

REBUILD BERKS BERKS COUNTY SMALL BUSINESS NEW START GRANT PROGRAM



PROGRAM ELIGIBILITY AND CRITERIA

Program Eligibility

1. Grants of \$10,000 to \$50,000 are available for small businesses that have been negatively affected by the COVID-19 pandemic and related statewide business closure.
2. Grants are available for businesses annual revenues (prior to March 1, 2020) of \$3 million or less and have 50 or fewer full-time employees (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), on IRS Schedule C for single member LLC's and sole proprietorships, Line 3 and on IRS form 1065 line 1c for partnerships.
3. Eligible businesses must have a primary physical operation in Berks County and have at least 51% of gross annual revenues generated in Pennsylvania. Applicants must file a Pennsylvania tax return. Applicants will self-certify that 51% or more of revenues are generated in PA.
4. Eligible businesses may be structured as C-corporations, S-corporations, limited liability corporations, partnerships, sole proprietors, independent contractors or self-employed individuals.
5. Businesses must have been in operation as of February 15, 2020.
6. Businesses must certify that their business is currently operating or has a clear plan to fully re-open once all Commonwealth COVID-19 related operating restrictions are lifted.
7. Applicants must certify that they will use the funds only for COVID-19 related expenses incurred no earlier than March 1, 2020 and no later than December 31, 2020. Applicants also will certify that they have not received "duplication of benefits" from any other CARES Act funding.

Eligible Use of Funds

Eligible costs are only those costs incurred due to the COVID-19 pandemic including state-mandated business closures and/or business operation restrictions. Costs must have been incurred no earlier than March 1, 2020 and no later than December 31, 2020.

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 established 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, or other state-mandated business operating restrictions, 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, PDE's, and employee training expense to ensure compliance with state and federal CDC guidelines for reopening.

6. US CARES Act funding requires that no “person, business concern or other entity” will receive duplicative assistance. Therefore, any COVID-19 related expenses must not have been already paid with other relief measures and will not be paid with other CARES Act relief measures such as state grants or loans, US SBA Paycheck Protection Loans, PA COVID-19 Statewide Small Business Assistance grants, or other local or regional CARES Act grant and/or loan programs. Applicants will certify that grant funds from the Berks County Small Business New Start Grant will not be used for the same purpose as funds received in prior CARES Act relief programs.

Grant Amounts

The Berks County Small Business New Start Grant Categories Owners of multiple businesses will be considered for only one grant.		
Restart Program	Eligible Businesses	Amount available per business (up to)
Micro Business grant	Annual revenue up to \$75,000	\$10,000 grant
Micro Business grant	Annual revenue \$75,001 - \$100,000	\$15,000 grant
Micro Business grant	Annual revenue \$100,001 - \$250,000	\$20,000 grant
Small Business grant	Annual revenue \$250,001 - \$500,000	\$25,000 grant
Small Business grant	Annual revenue \$500,001 - \$750,000	\$30,000 grant
Small Business grant	Annual revenue \$750,001 - \$850,000	\$35,000 grant
Small business grant	Annual revenue \$850,001 - \$1,000,000	\$40,000 grant
Small business grant	Annual revenue \$1,000,001 - \$3,000,000	\$50,000 grant

Program Priorities

Primary Priority will be given to:

1. Businesses owned and operated by low and moderate income business owners. Low and moderate income business owners are defined as those with a total household income of 80% or less than the county Median Family Income, based on the US Census Bureau’s 2018 American Community Survey (2018 ACS) or HUD 80% of Median Household Income.
2. Businesses located in disadvantaged areas defined as U.S. CDFI Fund Investment Areas including those located in communities experiencing higher than average poverty rates, lower income (less than 80% of area median), higher than average unemployment rates and/or high population loss.
3. Certain industry sectors including businesses with NAICS codes for restaurants, hospitality, and tourism, retail, health and wellness, and personal care (beauty/nail salons, spas, and barbershops).

4. Businesses impacted the most financially, based on gross revenue losses.
5. Businesses owned and operated 51% or more by women, disabled individuals and US Veterans. Veteran-owned businesses as defined by the US Small Business Administration are small businesses owned and controlled by one or more of the following groups: veteran, active-duty military in TAP, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service, or a service connected disability.
6. Priority also will be given to businesses that did not receive any additional support funding, for example: Berks County Small Business Restart Grant, PA COVID-19 Statewide Small Business Assistance or City of Reading COVID-19 relief program.

Awards will be based on scoring these priority criteria and geographic dispersion of the funds among the municipalities of Berks County. Note: In the event that demand for grants from businesses meeting the prioritization criteria significantly exceeds available funding, a lottery or similar system may be used.

Ineligible Businesses

1. Businesses that are not physically based in Berks County.
2. Businesses that are in active default (not on a payment plan) with taxes or fees owed to the federal government or Commonwealth.
3. Businesses engaged in any activity that is illegal under Federal, state, or local law.
4. 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.
5. Nonprofit organizations, including churches and other religious institutions
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 that spend more than 51% of their budgeted expenses engaged in political or lobbying activities
12. Businesses 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.