



MICROENTERPRISE STABILIZATION GRANTS

TOWN OF WESTERLY DEPARTMENT OF DEVELOPMENT SERVICES

SUPPLEMENTAL QUESTIONS AND ANSWERS

Last updated June 26, 2020

The following is an abbreviated and revised list of supplemental answers to questions not included in the MicroE Program FAQs section (pages three and four) of the *Information and Answers to Anticipated Questions* document on the Town of Westerly's *Microenterprise Stabilization Grants* webpage:

Can a sole proprietor qualify for assistance? Yes, but only if he/she has not more than four additional employees.

Do “personal tax returns for all adults filing separately (2018 or 2019)” include returns for persons aged 18-24 who are claimed as dependents? Yes, if the dependent has filed a tax return for the applicable year.

If a family member (e.g. an elderly parent) only receives SSI/SSDI and doesn't have to file taxes, does the SSI/SSDI letter have to be provided to document that income? No, that level of income documentation is not required for this program. However, the applicant must list such income on the *Family Income Self-Certification Form*.

What is meant by “receipts” under COVID Losses in the *Application Checklist*? Businesses need to attach documentation of revenue for the period in 2020 (example March 1 – April 30) and the same periods in 2018 and 2019, such as a detailed summary record from your point of sale software, a Quickbooks report, or the equivalent.

It is difficult to make period-to-period comparisons using Profit and loss statements as the 2018 and 2019 statements will be for full years while 2020 will be only a partial year. For many industry sectors, prorating profit and loss statements is not sufficient alone to show COVID losses as business is not steady year-round. Profit and loss statements are only acceptable if also supported by other documentation of COVID impacts, such as proof of canceled orders, temporary closure of business orders, etc.).

Does the \$5,000 count as income for businesses? Yes, an awarded MicroE Grant will be considered income by the federal and state governments. Businesses should include a completed Form W-9 to ensure it receives the necessary form(s) from the Town of Westerly as part of their 2020 tax filings.

Does the microenterprise limit of five employees accept five full-time equivalent (FTE) employees? The limit is five employees, even if some employees work very limited hours (including interns).

Do interns need to be included in the business' employment count? Yes, interns are part of a business's employee head count. If interns are not on the payroll due to a stipend or similar-type arrangement, they must still be counted if they worked during either of the two applicable pay periods.

Can a business with locations in more than one city/town apply in both/all communities for the MicroE grant? No, they may only submit one MicroE application to one city or town. This stands whether the all locations are within Rhode Island or if one or more of the locations are in another state.

Is a business eligible for a MicroE Grant from the Town of Westerly if it has received a grant funded through the federal Community Development Block Grant (CDBG) program in another community where it operates (either within or outside Rhode Island)? No, a business may not accept additional funds if it has already received an award from another city/town in Rhode Island or any other community outside of Rhode Island.

If a business is dual-registered in Rhode Island and another state, and is operating in both, can only the employees in Rhode Island be counted? No, the number of employees is the total number of all employees of the business at both/all locations.

Are electronic and/or scanned signatures acceptable on applications? Yes, the documents are set up for electronic signature for those who have the capability.

Does the business have to be a member of a specific business network (i.e., business association, chamber of commerce, etc.) to apply? No, this funding opportunity is accessible to all qualifying businesses regardless of private memberships and is awarded solely on the basis of first come, first serve (no competitive review process by local appointees).

Will a business qualify if it only has a P.O. Box as a business address but the owner is a resident of the Town? The business owner needs to include a business street address in addition to the PO Box to meet the physical establishment requirement. If it's a home-based business, they must include the home street address.

If a business had a storefront at the beginning of the year but was forced to eliminate it and is currently operating out of a home (due to COVID-19), would they qualify? To be eligible, the business must be operating from Westerly, either by storefront or home-based. If a business relocated to a different community, the owner must apply in the city/town where the business is now located.

Does the expansion of the program to one owner/employee business include home-based occupations, as "home-based businesses with no employees" are still listed under the excluded business types? If the owner is not an employee, the business does not meet HUD's microenterprise definition, and is not eligible. This applies to home-based and non-home-based businesses.

Does a business that has been approved for PPP or EIDL now have to show that: (a) all of the PPP or EIDL funds were expended on COVID-related losses, and that (b) the business has an additional \$5,000 in losses over and above what was covered by PPP or EIDL? For example, a business has received \$3,900 in PPP funds. Does that person have to demonstrate \$8,900 in COVID-related losses (\$3,900 + \$5,000) to qualify for MicroE? The business owner only needs to document \$1,000 in COVID impacts. The business owner is not required to document impacts of \$5,000 above any PPP/EIDL received or pending. However, the

business owner must certify that the adverse impacts exceed PPP/EIDL assistance by at least \$5,000.

Should received EIDL and/or PPP funds be reported as “income” on the Income Certification form? No, because any PPP/EIDL would be received in 2020. From the Income Self-Certification Form, “All sources of income during calendar year 2019 must be counted.”

Can businesses opened in 2019 that meet all other eligibility criteria apply as long as they have filed 2019 taxes? Yes, but keep in mind that businesses opened in 2019 must meet the \$25,000 minimum revenue requirement. That requirement is not prorated.