

# Microenterprise Assistance Grant Program Guidelines

## Program Introduction And Procedures:

The City of Sterling Heights invites all interested and eligible microenterprises, small businesses with five or fewer employees, based in the City of Sterling Heights to apply for CARES Act CDBG-CV funding to assist in the preparation, prevention and response to coronavirus.

Applications are being accepted via the online portal.

## Questions & Assistance With Completing The Application:

If you have questions regarding the Microenterprise Assistance Grant Program, or if you need help completing your application, please contact: [microgrant@sterling-heights.net](mailto:microgrant@sterling-heights.net)

## What is the Community Development Block Grant (CDBG) Program?

The United States Department of Housing and Urban Development (HUD) administers the Community Development Block Grant (CDBG) Program to assist low and moderate-income persons in several ways including: elimination of slums and blight, preserving and improving the supply of affordable housing, development of needed public facilities and improvements and business growth through the creation and retention of jobs and business opportunities.

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) granted the City of Sterling Heights additional CDBG funding (CDBG-CV grants), specifically to:

- prevent,
- prepare for, and
- respond to the coronavirus pandemic.

The City of Sterling Heights has elected to use its CDBG-CV allocation to fund a grant project for microenterprise businesses affected by the coronavirus pandemic.

## How can CDBG-CV Funds be used?

Federal regulations require that CDBG-CV funds be used for eligible activities that meet both CDBG and CARES Act objectives. CDBG-CV funding must meet one of three national CDBG objectives:

- Benefit low- and moderate-income persons;
- Aid in the prevention or elimination of slum or blight; and
- Meet a need having a particular urgency

Additionally, CDBG-CV funding must also meet CARES Act objectives by preventing, preparing for or responding to the coronavirus pandemic.

**Eligible activities may include:**

- ▶ Purchase of materials or equipment needed to convert business activities to comply with social distancing guidelines
- ▶ Purchase of safety supplies/materials for employees
- ▶ Financial assistance for business stabilization due to COVID-19 related revenue shortfalls, including:
  - Rent for a commercial location in the City
  - Mortgage payment for a commercial location in the City
  - Utilities (water, gas, electric)

**The following are examples of ineligible CDBG activities:**

- ▶ General government expenses and political activities
- ▶ Religious activities
- ▶ Purchase of construction equipment
- ▶ Purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property that is not a permanent structural fixture

Additionally, the City of Sterling Heights will only fund Direct Costs. Direct Costs are those that have a direct and specific link to the eligible activity which can be readily identified. Applicants must be able to prove that CDBG-CV grant funds were used for the approved use.

Under HUD CDBG regulations, at least 70% of those benefiting from CDBG funded activities must be low and moderate-income persons. Businesses receiving CDBG funding must be able to document that the individuals or households served fall within the HUD income limits.

**2020 Household Income Limits**

	Number of Individuals in Household							
	1	2	3	4	5	6	7	8
<b>Extremely Low Income (30%)</b>	\$16,500	\$18,850	\$21,720	<b>\$26,200</b>	\$30,680	\$35,160	\$39,640	\$44,120
<b>Very Low Income (50%)</b>	\$27,500	\$31,400	\$35,350	<b>\$39,250</b>	\$42,400	\$45,550	\$48,700	\$51,850
<b>Low Income (80%)</b>	\$44,000	\$50,250	\$56,550	<b>\$62,800</b>	\$67,850	\$72,850	\$77,900	\$82,900

## Eligible Applicants:

In order to be eligible to apply for the Microenterprise Assistance Grant Program, you must meet the following qualifications:

- 1** You must be the owner of a business that has no more than five (5) employees (including the owner(s)); **AND**
- 2** The business must be physically located in the City of Sterling Heights; **AND**
- 3** Your business must have been established as of January 1, 2020; **AND**
- 4** Your business must not be delinquent in any city, state or federal taxes; **AND**
- 5** You must be able to provide business financial documentation; **AND**
- 6** You must demonstrate that your business has experienced a loss of revenue due to COVID-19; **AND**
- 7** The owner/applicant must qualify as a low- to moderate income household; **AND**
- 8** The business must have a Dun & Bradstreet number (DUNS) (See "Application Process" section below for information on how to get a DUNS if you don't have one.); **AND**
- 9** The business must be registered in the federal System for Award Management (SAM) ) (See "Application Process" section below for information on how to register in SAMS if you haven't already.); **AND**
- 10** The business must be a for-profit enterprise (nonprofits are NOT allowed to apply).
- 11** Applicant must have a current business registration with the City of Sterling Heights.

## Important Dates:

**August 18, 2020** – PTAC SAMS Application Webinar (9am – 11am) [Register](#)

**September 1, 2020** – First day to submit applications

**September 8, 2020** – PTAC SAMS Application Webinar (9am – 11am) [Register](#)

**September 30, 2020** – Last day to submit applications

## Application Process:

- To apply for a Dun & Bradstreet Number (DUNS): <https://www.dnb.com/duns-number/get-a-duns.html>  
(Must be done prior to submitting application)
- To register in the System for Award Management (SAMS): <https://www.sam.gov/SAM/>  
(Must be done prior to submitting application)

Applications will be available September 1, 2020 through the online portal.

# Microenterprise Assistance Grant Program FAQs

## What is the definition of a microenterprise for this grant?

1. For purposes of this grant, it is a business that has 5 or less employees including the owner(s). Includes commercial store fronts as well as home based businesses.

## Who is eligible to apply for this program?

1. Owners of businesses that have not more than five (5) employees (including the owner(s)); **AND**
2. The owner/applicant qualifies as a low- to moderate income household; **AND**
3. The business must have a Dun & Bradstreet number (DUNS) which is currently registered in the federal System for Award Management (SAM)

## How is the household income calculated?

1. Household income is determined by combining the annual gross income (before deductions) of all family and non-family 18+ years old living in the household. All sources of income must be counted from all persons living in the household. NOTE: applicant may be required to provide verification of income including but not limited to tax returns, pay stubs, benefit letters, etc.
2. The maximum household income varies based on household size as shown in the following table:

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$44,000	\$50,250	\$56,550	\$62,800	\$67,850	\$72,850	\$77,900	\$82,900

## What is an Employer Identification Number and how do I find mine?

1. An EIN is also known as a Federal Tax Identification Number, and is used to identify a business entity and to file taxes with the IRS.

## How do I apply for DUNS number and complete my SAM registration?

1. The process to obtain a DUNS number and register in SAM is free. More information can be found at : <https://www.dnb.com/duns-number/get-a-duns.html> and <https://www.sam.gov/SAM/pages/public/index.jsf>

## What is a Section 3 Business?

1. Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that preference for employment, training and contracting opportunities generated from the expenditure of certain HUD funds is directed to local low- and very-low income person, particularly those who receive federal housing assistance, and businesses that are owned by or substantially employ such persons. For more information go to: <https://www.hud.gov/sites/documents/SEC3BIZFAQ.PDF>
2. If you qualify as a Section 3 business, in order to receive preference points you must be registered in HUD's Section 3 Business Registry: <https://www.hud.gov/sites/documents/SEC3BIZFAQ.PDF>

### **Can a non-profit organization apply for the Small Business Sustainability Grant?**

1. No. For the Microenterprise Grant Program you must be a for-profit establishment.

### **If I laid people off March and have not hired them back, do these count in the equation?**

1. No, only employees included in your last four (4) weeks of payroll are included.

### **If my business is closing for good because of the pandemic, can I still apply for the grant to recover losses?**

1. No

### **If I receive a grant, what can I use the funds for?**

1. Funds will be provided on a reimbursement basis to the owner/applicant for approved costs such as payroll expenses, rent, mortgage payments, utility expenses, inventory, or other similar expenses related to the prevention, preparation or response to COVID-19.

### **If my staff is contracted as 1099, do I count them as employees?**

1. No, for the purpose of this program 1099 contract hires do not count as employees. Only count employees that appear on payroll records as full time or part time employees for the four (4) week period prior to submission of the application.

### **I rent a booth at a hair salon OR I'm a home based business. Can I apply?**

1. All applicants must have DUNS number and be registered in SAM. If you've successfully completed this process, then you may apply.

### **Am I able to apply for additional grants and loans to assist my business?**

1. Funds may only be used to pay for unmet needs/needs not met by other sources of assistance. A duplication of benefits analysis will be completed before assistance is provided through this program. Also, the owner/applicant will be required to certify that they will repay the program for any duplicative benefit subsequently received.

### **Where do I email my application?**

1. Applications will only be accepted through the online portal

### **Am I eligible if I am a home based business?**

1. Home based business may apply. However, all businesses must have a DUNS number and be registered in the System for Awards - <https://www.sam.gov/SAM/pages/public/index.jsf>

### **My business received the MEDC Relief Loan. Can I apply for this grant?**

1. Yes.

### **I am an owner of a franchise or a national chain. Can I apply?**

1. Priority will be given to businesses that are not publicly traded and are independently owned and operated. If there are funds still available, we may consider franchise businesses for funding.

**If I own/lease out several buildings/offices in Macomb County, that I rent or lease out, can I apply for each location.**

1. No, only the establishment that operates out of the building can apply. However, if you are a property management company or a landlord headquartered in Macomb County, you can apply for your business as long as you are not affiliated with a firm or parent company that exceeds 5 employees.

**If I operate more than one business out of the same address, can I apply for each business?**

1. Yes, if each business has a separate EIN number and DUN number.

**Can we be reimbursed for Personal Protective Equipment (PPE) necessary to operate our business?**

1. Yes, only if you have not been previously reimbursed for the PPE from another source (please refer to "duplication of benefits").

**Can I be reimbursed for rent, mortgage and/or utilities if I operate my business from my home?**

1. No

**If approved will the funds be disbursed in one lump sum?**

1. Yes, but keep in mind that funds are distributed on a reimbursement basis. In order to receive the funds, you will be required to submit documentation verifying that the cost was incurred (i.e. invoices, cancelled checks, bank statements, etc.)

**How long with this process take; when can I expect to get the money?**

1. Applications will be reviewed as quickly as possible after all required documentation is received.

**Is assistance available for non-English speaking persons, limited English proficiency persons and persons with disabilities?**

1. Every reasonable effort to encourage the participation of minorities, non-English speaking persons, limited English proficiency persons and persons with disabilities will be made. Any individual requiring a reasonable accommodation in order to participate in the program should contact:  
[microgrant@sterling-heights.net](mailto:microgrant@sterling-heights.net)

**Why are marijuana based business ineligible for this grant?**

1. The program is funded with federal Community Development Block Grant funds. Since marijuana is still illegal according to federal law, federal funds may not be used to support those businesses.

If you have any other questions, please contact: [microgrant@sterling-heights.net](mailto:microgrant@sterling-heights.net)