



# McKinney/Collin County Small Business Grant Program

Teams from Allen, Frisco and McKinney have been collaborating to develop small business grant programs that are substantially similar in scope and disbursement. This tri-city collaboration is designed to help minimize the economic hardships experienced by Collin County businesses as a result of COVID-19. Below is a description of the City of McKinney program.

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**McKinney is launching the McKinney/Collin County Small Business Grant Program (McKinney/Collin SBGP) for businesses physically operating within the incorporated areas of the City of McKinney. The goal of this program is to help the businesses that have been negatively impacted and suffered economic hardship through business closures due to COVID-19.**

**If you still have questions after reading the information below, please email questions to [ntxsmallbiz@ndconline.org](mailto:ntxsmallbiz@ndconline.org) or call toll-free 1-833-696-0804 from 8 a.m. to 5 p.m. Monday through Friday.**

The City of McKinney is launching a Small Business Grant Program at noon on Wednesday, June 24, 2020, through noon Wednesday, July 8, 2020, to provide grants to businesses located in the incorporated areas of the City of McKinney who were negatively affected and suffered economic hardship due to business closure during the COVID-19 pandemic.

McKinney/Collin SBGP for-profit businesses with physical operations (Storefront/Office) located in incorporated boundaries of the City of McKinney with 100 or fewer employees (excluding ineligible entities listed below) are eligible to apply.

The eligible amount of the grant is the lesser of \$25,000 (the “Maximum Grant Award defined below) or a maximum grant calculated to include three months of *estimated expenses\** for payroll and fixed costs from March 1, 2020 to May 31, 2020.

\*The applicant will provide the following information to determine the estimated expenses:

- Applicants are required to provide supporting information on monthly payroll and fixed costs for first quarter of 2020 (form 941) - including gross payroll, retirement costs and health insurance costs. Sole proprietors can determine their average monthly amount using Schedule C net income divided by twelve (must have a net profit).
- Applicants are required to provide supporting information on fixed costs for January and February of 2020 (rent, lease or mortgage payment for real and business property that is paid to an unaffiliated/unrelated third party, utilities, and property/general liability insurance excluding costs of your personal residence). A pre-COVID monthly average will be applied to arrive at a reasonable estimate of fixed costs up to three months.

The funds allocated to the City of McKinney for the McKinney/Collin SBGP are provided by Collin County from the United States Federal Government CARES Act. Collin County is allocating these federal funds to all Collin County cities to be used by cities for reimbursement for COVID-19 related expenses.

### **General Information**

**Maximum Grant Award (up to): \$25,000**

Individual grants will be awarded based on such factors as need, eligibility, number of employees, loss due to full/partial shutdown, being closed during the COVID-19 pandemic and availability of funds.

### **Eligibility**

- Business started before March 1, 2019.
- 100 Employees or fewer per business location.
- No more than \$15 Million in Gross Annual Revenue per business location.
- If an owner has more than one business, the owner is eligible to apply for up to three businesses within McKinney city limits. Ownership defined as 20% or more. The application must include a disclosure of all 20% or more owners.

- Applications and required documentation will be reviewed and scored by a third-party administrator in accordance with these McKinney/Collin SBGP Program Guidelines.
- The applicant will receive an email indicating McKinney/Collin SBGP approval or denial or did not meet qualifications.
- Electronic Fund Transfers will be issued to qualifying applicants by the third-party administrator.
- Applicant must have no outstanding Municipal or Collin County tax liens or judgments.
- The application period will be open from noon on Wednesday, June 24, 2020, through noon Wednesday, July 8, 2020.
- A business receiving grant funding may be notified via email beginning the week of July 20<sup>th</sup> with funds to follow thereafter.
- The City of McKinney is a governmental body subject to the Texas Public Information Act (the “Act”). Information submitted by businesses to the third-party administrator or the City of McKinney for the McKinney/Collin SBGP as part of the application process may be subject to the Act and, therefore, subject to public release.
- Elected City officials, City Employees and any relation within the second degree by consanguinity or the second degree by affinity to any member of the city council, and city employees are not eligible to receive grant funds.

### **Application process includes**

- Good Faith Certification as to truth and accuracy of submitted information/documentation and that the grant request is necessary due to conditions caused by COVID-19.
- Unsworn Declaration of Owner as part of the online application process.

### **Types of businesses:**

- Corporation
- Individual
- Sole proprietorship
- Single-member limited liability company (LLC)
- LLC treated as a partnership
- LLC – C corporation
- LLC – S corporation

- Partnership
- Franchise

### **Eligible Uses of Grant Proceeds**

- Payroll costs for employees or owners draw (sole proprietors/partners)
- Contract labor
- Supplier payments
- Rent, lease or interest on mortgage payment for real property used for business purposes, like storefront or warehouse, excluding personal residence
- Rent, lease or purchase payment for business property (e.g., delivery vehicle, food truck, kitchen equipment, furniture, technology, payment, and communications systems and equipment)
- Insurance (Health, Payroll, Property/General Liability)
- New or expanded technology applications and Wi-Fi services
- Utility payments to include municipal utilities (water, sewer, trash) for business properties, excluding personal residence
- Cost of critical business operations (raw materials, marketing expenses, etc. payments)
- PPE and sanitation supplies and equipment
- Interest on other business debt obligations incurred before March 1, 2020, excluding personal residence

### **Documents Required**

Documentation of business (Choose one of the following)

- Secretary of State Texas File number
- State of Texas License number
- DBA (doing business as filing)
- 2018 or 2019 tax return (return only, schedules not required)
- Social Security Number
- Employer Identification Number or Individual Taxpayer Identification Number,
- Certificate of Filing
- If sole proprietor, please provide documentation on when you started your business. Ex. Include Occupational license, Sales Tax Certificate

ALL of the following documentation is required, if applicable

- Driver License or state-issued ID
- Most recent filed business tax return (return only, schedules not required)
- 1<sup>st</sup> QTR 941 for 2020
- Signed month-by-month January 1, 2020 through May 31, 2020 P&L Statement
- Bank Statements for the following five months – January to May 2020
- For Sole Proprietor, applicants provide 2018 or 2019 Schedule C
- Form W-9
- Documentation of fixed expenses, rent, lease or mortgage payment for real and business property that is paid to an unaffiliated/unrelated third party, utilities, and property/general liability insurance excluding cost of your personal residence
- PPP or EIDL grant agreement or promissory note (if applicable)
- Each business will be required, as part of the application process, to attest that they are not an “Ineligible Business” as listed below and to provide other certifications as necessary

### **Ineligible Businesses**

- Non-Profits
- Non-Storefront & Home-Based Businesses
- Corporate-owned franchises
- Sexually/Adult-Oriented Businesses
- Lobbying organizations and political organizations subject to Internal Revenue Code 527
- Gambling Concerns, including casinos, racing operations or other activities whose purpose involves gambling
- Concerns engaged in illegal activities under federal, state or local laws
- A business that is otherwise prohibited by federal or Texas law
- A business that is ineligible or precluded to receive federal or State of Texas funding due to federal laws (including but not limited to the CARES Act) or Texas laws
- Multi-level marketing concerns
- Governmental/taxing agencies/departments
- Businesses in default or arrearage on past or current federal or state financing or funding programs
- Businesses involved or affiliated with personal or corporate indictment, arraignment or conviction of criminal offenses