



CITY OF BANNING

SMALL BUSINESS GRANT

PROGRAM

POLICIES & PROCEDURES

Table of Contents

A. OVERVIEW	3
B. BUSINESS ELIGIBILITY	3
C. REQUIRED DOCUMENTATION.....	4
D. INELIGIBLE BUSINESSES.....	4
E. ELIGIBLE USE OF FUNDS – BUSINESS EXPENSES.....	4
F. ELIGIBLE USE OF FUNDS – PREMIUM PAY	5
G. INELIGIBLE USE OF FUNDS.....	5
H. VERIFYING ELIGIBILITY	5
J. MONITORING.....	6

I. PROGRAM GUIDELINES

A. OVERVIEW

The purpose of the City of Banning (City) Small Business Grant Program (Program) is to address the negative economic impacts of the COVID-19 pandemic on eligible businesses. To submit a request, please visit the City's website: <https://tinyurl.com/CityBanningSmBusGrant>

The Program offers one-time grants of up to \$10,000 to eligible businesses. Grant funds may be used to:

- Mitigate financial hardships caused by the COVID-19 pandemic (e.g., declines in revenue, costs of retaining employees, mortgage/rent/lease costs, utilities, other operating costs);
- Implement COVID-19 prevention or mitigation tactics (e.g., physical building changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccinations);
- Technical assistance, counseling, or other like services to assist with business planning needs; or
- "Premium Pay," as defined below, for employees working in the following essential, eligible sectors: healthcare, education and childcare, transportation, sanitation, social and human services, grocery and food production, and public health and safety.

The maximum grant award available per business is \$10,000. Grants will be awarded by December 31, 2024, and must be fully expended by the grantees by December 31, 2026. The City will perform subrecipient monitoring for the Federal government on an annual basis until awards are fully expended.

B. BUSINESS ELIGIBILITY

Businesses must meet the following requirements to be eligible for Program grants:

- Business must be physically located within the City's jurisdictional limits.
- Business must demonstrate that it suffered a reduction in gross receipts of at least 25% for one quarter in 2020 or 2021 compared to the same quarter in 2019.
- Business must have a current business license and be in good standing with the City.
- Business must employ 25 or less employees, including the owner(s).
- Business must have been operational for at least six (6) months.
- Business does not have existing violations of the Banning Municipal Code.
- Business has obtained a Data Universal Numbering System (DUNS) Number or will obtain a DUNS Number upon award of Program grant. City staff may assist the grantee in obtaining a DUNS Number.
- For a business applying for a Premium Pay grant: Business must be engaged or provide services in one of the following sectors: healthcare, education and childcare, transportation, sanitation, social and human services, grocery and food production, public health, and/or public safety.

C. REQUIRED DOCUMENTATION

Applicants for Program grants must submit complete applications, which application must include:

- Completed, signed application;
- A statement of intended use of the grant funds and documentation supporting the intended use of the grant funds, including support documentation requested by City staff;
- Copy of business license;
- Payroll report(s), tax document(s), or other official document noting the number of staff employed by the business;
- Form W-9 Request for Taxpayer Identification Number and Certification (will be provided in application); and
- Financial documents demonstrating the business suffered a reduction in gross receipts of at least 25% for one quarter in 2020 or 2021 compared to the same quarter in 2019.

A business may demonstrate a 25% or greater reduction in one of two ways:

- Comparing the business annual gross revenue as reported on the tax return in 2020 or 2021 to 2019; or
- Comparing the gross revenue in any quarter in 2020 or 2021 with revenue in the **same** quarter of 2019. For example, if a business wants to use the second quarter(Q2) of 2019 where they recorded \$20,000 in gross revenue, they are eligible if they recorded a gross revenue of \$15,000 or less in Q2 2020.

D. INELIGIBLE BUSINESSES

Businesses engaged or providing services in the following categories are not eligible to participate in the Program or receive grant funds:

- Gaming;
- Liquor;
- Tobacco stores; and
- Marijuana dispensaries and manufacturing.

Further, any business or activity that does not comply with local, state, or federal laws is not eligible to participate in the Program or receive grant funds.

E. ELIGIBLE USE OF FUNDS – BUSINESS EXPENSES

A grantee shall use awarded grant funds to help the business address negative economic impacts caused by the COVID-19 pandemic. Use of funds are at the grantee's discretion. However, below are some examples of eligible activities:

- Overhead expenses;
- Rent and/or utility expenses;
- Business services to increase capacity to carryout businessactivities (e.g., web site development);
- Labor expenses (excluding the owner(s)) for business inventory and supplies;

- Personal Protective Equipment (PPE); and/or
- Capital or equipment purchases necessary for the business operation, excluding vehicles.

F. ELIGIBLE USE OF FUNDS – PREMIUM PAY

A grantee may use grant funds to provide Premium Pay for essential workers who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors. Therefore, Premium Pay is only available for essential workers performing regular in-person essential work in the following sectors: healthcare, education and childcare, transportation, sanitation, social and human services, grocery and food production, public health and/or public safety. The term “Premium Pay” means an amount up to \$13 per hour **in addition to** the regular wages the employee receives from the grantee. Grantees are encouraged to prioritize their lower income employees in the distribution of Premium Pay.

If Premium Pay increases an employee’s total pay above 150% Riverside County’s average annual wage, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, the business must have a written justification of how the Premium Pay provided through the grant funds is responsive to workers performing essential services during the public health emergency.

G. INELIGIBLE USE OF FUNDS

Grantees may not expend grant funds on the following activities:

- Vehicle purchase(s);
- Personal property;
- Repayment of refinance of existing debt;
- Payment of operating deficits, tax arrearages, governmental fines or penalties, or general government expenses;
- Personal income; and/or
- Political or religious activities, lobbying.

H. VERIFYING ELIGIBILITY

City staff will review all applications for thoroughness and completion. Staff will ensure that grantees submit all required application documentation. Staff will review the applications for the following:

1. Completeness to ensure that all questions have been thoroughly answered;
2. Verifying that the business is eligible by checking for a business license and any additional documentation as needed;
3. Business financial documents will be reviewed to confirm that the business suffered a reduction in gross receipts of at least 25% for one quarter in 2020 or 2021 compared to the same quarter in 2019; and
4. Verification that the business has included a DUNS number. If needed, staff will assist businesses with registering and obtaining a DUNS number prior to submitting their grant application.

I. AWARDING THE GRANT

Upon verification of eligibility, the City will confirm the eligibility status with the business via email. The City will then provide the business with an agreement outlining the terms and conditions of the grant award. Upon receipt of a signed agreement, the City will disburse the one-time grant in an amount up to \$10,000.

J. MONITORING

Upon the City's request, the applicant shall provide City staff with documentation demonstrating that the grant funds are being used for the intended purposes.

Staff will review the business's application to identify how the business said they would use funds and will collect supporting documentation. Businesses shall not change the intended use of the funds as stated in the approved application without the City's prior written approval. If a business desires to change the intended use of the funds as stated in the approved application, the business must submit a written request to the City at least 5 business days in advance of the proposed changed expenditure(s).

Supporting documentation may include, but is not limited to:

- Lease agreement and rent receipts;
- Invoices; and/or
- Payroll documents.

The City will place all documentation collected from businesses in each business's program file.