



CITY OF *Walnut*

Business Grant Program - Policy Guidelines

Purpose

- 1.1 The American Rescue Plan Act (ARPA) provided State and Local governments' fiscal support in an effort to maintain public services and build strong, resilient, and equitable recovery by "making investments that support long-term growth and opportunity." The City of Walnut Business Grant Program ("Business Grant Program") will provide one-time grant funding for small businesses to help mitigate financial hardships caused by the impacts from the COVID-19 Pandemic. Funding was approved by the City Council of the City of Walnut from local Standard Allowance of the State and Local Fiscal Recovery Funds (SLFRF) provided as part of the American Rescue Plan Act.

Policy

- 1.2 The Business Grant Program is established to provide one-time grants up to \$5,000 to reimburse small businesses located in the City of Walnut who demonstrate the need for financial support due to the temporary loss of revenue resulting from the impact of the COVID-19 pandemic. Reimbursement will be based on submittal of supporting documentation.
- 1.3 The Business Grant Program will remain in effect until June 30, 2023, or until funds are exhausted, whichever occurs first.
- 1.4 The City Council, City employees and their spouses or domestic partners shall not be eligible for grant funds under the Business Grant Program, nor shall any business in which such persons have a "financial interest" as defined in the Political Reform Act.
- 1.5 The City reserves the right, at its sole discretion, to award all, a portion, or none of the available funding. To the extent funding is awarded, it will be based on the merits of the application. The City may extend deadlines and timeframes, as needed. The City may condition any funding on its ability to substantiate an applicant's qualifications, financial information, capability to perform, availability, and related criteria.

Eligibility

- 1.6 The business must be an independently owned and operated business that employs no more than 25 full-time equivalent (FTE) employees. FTE is defined as a single full-time employee or multiple part-time employees that work a total of 2,080 hours annually. Franchises are eligible as set forth below.
- 1.7 The business must possess a valid City of Walnut Business License. The business must have been in operation for a minimum of six-months in the City.
- 1.8 To be eligible to apply for the Business Grant Program, a business must demonstrate the need for financial support due to the temporary loss of revenue resulting from the impact of

the COVID-19 pandemic. An applicant will need to prove that their business has been affected by COVID-19 in one of the following ways:

- 1.8.1** The business was deemed non-essential and was forced to shut down by the state or local government;
- 1.8.2** The business has had to lay off at least one of its employees (full- or part-time employee);
- 1.8.3** Sales at the business are down more than 25 percent compared to a previous three-month period (prior to February 15, 2020) or a comparable three-month period in 2019;
- 1.8.4** One or more of the employees in the business have contracted COVID-19, while at work.

1.9 The business must submit an application and all required supporting documentation.

1.10 The following business types are **not** eligible for Business Resiliency Program grants:

- 1.10.1** Home-based businesses;
- 1.10.2** Any business without a commercial storefront in the City;
- 1.10.3** Businesses with more than 25 full-time equivalent (FTE) employees.

Eligible Activities

1.11 Grant funds shall be used to cover business-related expenses within the following categories: rent or lease payments, mortgage payments, utility expenses, insurance, personal protective equipment (PPE) and supplies, the purchase and installation of material and equipment to accommodate physical distancing—both internal and external improvements—and other temporary operation adjustments such as hands-free payment devices, sanitation supplies and Plexiglas partitions (to be approved on a case-by-case basis) consistent with the Business Grant Program Policy Guidelines.

1.12 Expenses must have been incurred on or after January 1, 2021 and must be documented by invoices, receipts, proof of payment, or other supporting documentation. Grant funds will be disbursed only on a reimbursement basis for documented eligible expenses.

1.13 Grant funds may not be used to finance personal debt, pay taxes that are in arrears, government fines and/or penalties, purchase personal property, permanent construction, as personal income, for political campaigns, and/or for lobbying. Any use of grant funds for an ineligible activity is strictly prohibited and shall require forfeiture and repayment of the grant funds to the City of Walnut.

Application Process

1.14 An applicant must fully complete the grant application and submit required supporting documentation.

1.15 The period for submitting applications will begin on July 18, 2022 and remain open until the Business Grant Program funds are exhausted. Complete applications will be evaluated in the order received.

1.16 City Staff shall conduct an initial evaluation to determine preliminary eligibility. If an application is submitted and found incomplete, City Staff may, in its discretion, contact the

business owner to provide additional information/documentation; alternatively, City Staff may terminate the review and return the application to the business owner. A revised application must be resubmitted by the specified time to be eligible for consideration. Revised applications will be evaluated in the order received based on the date of submittal of the revised application.

1.17 City Staff may contact selected applicants to provide supplemental documentation that may be necessary for City Staff to verify eligibility before entering into the City's Grant Acceptance Agreement.

1.18 Required documentation will depend in part on the reimbursement requested and may include, but is not limited to:

1.18.1 Application;

1.18.2 Self-certification;

1.18.3 Proof that the business has had a current City of Walnut business license for a minimum of six-months;

1.18.4 Payroll records/ income certification or other financial records;

1.18.5 Invoices, receipts, lease agreements, rent receipts, and/or mortgage statements other supporting documentation evidencing eligible expenses. It should be noted that **all** pages of each submitted statement should be included [i.e. Statement containing six (6) pages should be submitted with all six (6) pages].

Award

1.19 Upon satisfactory review of the required documents, Staff will issue a Notice of Award to the applicant via email and provide the Grant Acceptance Agreement for signature.

1.20 The Grant Acceptance Agreement contains binding terms and conditions and reporting requirements and must be signed by the applicant and City Manager prior to disbursement of funds.

1.21 Failure to meet all terms and conditions of the Grant Acceptance Agreement will result in the full repayment of all grant funds.

Monitoring & Reporting

1.22 At any time during the term of the Grant Acceptance Agreement, the City reserves the right to request a performance report, supporting documentation, subsequent information, and project status update(s) to demonstrate satisfaction of the Business Grant Program requirements.

Retention

1.23 The City shall maintain all application information and supporting documentation in an applicant file to demonstrate the applicant's eligibility/ineligibility for this Program.

1.24 An approved applicant file shall contain all submitted information and documentation necessary to meet all required eligibility criteria and contain completed forms, documentation, and necessary information.

1.25 A denied applicant file shall contain all submitted information and documentation, as well as

the reason for denial.

- 1.26** The City shall maintain all applicant files, eligible and ineligible, for no less than a period of 5 years. Grant recipients shall be required to retain records of the Notice of Award and all eligible expenses reimbursed by the Business Grant Program for a minimum of five (5) years.
- 1.27** The City shall periodically report to-date grant recipients assisted in a numeric and narrative format until the end of the Program.