



CITY OF RIALTO

SMALL BUSINESS GRANT PROGRAM

POLICIES & PROCEDURES

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PROGRAM GUIDELINES

OVERVIEW

The City of Rialto's Small Business Grant Program offers one-time \$10,000 grants to eligible businesses. Grant funds may be used to:

- Mitigate financial hardships caused by the COVID-19 pandemic (ex. Declines in revenue, costs of retaining employees, mortgage/rent/lease costs, utilities costs, other operating costs)
- Implement COVID-19 prevention or mitigation tactics (ex. Physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccinations)
- Technical assistance, counseling, or other like services to assist with business planning needs
- Premium pay for employees working in key, eligible sectors such as healthcare, education and childcare, transportation, sanitation, social and human services, grocery and food production, and public health and safety. (pay "in addition to" wages for essential workers performing essential work during the COVID-19 pandemic)

Businesses are not expected to pay back grants.

The Program is funded through the American Rescue Plan Act (ARPA) via the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The purpose of the City of Rialto's Small Business Grant Program is to address the negative economic impacts of the COVID-19 pandemic and provide premium pay for essential workers, in key sectors.

A maximum total grant of \$10,000 is available per business.

BUSINESS ELIGIBILITY

Businesses must meet all requirements to be eligible for the program. Eligibility requirements are outlined below:

- Business must be physically located within Rialto City limits
- Business address must be within a qualified census tract **OR demonstrate that it suffered a reduction in gross receipts of at least 25% for one quarter in 2020 compared to the same quarter in 2019.**
- Business must have a current business license, in good standing in the City of Rialto
- Business must employ less than 25 or less employees, including the owner(s)
- Business has been operational at least six (6) months
- Business does not have existing municipal code violations
- Business has or will obtain a Data Universal Numbering System (DUNS) Number if a grant is awarded. Staff may assist in obtaining this.
- Demonstrate that the business has been disproportionately impacted due to the COVID-19 pandemic
- For businesses applying for Premium Pay grants: Business must be in one of the following sectors: healthcare, education and childcare, transportation, sanitation, social and human services, grocery and food production, and public health and safety sectors

REQUIRED DOCUMENTATION

For an application to be considered complete, all listed documents must be submitted.

- Completed, signed application
- Copy of business license
- Payroll report(s), Tax document(s), or other official document noting the number of staff employed by the business
- Form W-9 Request for Taxpayer Identification Number and Certification
- Attachment A, which documents business is in a qualified census tract.
- If business is **not** in a qualified census tract, financial documents demonstrating the business suffered a reduction in gross receipts of at least 25% for one quarter in 2020 compared to the same quarter in 2019 **must** be submitted with the application.
 - A 25% or greater reduction can be shown in one of two ways:
 - Comparing the business annual gross revenue as reported on the tax return in 2020 to 2019
 - Comparing the gross revenue in any quarter in 2020 with revenue in the **same** quarter of 2019. For example, if a business wants to use the second quarter (Q2) of 2019 where they recorded \$20,000 in gross revenue, they are eligible if they recorded a gross revenue of \$15,000 or less in Q2 2020.

INELIGIBLE BUSINESSES

Businesses that fall into the following categories gaming, liquor or tobacco stores, marijuana dispensaries and manufacturing, and any business or activity that does not comply with local, state or federal laws are not eligible to participate.

ELIGIBLE USE OF FUNDS – BUSINESS EXPENSES

Awarded funds are intended to help businesses address the negative economic impacts caused by the COVID-19 pandemic. Use of funds is at the business owner's discretion, however, below are some examples of eligible activities:

- Overhead expenses
- Rent and utilities
- Business services (web site development, etc.) to increase capacity to carryout business activities
- Labor expense (excluding the owner), business inventory and supplies
- Personal Protective Equipment (PPE)
- Capital or equipment purchases necessary for the business operation, excluding vehicles.

ELIGIBLE USE OF FUNDS – PREMIUM PAY

Businesses may also use grant funds to provide to premium pay. Premium pay is meant for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors. Therefore, premium pay is only available for essential workers performing regular in-person essential work in the following sectors healthcare, education and childcare, transportation, sanitation,

social and human services, grocery and food production, and public health and safety sectors. Premium pay means an amount up to \$13 per hour in **addition to** the regular wages the employee receives. Lower income workers should be prioritized.

If premium pay increases an employee's total pay above 150% San Bernardino county's average annual wage, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, the City must have a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency.

Businesses are required to identify their intended use of funds during the application process. Program staff will follow up with staff and collect relevant documents that support appropriate use of grant funds.

INELIGIBLE USE OF FUNDS

Funds may not be used for the following activities:

- Vehicle purchase
- Personal property
- Repayment of refinance of existing debt or to pay operating deficits tax arrearages, governmental fines or penalties or general government expenses
- Personal income
- Political or religious activities, lobbying

VERIFYING ELIGIBILITY

Staff shall review all applications for thoroughness and completion. Staff is responsible for making sure that all eligibility document has been submitted by the business owner. Staff will review the applications for:

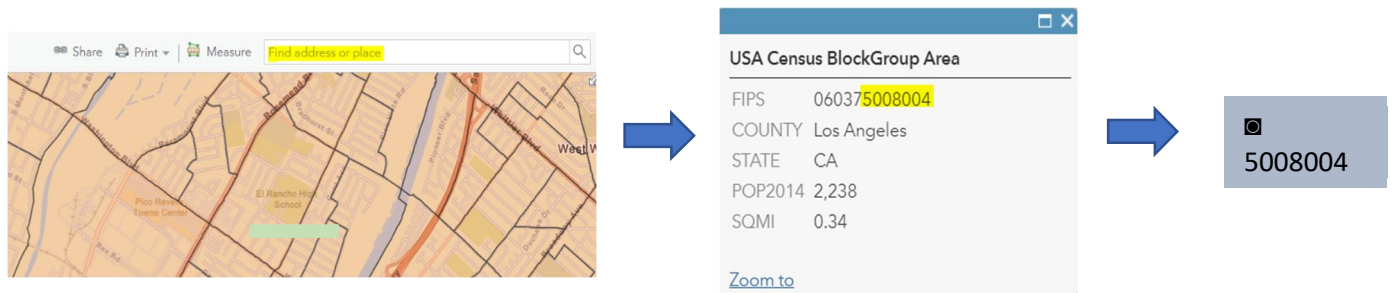
1. Completeness ensuring that all questions have been thoroughly answered.
2. Verification that the business is eligible by checking the business license, qualified census tract, and any additional documents.
3. If the business if outside of a qualified census tract, financial documents will be reviewed to confirm that the business suffered a reduction in gross receipts of at least 25% for one quarter in 2020 compared to the same quarter in 2019.
4. Verification that the business has included a DUNS number. If needed, staff will assist businesses register and obtain a DUNs number prior to submitting their application.

QUALIFIED CENSUS TRACTS

Businesses located in an eligible qualified census tract to be eligible are presumed to are presumed to have been disproportionately affected by the COVID-19 pandemic. To determine if the business is in a qualified census tract follow these steps:

- Visit the website: <https://arcg.is/vPmrb>
- Enter the business address

- Click on the map where the address is located.
- Find the number under the “FIPS” section: the last 7 digits is the Census Block Group.



- If the number matches one of the following census tracts, then the business is a qualified census tract.

If a business is not located in a qualified census tract, this does **not** disqualify them from applying for the grant. However, additional financial documents demonstrating the business suffered a reduction in gross receipts of at least 25% for one quarter in 2020 compared to the same quarter in 2019 **must** be submitted with the application.

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|-----------|-----------|-----------|
| ○ 0035062 | ○ 0034032 | ○ 0043011 |
| ○ 0035061 | ○ 0035102 | ○ 0036071 |
| ○ 0035051 | ○ 0035101 | ○ 0036091 |
| ○ 0035052 | ○ 0035091 | ○ 0036093 |
| ○ 0043023 | ○ 0037001 | ○ 0036122 |
| ○ 0034041 | ○ 0037002 | ○ 0040041 |
| ○ 0034052 | ○ 0039001 | ○ 0040032 |
| ○ 0034053 | ○ 0039002 | |

AWARDING THE GRANT

Upon verification of eligibility the City will confirm the eligibility status with the business via email. The City will then provide business with an agreement outlining the terms and conditions of the award. Upon receipt of a signed agreement the City will disburse the one-time grant in the amount of \$10,000.

MONITORING

The applicant shall be responsible for providing staff with documentation demonstrating that grant funds are used in the way they were intended.

Staff will review the business' application to identify how the business said they would use funds and will collect supporting documents. If a business finds it necessary to change their intended use of the funds, they must notify the City in writing at least five days in advance.

Although this list is not intended to be exhaustive, supporting documents may include:

- Lease agreement and rent receipts
- Invoices
- Payroll documents

All collected document will be placed in a business's program file.