

Business Stability Fund Guidelines

Introduction

The Canton Business Stability Fund was established to provide limited, one-time direct financial assistance to eligible Canton small businesses that employ 25 or fewer employees and that have been adversely impacted by the COVID pandemic. The Program is funded through the American Rescue Plan Act (ARPA) grant funds. The Program is intended to help small businesses and nonprofits recover from the public health emergency and become stronger in the current marketplace. The total amount of funding available for this round is \$50,000.

Requirement/Eligibility

For purposes of this program, a small business will be defined as employing not more than 25 full-time equivalent (FTE) employees and must have operations in Canton. Sole proprietors and locally-owned franchises are eligible to apply. Residential or real estate projects including short-term rental operators are not eligible. Town employees and elected and appointed officials are not eligible to participate in this program.

Additional criteria required when applying to the Business Stability Fund grant program:

- The business must currently be located in Canton and have been in operation as of January 1, 2019.
- As of February 1, 2022, the business has a maximum of twenty-five (25) full or full-time equivalent employees (FTE). One FTE totals 40 hours per week. This can be one employee or any combination of part-time employees whose weekly hours total 40.
- The applicant must be in good standing with the Connecticut Secretary of the State in terms of business filings.
- The applicant must be in good standing and current on its federal, state and local tax obligations and have no outstanding liens or judgements.
- The applicant must provide a written statement that will clearly identify the negative financial impacts of the COVID-19 public health emergency to the business and must identify how the grant request addresses the identified need or negative impact.
- Applicants will need to sign a certification that the information in the application is true, that the business sustained a negative financial impact as a result of the pandemic, and that grant funds will be utilized to offset operational costs at their Canton business location.
- The Town will need to track the impact of this initiative. Recipients must agree to assist the Town through follow-up surveys and/or interviews with a goal of measuring success of the program.

Amount of Funding

Eligible businesses may apply for grants of up to \$15,000. Funding is limited and it is anticipated that requests for assistance will be greater than funding on hand. Not all businesses approved for participation will receive the maximum amount. If awarded, the amount will be based upon the documented need of the business. Businesses must demonstrate economic hardship and demonstrate that the operating funds are necessary to sustain their business.

How can I demonstrate economic hardship as a result of the public health emergency?

Businesses can demonstrate negative impacts from the COVID-19 health emergency through these and other examples:

- Loss of revenue during government required shutdowns
- Rent & utilities and other carrying costs paid during periods of closure
- Supply chain issues — lack of or delay in supplies which drove up costs are impacted contracts
- Decrease in the supply of labor or increased labor costs
- Increased costs of products (like food, lumber)
- Extra cleaning expenses and costs of PPE (personal protective equipment)
- Physical improvement requirements — barriers and other social distancing measures
- Extra advertising, e-commerce costs, job training expenses
- Costs of other mitigation tactics (provision of outside dining areas, etc.)

Applicants must be able to demonstrate either a decrease in revenue AND/OR an increase in COVID-19 related expenses up to the amount of your request not to exceed \$15,000. In the application narrative, applicants should be as specific as possible in demonstrating the financial impacted by including cost estimates or information from actual receipts.

Use of Funds

Businesses must have a clear and specific use for grant funds and demonstrate that such funds will be used exclusively for future expenditures directly related to the COVID pandemic.

Listed below are some of the uses that these funds can be used for. This is not an exhaustive list and other uses will be considered.

- Payroll costs
- Mortgage
- Rent
- Utilities
- Operational expenses
- Worker protection expenditures
- Costs associated with the compliance of public health measures

- Specific investment to enhance the viability of the business
- Construction of an outdoor dining area
- Innovative business or business community marketing program
- Workforce training or recruitment program

Approval Process/Criteria

Businesses must be able to demonstrate they have been negatively impacted by the COVID-19 pandemic and that grant funds will enable the business to continue to operate and become stronger. The business must present a reasonable likelihood for long-term viability. Businesses must have a clear and specific use for grant funds. It is vital to demonstrate economic hardship and demonstrate that acquiring the grant funds will significantly benefit the organization.

Applications will be evaluated and ranked based on the following criteria:

- Application completeness
- Application submitted within the allotted time frame
- Eligibility qualifications
- Economic hardship-negative impact of COVID-19
- Use of funds
- Documentation to support the amount being requested (the budget/costs)
- Impact the grant will have on the business
- Viability of the business
- Financial need

All businesses seeking funding must submit a Canton Business Stability Fund Grant application, which includes the applicant certification requiring funds be used for eligible expenses. Any business found in violation of the grant award agreement will be required to repay the funds.

Selected businesses will need to complete and submit the following documents prior to grants dispersal:

- Form W-9 Request for Taxpayer Identification Number & Certification
- A signed Canton Business Stability Fund Grant application, which includes the applicant certification.

The application for the Business Stability Fund program can be found on the Town website at www.townofcantonct.org. Applications will be accepted from April 1, 2022 to May 13, 2022. Applications can be sent to the Chief Administrative Officer at 4 Market Street, P.O. Box 168, Collinsville, CT 06022-0168 or emailed at rskinner@townofcantonct.org.