

**RESOLUTION NO. 2020- 2109**

**A RESOLUTION AUTHORIZING THE CREATION OF THE CITY OF FREMONT CARES SMALL BUSINESS GRANT PROGRAM UTILIZING AN ALLOTMENT OF FUNDS TO PROVIDE UP TO \$5,000 IN GRANTS; CONSISTENT WITH THE REQUIREMENTS OF APPLICABLE LAWS AND REGULATIONS AND DECLARING AN EMERGENCY.**

**WHEREAS**, the Coronavirus Aid, Relief, and Economic Security Act, 116 Public Law 136, (the CARES Act) was signed into law by the President of the United States on March 27th, 2020; and

**WHEREAS**, the Ohio General Assembly established a process for distributing funds provided by the "Coronavirus Aid, Relief, and Economic Security Act" in Senate Bill 310 of the 133<sup>rd</sup> General Assembly (S.B. 310); and

**WHEREAS**, the City has established the City of Fremont CARES Small Business Relief Grant Program setting aside \$100,000 of funds to support small businesses in need; and

**WHEREAS**, all eligible Small Businesses can apply for up to \$5,000 in Grant Funds to be used for the reimbursement of certain Eligible Expenses, as defined in the Small Business Relief Program Guidelines attached as Exhibit A; and


**WHEREAS**, all Small Businesses must apply to be eligible, if applications exceed the amount of funding available for this program, all businesses that have met the requirements will be entered into a lottery to determine which businesses will receive funding; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FREMONT, STATE OF OHIO:**

**SECTION 1.** The CARES Small Business Relief Grant Program may be used for expenses incurred by businesses from the period of March 27, 2020 through December 1, 2020. Documentation for this program is available at [www.fremontohio.org](http://www.fremontohio.org).

**SECTION 2.** The immediate operation of the provisions of this resolution is necessary for the immediate preservation of the public peace, health, safety and welfare of the citizens of the City of Fremont. Said emergency being the need to have the program in place prior to October 1<sup>st</sup>, 2020.

This resolution, provided it receives a two-thirds yea or nay vote of all the members elected to the Fremont City Council, is hereby declared to be an emergency measure and this resolution shall be in full force and effect from and after its passage by the Council of the City of Fremont, approval by the Mayor, and publication and posting as required by law.


  
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Jamie Hafford  
President of Council

PASSED: 9-17-20

Effective date: 9-17-20


YEAS: 7      NAYS: 0

  
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Stephanie L. Martin, City Council Clerk

  
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Daniel R. Sanchez, Mayor

RES608

Approved as to form:

  
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James F. Melle, Director of Law  
City of Fremont, Ohio



## SMALL BUSINESS RELIEF PROGRAM

The Small Business Relief Program will provide City of Fremont small businesses with some monetary relief from business interruption costs caused by the COVID-19 pandemic. Eligible small businesses can apply for up to \$5,000 in Grant Funds to be used for the reimbursement of certain Eligible Expenses, as defined below. The City of Fremont will be utilizing \$100,000 of its CARES Act allotment for the first round of assistance.

For questions regarding the program, please email [fremontcares@fremontohio.org](mailto:fremontcares@fremontohio.org) or go to [www.fremontohio.org](http://www.fremontohio.org) and click the link for small business relief program.

### ELIGIBILITY REQUIREMENTS

In order to be eligible to apply for Grant Funds under the City of Fremont Small Business Relief Program, a business must meet the following criteria

1. Must be a for-profit entity with a location in Fremont, Ohio.
2. Have a Federal Taxpayer Identification Number or Social Security Number.
3. Have been operational since January of 2019. This can be evidenced, at a minimum, by: a) filing(s) with the Ohio Secretary of State, such as articles of incorporation or other registration documents along with an Ohio Secretary of State Certificate of Good Standing; b) an Ohio vendor's license; c) Federal Schedule C – Profit or Loss from Business (Sole Proprietorship); or any other documents that demonstrate that the business has been in operation as a for-profit entity since January 2019.
4. Have less than \$1 million in gross revenue/receipts on an annual basis. This can be evidenced by records such as the business' 2018 and 2019 federal income tax return or financial statements.
5. Must have experienced a decrease in gross revenue/receipts of 30% or more due to COVID-19 when comparing March 1 – April 30, 2019 revenue/receipts to revenue/receipts for March 1 - April 30, 2020. This can be evidenced by financial information/records, including, at a minimum, bank statements.
6. Have 30 or fewer employees or 1099 workers as of March 27, 2020. This can be demonstrated by forms such as 2019 Form W-3 (Transmittal of Wage and Tax Statement) or 2019 Form 1096 (Annual Summary and Transmittal of U.S. Information Returns) and payroll reports or checks that evidence number of workers as of March 27, 2020 or statement attesting/certifying that your business has no employees or 1099 workers.
7. An entity receiving or have been approved for other federal assistance for lost revenue or expenses arising from the pandemic, including Paycheck Protection Program, Emergency Disaster Loan must disclose that federal assistance and show that COVID-19 losses (an income gap) still exists.
8. An entity approved for business interruption insurance claim as a result of COVID-19 must disclose the insurance income and show that COVID losses (an income gap) still exists.
9. Business location in Fremont, Ohio and the grant funding will be used for expenses for that business. This can be evidenced by records such as a mortgage statement, utility bill, insurance premium statement and property tax bills.
10. Must be able to attest that it is in compliance with federal, state, or county and local requirements applicable to its type of business.
11. Must be able to must attest that it is current with all federal, state, county and local taxes and fees.

12. Must be able to attest that it is in good standing with all applicable government regulations related to building code or property maintenance issues.
13. Must be able to attest that it is not a nuisance property for police/fire/EMS calls.
14. Must be able to attest that it is not currently in bankruptcy.

#### **INELIGIBLE SMALL BUSINESSES**

A business is not eligible to apply for Grant Funds under the City of Fremont Small Business Relief Program if it primarily operates as one of the following:

1. Adult entertainment establishment
2. Bank, savings and loan or credit union
3. E-commerce only company
4. Liquor / wine store
5. Vaping store
6. Tobacco store
7. Cannabis dispensary
8. Franchised business not locally owned and independently operated

#### **ELIGIBLE EXPENSES**

Grant Funds provided by The City of Fremont's Small Business Relief Program can only be used to pay the expenses of the business: a) related to the costs of business interruption caused by required closures; or b) that the business faces due to its uncertainty as to its ability to pay due to the pandemic. Eligible expenses include, but are not limited to:

1. Mortgage costs. Mortgage costs for businesses that are located in or operated out of a personal residence are not an eligible expense.
2. Rent or lease costs. Rent or lease costs for businesses that are located in or operated out of a personal residence are not an eligible expense.
3. Expenses for utilities, such as electric, gas, sewer, water, trash removal. Utility costs for businesses that are located in or operated out of personal residence are not an eligible expense.
4. Materials and supplies related to interruption of the business caused by required closures.
5. Personal Protective Equipment or other COVID-19 related costs such as expenses related to compliance with Responsible RestartOhio.

If awarded, grant funds can be used to reimburse eligible expenses incurred from March 27, 2020 through December 1, 2020. Prior to December 8, 2020, the business shall submit a Small Business Relief Program Reimbursement Form along with all supporting documentation. Documentation shall be in the form of paid invoices and cancelled checks, bank statements or similar documentation showing payment of Eligible Expenses. If the business cannot properly substantiate its eligible expenses, the reimbursement will not be approved.

#### **INELIGIBLE EXPENSES**

1. Cost of vehicle or equipment leased or purchased after March 27, 2020, except if the purchase of equipment is to comply with Responsible RestartOhio.
2. Personal, non-business expenses of the business or its owner(s).
3. Salaries, wages or compensation paid to employees or 1099 workers.

4. Construction costs.
5. Any tax, license or fee obligations payable to any governmental entity.

## **PROCESS**

### **1. Application**

A business that is interested in participating in the program must fill out the application to determine if it meets all of the eligibility criteria set forth above. And submit all proper documentation as outlined in the eligibility requirements. A business can choose to apply for up to a \$5,000 grant. If awarded, all Grant funds can be used to reimburse Eligible Expenses incurred from March 27, 2020 through December 1, 2020. *Applications must be submitted no later than October 1, 2020 at 4:00 pm.*

Applications can be submitted via email or dropped off at Security at the Fremont Municipal Building during regular office hours. Due to the short application period, we do not recommend mailing the application.

- Email to [fremontcares@fremontohio.org](mailto:fremontcares@fremontohio.org)
- Drop off: Fremont Municipal Building, 323 S. Front St., Fremont, M-F 8:30 am to 4:00 pm.

### **2. Use of Lottery to Allocate Funding**

If applications exceed the amount of funding available for this program, all business that have met all of the eligibility criteria through the application will be entered into a lottery to determine which eligible businesses will receive funding.

### **3. Documentation Submission**

A business selected as a part of the lottery will require verification of all submitted documents by the City. The selected business must meet the eligibility requirements and confirming how the Grant funds will be spent. The business shall submit all required documentation within 7 calendar days of notification of lottery.

A team will review and verify the documents. If the submitted information and documents do not demonstrate that the business has met the eligibility criteria, the next business chosen in the lottery will be contacted to submit the required documentation.

### **4. Payment and Signed Agreement**

Once approved for a grant, the agreement must be signed within 7 calendar days. The agreement is available on the website at [www.fremontohio.org](http://www.fremontohio.org) and should be downloaded and submitted to the Mayor's Office. Payment will be via check from the Auditor's office.

### **5. Close Out Report**

Businesses are required to submit a final close out report, which is downloadable from the website. It is expected to include at minimum, jobs retained/created, proof of payment (paid invoices and cancelled

checks, bank statements, or other documentation showing proof of payment of Eligible Expenses), and a summary of the impact the funds had on the business and its operations.

## **FREQUENTLY ASKED QUESTIONS**

The City of Fremont Small Business Relief Program aims to provide direct relief to local businesses financially impacted by the COVID-19 health crisis. The grant program consists of up to \$5,000 grants meant to help those small businesses that were unable to secure any or an adequate level of federal assistance but still need financial help to retain employees and continue operations.

**Q: Why did you choose a lottery system rather than first come first serve? A.** Not every small business in the city of Fremont has a team of experts who can help them apply for assistance at a moment's notice. We realize that applicants may need more time to locate documents and pull their materials together in order to submit their application. A lottery ensures that all applicants who qualify have equal access to the grant funding.

**Q: When can I apply? A.** Applications will be accepted through October 1, 2020 at 4:00 pm.

**Q: I am a sole proprietor with no additional employees. Do I qualify for this fund? A.** Yes, provided that you meet the eligibility criteria. Eligibility criteria include being a locally-owned and operated for-profit business in the city of Fremont, under \$1 million in annual revenue and in business since January of 2019 with 30 or fewer employees or 1099 workers as of March 27, 2020, and a 30% reduction in revenue due to the COVID-19 impact.

**Q: Who should I contact for questions? A.** Please contact [fremontcares@fremontohio.org](mailto:fremontcares@fremontohio.org) for questions. Due to the interest in the program, responses may be delayed. Keep in mind the deadline of October 1, 2020 at 4:00 pm is final.

**Q: What is the typical size of grants awarded? A.** The grant award is up to \$5,000 and an entity should base their grant size on the amount necessary to replace lost revenues due to COVID-19 and the amount needed to maintain the business. The business will list how the grant funds were or will be spent in the application. If awarded a grant, the small business must show documentation that grant funds were spent on eligible expenses listed on the application at the end of the grant term. Documentation shall be in the form of paid invoices and canceled checks, bank statements, or similar documentation showing payment of Eligible Expenses. If the business cannot properly substantiate its eligible expenses, the business will be required to repay the undocumented grant funds.

**Q: When are documents required to be submitted for verification? A.** Once a business is selected they will be required to submit information and documents demonstrating that it meets the eligibility requirements and confirming how the Grant funds were or will be spent.

**Q: How will the funds be disbursed? A.** A check will be mailed or can be picked up. Once approved for a grant, the business must sign and return the Grant Agreement within 7 calendar days.

**Q: Are there any restrictions on the usage of the grant money? A.** The following expenses are not eligible:

1. Salaries, wages or compensation paid to employees or 1099 workers.
2. Cost of vehicle or equipment leased or purchased after March 27, 2020, except if the purchase of equipment is to comply with Responsible RestartOhio.
3. Personal, non-business expenses of the business or its owner(s).

4. Construction costs.
5. Any tax, license or fee obligations payable to any governmental entity.

**Q: How long do I have to use these funds? A.** Grant funding reimbursement as a part of this program must be spent by December 1, 2020. Grant funds can be used to reimburse for eligible expenses incurred from March 27, 2020 through December 1, 2020.

**Q: What Documentation is required to be submitted if I'm selected into the lottery? A.**

1. Have been operational since January of 2019. This can be evidenced, at a minimum, by: a) filing(s) with the Ohio Secretary of State, such as articles of incorporation or other registration documents along with an Ohio Secretary of State Certificate of Good Standing; b) an Ohio vendor's license; c) Federal Schedule C – Profit or Loss from Business (Sole Proprietorship); or any other documents that demonstrate that the business has been in operation as a for-profit entity since January 2019.
2. Have less than \$1 million in gross revenue/receipts on an annual basis. This can be evidenced by records such as the business' 2018 and 2019 federal income tax return or financial statements.
3. Must have experienced a decrease in gross revenue/receipts of 30% or more due to COVID-19 when comparing March 1 – April 30, 2019 revenue/receipts to revenue/receipts for March 1 - April 30, 2020. This can be evidenced by financial information/records, including, at a minimum, bank statements.
4. Have 30 or fewer employees or 1099 workers as of March 27, 2020. This can be demonstrated by forms such as 2019 Form W-3 (Transmittal of Wage and Tax Statement) or 2019 Form 1096 (Annual Summary and Transmittal of U.S. Information Returns) and payroll reports or checks that evidence the number of workers as of March 27, 2020 or statement attesting/certifying that your business has no employees or 1099 workers.
5. Business location in Fremont, Ohio and the grant funding will be used for expenses for that business. This can be evidenced by records such as a mortgage statement, utility bill, insurance premium statement and property tax bills.

**Q. Where do I get an Ohio Certificate of Good Standing? A.** Businesses must apply online at [https://cogs.ohiosos.gov/\(S\(uf5hkjncht1pk14yk551ifni\)\)/index.aspx](https://cogs.ohiosos.gov/(S(uf5hkjncht1pk14yk551ifni))/index.aspx) the State requires credit card payment of \$5 to process the request. The certificate is sent via email immediately.

**Q: Must a small business enter into a Grant Agreement for use of these funds? A.** the business must sign and return the Grant Agreement within 7 calendar days of receipt and provide appropriate contact and address.