

CITY OF SCRANTON

SMALL BUSINESS RELIEF PROGRAM

POWERED BY



Mayor Paige G. Cagnetti and the City of Scranton announce a \$560,000.00 Small Business Relief Program to provide vital economic support to Scranton's Small Businesses needing assistance in overcoming the temporary loss of revenue due to COVID-19. The City of Scranton will provide two opportunities for businesses:

- \$275,000 - for grants of \$2,500 for qualifying for profit small businesses.
- \$285,000 - for loans of \$3,000 to \$20,000 for qualifying for profit small businesses.
- The City of Scranton will begin accepting applications on June 8, 2020 for grants @ www.scrantonpa.gov
- Once eligibility is established, this is first-come, first-serve until the funds are exhausted.

Through the Scranton City Small Business Relief Program, we're supporting small businesses across Scranton that are suffering because of COVID-19 and the significant impacts it has had on our community. We reached out to city business organizations to develop this program and to fill critical gaps for small companies. The City is committed to supporting our local economy through this uncertain time.

Process and Eligibility Fact Sheet

Relief Program	Eligible Business	Amount available per Business	What you'll need to apply	Loan Terms
Small Business Relief Grant	*Locally owned; non-franchised, for profit business within City limits, *Annual revenue up to \$1 million *No minimum number of employees	*Grants of \$2,500	<ul style="list-style-type: none"> ▪ Most recent tax return (2018 or 2019) ▪ Completion of online grant application form. *Completion of Grant Agreement 	NA
Small Business Relief Loan	*Locally owned; non-franchised business within City limits, *Annual revenue up to \$3 million *No minimum number of employees	*Loans of \$3,000 - \$20,000; final amount determined by review committee	<ul style="list-style-type: none"> ▪ Most recent tax return (2018 or 2019) ▪ Business debt schedule ▪ Estimation of percentage of business operations impacted due to COVID-19 disruptions ▪ Completion of online loan application form and online personal financial statement form, *Completion of Loan Agreement/Closing Docs 	<i>Offered as up to two-year term loan (0% interest year 1, 1% interest year 2, if needed). Payments are deferred for six months, and fixed principal and interest payments will be due after initial deferral. Loan may be repaid early without penalty.</i>

City of Scranton Small Business Emergency Fund Grant Process and Eligibility

How applications are evaluated:

Applications for grants will open on June 8, 2020. Link for applications will be posted on this website when available.

This Fund is intended to support an inclusive and diverse small business environment within the City of Scranton. Total available capital of \$275,000 will be distributed as grants. For-profit businesses with up to \$1 million in annual revenue may apply for a Grant. Once eligibility is established, this is first-come, first-serve fund. **Only complete applications will be processed.**

All grant applications will be equitably considered based on the following requirements:

- Business was established in the City of Scranton by January 1, 2020.
- Locally owned, for-profit and non-franchised.
- Applicant certifies that business owner and affiliated business entities are not delinquent with regards to all city taxes, real-estate taxes, false alarm bills, refuse fees, licensing and permit fees and other city fees or permits.
- Business must be sustainable if these funds are received:
 - Was profitable prior to impacts of COVID-19 and presents longevity.
- No minimum number of employees required; sole proprietorships eligible.
- No application or processing fees.
- Once eligibility is established, this is a first-come, first-serve fund until funds are exhausted.

Uses of grant funds are permitted for:

- COVID-19 mitigation efforts to open
- Restocking inventory
- Working capital
- Payroll
- Utilities
- Taxes
- Rent/mortgage
- Other (must be approved by City)

Additional information requested:

- Indication of percent of business operations impacted by COVID-19 disruptions

- Number of employees pre-shutdown
- Business sector
- Business will be asked to participate in a project data collection, which will include, but not be limited to, number of employees retained, use of funding, other federal, state or local funding received related to COVID- 19 recovery.

*Business will be required to provide documentation of expenditures of grant funding to show compliance with permitted uses.

*If you are awarded a Grant through this process, you may be required to provide either your quarterly estimated tax filings or your annual tax filings at a later date. Additionally, use of Grant funds must be submitted to the City within 60 days of receiving a Grant.

*Failure to use the Grant funds as specified in this application and in Grant agreement will result in repayment to the City.

* Businesses that receive Small Business Relief Grant funding will still be eligible for a Small Business Relief Loan.

*The University of Scranton Small Business Development Center (SBDC) offers services at no cost to assist small businesses responding to the COVID-19 crisis. Professional Business Consultants are available to help for-profit small businesses with individual meetings at no cost by phone or real-time video conferencing. They can offer guidance with preparing loan applications, recordkeeping and loan management strategies, and addressing cash flow problems; help find answers to questions; and provide tips for reopening and rethinking your small business. If you are interesting in talking with an SBDC Business Consultant, please call Donna Simpson at 570-941-4176 or e-mail donna.simpson@scranton.edu. You may also visit www.scrantonsbdc.com for more information.

Questions call:
(570) 348- 4216

City of Scranton Business Emergency Fund Loan Process and Eligibility

How applications are evaluated:

Link for applications will be posted on this website when available.

This fund is intended to support an inclusive and diverse small business environment within Scranton.

Total available funding of \$285,000.00 to be distributed as loans. Businesses with up to \$3 million in annual revenue may apply for a loan. Applications will be processed on a first-come, first-serve basis. Applications will only be considered once complete. Incomplete applications will not be considered.

All applications will be equitably considered based on the following requirements:

- Business was established in the City of Scranton by January 1, 2020.
- Locally-owned and non-franchised.
- Business is sustainable if these funds are received:
 - Debt schedule reflects a 1:1 debt ratio to cash flow
 - Evaluation of financial information will be conducted by NEPA Alliance (see below)
- Applicant certifies that business owner and affiliated business entities are not delinquent with regards to all city taxes, real-estate taxes, false alarm bills, refuse fees, licensing and permit fees and other city fees or permits.
- No collateral requirements.
- No application or processing fees.
- No minimum number of employees required. sole proprietorships eligible.
- Once eligibility is established, this is first-come, first-serve fund until funds are exhausted.

Uses of loan funds are permitted for:

- COVID-19 mitigation efforts to open
- Restocking inventory
- Working capital
- Payroll
- Utilities
- Taxes
- Rent/mortgage
- Other (must be approved by City)

Additional information requested:

- Indication of percent of business operations impacted by COVID-19 disruptions.

- Number of employees pre-shutdown.
- Business sector.
- Business will be asked to participate in a project survey.
- Business will be asked to participate in a project data collection, which will include, but is not limited to, number of employees retained, use of funding, other federal, state or local funding received related to COVID 19 recovery.

*If you are awarded a loan through this process, you may be required to provide either your quarterly estimated tax filings or your annual tax filings at a later date.

*Funding for this program is through the U.S. Economic Development Administration (EDA). If the awardee has received other federal funding, such as the Payroll Protection Program (PPP), the awardee must maintain separate accounting and duplication of expenses is not permitted (i.e., if payroll and rent are paid with PPP, utilities can be paid with the Small Business Relief Loan funding).

*Business will be required to provide documentation of expenditures of loan funding to show compliance with permitted uses.

*Failure to use the loan funds as specified in this application and in loan agreement will result in repayment to the City.

*The Review Committee reserves the right to add further priorities or change eligibility criteria based upon applicant pool.

*Questions? If you need assistance completing the application or have questions as you prepare the Loan Application contact NEPA Alliance | 717-393-2351 | www.CommunityFirstFund.org

*Customer Service at OECD –
(570) 348- 4216

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**APPLICATION REVIEW PROCESS
(for applicants' usage)**

Phase 1	Complete application received by the Review Committee	(1) Most recent tax return (2018 or 2019)	(2) Business debt schedule	(3) Completion of online loan application form and online personal financial statement form
Phase 2	Business meets requirements	(1) Business was established in the City of Scranton by January 1, 2020	(2) Locally owned and non-franchised	(3) Business owner and affiliated business entities are not delinquent with regards to all City taxes, real-estate taxes, false alarm bills, refuse fees, licensing and permit fees and other city fees or permits
Phase 3	Eligible business applications undergo financial analysis by NEPA Alliance	(1) Annual revenue does not exceed \$3 million	(2) Debt schedule shows 1:1 debt ratio to cash flows	(3) Business is sustainable if funds are received (Was profitable prior to impacts of COVID-19 and presents longevity)
Phase 4	Final review	<i>Expected timeframe: review is completed approximately 5-7 business days from date of application receipt</i>		
Phase 5	Completion of Loan Agreement and Closing Documents	<i>Expected timeframe: funds are awarded approximately 10-14 business days from date of application receipt</i>		