

HIDALGO COUNTY CARES SMALL BUSINESS GRANT PROGRAM



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DRAFT Program Statement

PURPOSE

Hidalgo County hereby establishes and provides for the administration of the Hidalgo County CARES Small Business Grant Program to assist businesses with expenditures related to the cost of business interruption caused by the required closure related to the COVID-19 pandemic.

The Fund will be administered by the County or through selection of a third-party administrator. The program will operate in conformance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act federal guidelines.

FUNDING

Funding for the program would be provided by using up to \$3.5 million in allocation of the CARES Act funds. Grants in the amounts of \$3,000 and \$5,000 will be disbursed based on business annual net income of \$100,000 or less.

Up to \$3.5 million would be available for grant funding, providing over 1,000 small business grants for the program.

BUSINESS ELIGIBILITY

For purposes of this program statement, eligible small businesses are those businesses that meet the following:

- a. **Geographic location requirement:** Businesses must be located in the unincorporated area of Hidalgo County. Businesses located within city limits of any city in Hidalgo County are disqualified; and
- b. The business must be able to demonstrate that they have experienced a loss of income of at least 15% due to COVID-19 since March 2020; and
- c. Business must demonstrate that they were in operations as of October 1, 2019; and
- d. Business must have a total annual net income under \$100,000 but no less than \$10,000.

Eligible business may receive a grant in the amount of \$5,000 or \$3,000 based on total net income average.

The amount a business can receive will be based on the following:

- Total annual net income of \$100,000 - \$50,000 is eligible for a \$5,000 grant
- Total annual net income of \$49,999 - \$10,000 is eligible for a \$3,000 grant

**annual revenue – cost of goods = net income*

PROCESS

Complete applications for funding will be accepted starting on (insert month) (insert day), 2020. Incomplete applications will be rejected. Afterwards, completed applications for grant funding will be considered on a first come, first serve basis. Eligibility for the funding and execution of the funding



agreement will include review of the application and supporting documentation including but not limited to:

1. Certification that the business is located in the unincorporated area of the County of Hidalgo.
2. Verification that entity is registered with Secretary of State of Texas as a valid business by October 1, 2019.
3. Documentation that revenue has declined by 15% or more as a result of the COVID-19 crisis since March 2020.
4. Verification that the business has less than \$100,000 annual net income but no less than \$10,000.
5. Verification of completed and signed IRS W-9 Form, Business TIN, EIN or SSN
6. Documentation to verify the economic hardship suffered as a result of the COVID-19; including tax returns, financial statements, and other financial and employment data, including IRS form 941.

A copy of the application is attached as reference; the County or third party administrator reserves the right to make changes to the application.

Grantees shall execute a grant agreement.

Owners of multiple businesses will only be eligible for one award. Locally owned businesses with more than three locations in the County are ineligible for the program. Franchises are not eligible for this program. Non-profit organizations are not eligible for this program. Business or individuals whose primary revenue is generated from rental/income producing properties are not eligible for this program.

