. Eligible businesses must have been established and been in business for the entire calendar year 2019.

**19. Will the grant eventually convert to a loan?**

Unlike the PPP loan program, SBRF grants are not forgivable loans and carry no repayment requirements.

**20. Are there any ongoing program compliance requirements?**

Yes. To receive the remaining 25% of the grant funds, the business must provide proof that it is still an operating business as of November 30, 2020.

**21. Does this grant count as income on my taxes?**

Please consult a tax professional regarding income tax reporting questions.

**22. Will my credit report be pulled as part of this application?**

No. Your credit report will not be required to apply for this program.

**23. Will Harris County disclose my participation in this program to the public?**

No. Neither Harris County nor the program administrator will identify specific applicants or recipients to the public. Harris County will provide the public with non-identifying information regarding the program such as total number of applicants, total number of businesses assisted, etc.