

Eligibility & Ineligibility Guidelines are subject to final approval by the Commonwealth of Pennsylvania and regulations of the CARES Act.

Revised: 8. 7. 20

Program Eligibility

1. Grants of up to \$35,000 are available for small businesses and nonprofit organizations that have been negatively affected by the COVID-19 pandemic and related statewide business closure. Funding tiers are listed below.
2. Grants are available only for businesses with annual revenues (prior to March 1, 2020) of \$3 million or less and have 50 or fewer full-time equivalent employees (FTEs), or for restaurants that have 75 or fewer FTEs. (Revenues are based on the IRS tax form definition: Gross Sales (less any returns and allowances) as reported on Line 1.c. on both the 1120 (corporate return), 1120S (S-Corp return), and on IRS Schedule C for single member LLC's and sole proprietorships, Line 3.
3. Grants are available only for nonprofits with annual expenses (prior to March 1, 2020) of \$3 million or less and have 75 or fewer full-time equivalent employees (FTEs). Nonprofits must be incorporated as a 501c3, or 501c19.
4. Eligible applicants must operate in York County, Pennsylvania and must file a Pennsylvania tax return, in the case of nonprofit organizations they will be required to submit their most recent 990.
5. Eligible applicants may be structured as C-corporations, S-corporations, limited liability corporations, partnerships, sole proprietors, independent contractors or self-employed individuals.
6. Applicants must have must have been in operation as of February 15, 2020.
7. Applicants must currently be operating or have a clear plan to re-open once the Commonwealth permits partial or full re-opening.

Small Businesses

- Grants for York County-based small businesses with annual revenues up to \$3 million and with 50 or fewer full-time equivalent employees.
- Grants for York County based restaurants with fewer than 75 full-time equivalent employees.
- Grants will be up to \$35,000, based on annual business revenues.
- We anticipate supporting approximately 500-600 businesses – with an average grant of \$15,000.
- YCEA and Community First Fund will provide application guidance, including training and guidance for business owners as they stabilize and relaunch their businesses.
- Eligible uses for COVID-19 expenses as defined by CARES Act Title V (including but not limited to working capital, payroll, utilities, and special materials and equipment to comply with state requirements).
- Priority will be given to historically disadvantaged business owners and low-income business owners
- Priority will be awarded to businesses with NAICS codes for tourism, retail, food and hospitality, and personal care (beauty/nail salons, spas and barbershops).

- Priority also will be given to businesses that did not receive any additional government relief support funding, for example: SBA Payroll Protection Program, other SBA Disaster/Emergency Funds, PA COVID-19 Working Capital Access program, or City of York COVID-19 relief program.
- Priority also will be given to businesses that were required to fully or partially close during the state-mandated shut-down and businesses that incurred significant loss of revenue due to closing.

Nonprofit Organizations

- Grants for York County-based nonprofit organizations with annual revenues of less than \$3 million and with 75 or fewer full-time equivalent employees.
- We anticipate supporting 300-400 nonprofit organizations – with an average grant of \$15,000.
- Priority will be given to nonprofit organizations who provide services where at least 25% of program revenues are derived from the following services: food security, housing security, childcare, and rapid reemployment.
- Nonprofits must be incorporated as a 501c3 or 501c19, and will be required to submit the most recent 990.
- Priority also will be given to nonprofit organizations that did not receive any additional government support funding, for example: SBA Payroll Protection Program, other SBA Disaster/Emergency Funds.
- Eligible uses for COVID-19 expenses as defined by CARES Act Title V (including but not limited to working capital, payroll, utilities, and special materials and equipment to comply with state requirements).

Eligible Use of Funds

1. Payroll costs, costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums.
2. Working capital for the purpose of paying mortgage principal and interest payments (but not mortgage prepayments); and principal and interest payments on any other debt obligations that were incurred before February 15, 2020.
3. Rent payments, utility payments.
4. Working capital for the purpose of covering the costs of re-opening business operations after being fully or partially closed due to the state-mandated business closure period commencing March 2020, as long as the expense was incurred do to COVID-19.
5. Any expenses (costs) incurred related to the expense of implementing COVID-19, including but not limited to specialized equipment, barriers, PPE's, and employee training expense to ensure compliance with state and federal CDC guidelines for reopening.
6. Any Covid-19 related expenses not already paid for with other relief measures such as state grants or loans, US SBA Paycheck Protection Loans, local or regional grant and/or loan programs

Applicants will be required to self-certify adherence to the following:

If you use grant funds for unauthorized purposes, the PA DCED will direct you to repay those amounts. If you knowingly use the funds for unauthorized purposes, you will be subject to additional liability such as charges for fraud. If one of your shareholders, members, or partners uses grant funds for unauthorized

purposes, DCED will have recourse against the shareholder, member, or partner for the unauthorized use.

Ineligible Businesses and Nonprofits

1. Businesses or nonprofits that do not have a physical location in York County, Pennsylvania
2. Businesses or nonprofits that are in active default (not on a payment plan) with taxes or fees owed to the federal government or Commonwealth
3. Religious Institutions that do not have a program focus of at least 25% of total revenues supporting food security, housing security, childcare or rapid reemployment services.
4. Businesses or nonprofits engaged in any activity that is illegal under Federal, state, or local law
5. Businesses owned or controlled by any owner that has ever obtained a direct or guaranteed loan from the State of Pennsylvania or any federal agency that is currently delinquent or has defaulted within the last seven years and caused a loss to the government.
6. Financial businesses primarily engaged in the business of lending, such as banks and finance companies.
7. Passive real estate companies and investors who file a Schedule E on their personal tax returns are not eligible. Real estate businesses in which the majority (>51%) of their income is rental income are also not eligible
8. Life insurance companies
9. Private clubs and businesses which limit the number of memberships for reasons other than capacity
10. Government-owned entities or elected official offices
11. Businesses or nonprofits that spend more than 51% of their budgeted expenses engaged in political or lobbying activities
12. Businesses or nonprofits engaged in any illegal activity, socially undesirable or those that may be considered predatory in nature, such as pawnshops, rent to own, check cashing businesses and adult bookstores
13. Based on federal funding guidelines, a business is ineligible if the owner of 20 percent or more of the equity of the applicant is incarcerated, on probation, on parole; presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; or has been convicted of a felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance within the last five years or any other felony within the last year