

FOSTORIA CARES Small Business Relief Program

Information & Guidelines

December 4, 2020

The program provides grants to eligible businesses and non-profits with between 2 and 30 employees, hurt by the coronavirus, up to \$10,000 for eligible expenses. Eligible businesses with less than two employees are eligible for up to \$5,000.

For more information and access to FAQs, please visit: fostoriaohio.org/fostoria-cares

Other inquiries may be made via call or email to Renee Smith at Fostoria Economic Development, 419-435-7789, President@Fostoriaedc.org or to Sarah Stephens Krupp at Fostoria Area Chamber of Commerce, 419-435-0486, Sarah@FostoriaChamber.com

The application period will open Monday, January 4, 2021 at noon (9:00 a.m.) and close on Friday, January 15, 2021 at 5:00 p.m. All applications may be submitted online at: fostoriaohio.org/fostoria-cares
Paper applications will neither be available nor accepted.

A complete application includes, but is not limited to, the following information and documents:

- An itemization of expenses it intends to pay with the grant funds.
- The first page of its 2019 federal tax return, or 2018 return, if the 2019 is not available (IRS Form 1040, 1040-SR, 1065, 1120 or 1120-S). (Forms 1040 and 1040-SR must also include the full Schedule C.)
- A completed IRS Form W-9 ([obtain form](#)).
- Announcements of funding will be made on or before Friday, January 22, 2021. If there are more eligible requests than available funds, the winners will be drawn by lottery.
- Award winners will be sent a grant agreement and required to sign it before funds are disbursed via check.
- Grantees will be required to submit a close-out report on or before 120 days following the disbursement of funds. The report will include a listing of all business expenses paid using the grant funds along with supporting documentation.
- An audit may be performed on some or all grant recipients.

Guidelines

The following guidelines were developed Fostoria Economic Development Corporation and reviewed and agreed to by the City of Fostoria.

Award Amounts

- Businesses with between 2 and 30 employees are eligible for grants up to \$10,000.
- Businesses with less than 2 employees are eligible for grants up to \$5,000.

Eligibility Requirements

- The business can be either a for-profit or non-profit business.
- The business must have a federal tax identification number.
- The business must be located inside the city limits of Fostoria.
- The business must have a storefront or eligible home office.
- The business must be operational at time of application.

- The business must have between 2 and 30 employees. Employees are defined as those working more than 20 hours per week and provided a W-2 and/or 1099 at the end of the year and/or principal owner, sole proprietors, or partners.
- The business can be a sole proprietorship, partnership, corporation (S or C), limited liability company, limited partnership, limited liability partnership or a nonprofit corporation.
- The business must be current on all local, state, and federal tax obligations.
- The business must be compliant with all other local, state, and federal laws, regulations, and requirements.
- The business cannot be in bankruptcy or receivership.
- Businesses must attest that they have had at least a 20% decline in revenue.
- The business must have more than \$20,000 and less than \$2 million in gross revenue.
- Businesses cannot have received any business interruption insurance payments for coronavirus.

Ineligible Small Businesses

- Adult-oriented businesses.
- Businesses primarily selling tobacco products, cigarettes, electronic smoking products, or vapor products.
- Any financial institution that makes loans or issues credit (e.g., banks, savings and loans, credit unions).
- Franchised business not locally owned and independently operated.
- Entertainment device or skill game arcades.
- E-commerce only business.
- Independent contractors working on gig platforms (e.g., AirBnB, Uber).
- Commercial and residential real estate rental businesses, as well as real estate pass-through entities, real estate holding companies, and/or real estate investment trusts.

Eligible Expenses

All expenses must be related to the costs of business interruption caused by required closures or that the business faces uncertainty as to its ability to pay due to the pandemic, and that are deductible as ordinary and necessary business expenses under the US Internal Revenue Code. Any expenses already funded by a Paycheck Protection Program Loan or Economic Injury Disaster Loan are not eligible. They include the following:

- Mortgage payments for principal places of business; permanent residences excluded.
- Rent or lease payments for principal places of business; permanent residences excluded.
- Utility payments (electric, gas, sewer, water, trash removal) for the business's principal place of business.
- Vehicle and equipment lease or rental payments for personal property acquired on or prior to March 15, 2020.
- Salaries or wages of all employees employed by the business.
- Personal Protective Equipment (PPE) or other COVID-19 expenses related to compliance with Responsible Restart Ohio.
- Other costs related to interruption of the business caused by required closures, including the closure of the business's suppliers and/or customers.
- A portion of the lost sole-proprietor income. (If the sole proprietor filed IRS Form 1040 and Schedule C thereto for tax year 2019, then the sole proprietor can use the grant funds to pay the sole proprietor the equivalent of up to 1/6 of the net profit reported by the sole proprietor on line 31 of the applicable Schedule C.)
- All expenses reported as being paid using FOSTORIA CARES funding must be incurred by the business or paid by the business on or after March 15, 2020, and on or before December 30, 2020.
- Please note that the eligible expenses set forth constitute, to the best of the City of Fostoria and Fostoria Economic Development's knowledge and understanding, eligible expenses for which funds can be used under Section 5001 of the CARES Act, and the business cannot use grant funds it receives for purposes other than those set forth above.

Ineligible Expenses

Only those expenses described under Eligible Expenses are eligible. For the sake of emphasis and clarity, the following types of expenses are specifically listed as being ineligible. This list is by no means exhaustive.

- No vehicles or equipment leased after March 15, 2020 may be included, unless that vehicle was purchased for the express purpose of complying with Responsible Restart Ohio.
- Personal, non-business expenses of business or owner.
- Construction costs.
- Any tax, license, or fee obligations to any government entity.
- Marketing, insurance, advertising.
- Expenses already covered or paid for by other federal funding sources (e.g., Paycheck Protection Program loan, Economic Injury Disaster Loan).

APPLICATION FORM

The application can be accessed at fostoriaohio.org/fostoria-cares and will ask for the following information and ask the following questions:

1. ELIGIBILITY

- Is your business located within the City of Fostoria?
 - The business must be located within the City of Fostoria.
- Does your business have a storefront or eligible home office?
 - Home offices are eligible if they meet the IRS tests of regular and exclusive use and/or principal place of business. See [IRS website](#) for more information.
- Was your business established prior to January 1, 2019?
 - If you are unsure about when exactly your business was established, please check the filing date with the Ohio Secretary of State [business search](#) website.
- Is your business currently operational?
 - Businesses that have not reopened are not eligible for the grant program.
- How many employees did your business have on March 15, 2020?
 - Employees are defined as those working more than 20 hours per week and provided a W-2 and/or 1099 at the end of the year and/or principal owner, sole proprietors, or partners.
- What is the legal form of your business?
 - Acceptable business forms include sole proprietorship, partnership, corporation (S or C), limited liability company, limited partnership, limited liability partnership or nonprofit corporation. 1099 employees without a registered business are not eligible.
- Is your business current on all local, state, and federal tax obligations?
- Is your business compliant with all other local, state, and federal laws, regulations, and requirements?
- Is your business in bankruptcy or receivership?
- Has your business experienced at least a 20 percent decline in revenue due to the coronavirus pandemic?
- Is the 2019 gross revenue of your business between \$20,000 and \$2 million?
- Has your business received any business interruption insurance payments for coronavirus?
- Is your business one of the following?
 - Adult-oriented business.
 - Business primarily selling tobacco products, cigarettes, electronic smoking products, or vapor products.
 - Any financial institution that makes loans or issues credit (e.g., banks, savings and loans, credit unions).

- Franchised business not locally owned and independently operated.
- Entertainment device or skill game arcades.
- E-commerce only business.
- Independent contractor working on gig platforms (e.g., AirBnB, Uber).
- Real estate pass-through, holding company, and/or investment trust.
- Commercial and residential real estate rental business, real estate pass-through entity, real estate holding company, and/or real estate investment trusts.

2. GENERAL INFORMATION

- Name of Business
- Street Address
- Apt/Suite
- City
- State
- Zip
- Mailing Address (if different)
 - Street
 - City
 - State
 - Zip Code
- Business Owners
- Contact Person Information
- Contact Name
- Contact Phone
- Contact Email
- Business Federal Tax ID Number
- Enter North American Industry Classification System (NAICS) # for your business:
 - Find using search at <https://www.naics.com>

3. FUNDING & EXPENSES

Then, the applicant proceeds to fill out the Funding & Expenses section.

- Summarize the financial and operation impacts COVID-19 has had on your business.
- How much funding are you requesting (\$10,000 maximum, \$5,000 maximum if less than 2 employees)?
- Please check all that apply on how the grant funds will be used. Documentation to demonstrate proof of payment for use of these funds will be required at closeout.
 - Mortgage payments for principal places of business; permanent residences excluded.
 - Rent or lease payments for principal places of business; permanent residences excluded.
 - Utility payments (electric, gas, sewer, water, trash removal) for the business's principal place of business.
 - Vehicle and equipment lease or rental payments for personal property acquired on or prior to March 15, 2020.
 - Salaries or wages of all employees employed by the business.
 - Personal Protective Equipment (PPE) or other COVID-19 expenses related to compliance with Responsible Restart Ohio.
 - Other costs related to interruption of the business caused by required closures, including the closure of the business's suppliers and/or customers.
 - A portion of the lost sole-proprietor income.

- By checking this box, I hereby attest that none of these expenses have already been covered or paid for by other federal funding sources (e.g., Paycheck Protection Program loan, Economic Injury Disaster Loan).

4. SUPPORTING DOCUMENTS

Please note that without these documents, an application is not considered complete and will not be considered.

- The first page of its 2019 federal tax return, or 2018 return, if the 2019 is not available (IRS Form 1040, 1040-SR, 1065, 1120 or 1120-S). (Forms 1040 and 1040-SR must also include the full Schedule C.)
- A completed, signed and dated IRS Form W-9.

5. APPLICANT STATEMENT & SIGNATURE

By checking this box, I hereby attest that the information on this form is complete and accurate.

By checking this box, I hereby acknowledge that I may be audited and required to supply additional documentation to validate any of the information contained herein.

Signature & Date

The applicant will receive notification that their application has been submitted along with next steps.

The application will be reviewed and deemed Eligible for Funding or Declined if ineligible.

Award Notification, Grant Agreement, and Disbursement of Funds

- All eligible and complete applications submitted prior to 5:00 PM on Friday, January 15, 2021 will be awarded funding unless the funding requests exceed available funding. If there are more applications than available funding, a lottery will be held to select those awarded funding.
- Announcements of funding will be made on or before Friday, January 22, 2021. If there are more eligible requests than available funds, the winners will be drawn by lottery.
- Award winners will be sent a grant agreement and required to sign it before funds are disbursed via check.

Close Out Report and Audit

- Grantees will be required to submit a close-out report on or before 120 days following the disbursement of funds. The report will include a listing of all business expenses paid using the grant funds along with supporting documentation.
- An audit may be performed on some or all of the grant recipients.