

Scope of Work: Hidalgo County CARES Small Business Grant Program

Definitions:

For the purposes of this program, PeopleFund is used interchangeably with the term “administrator” and the County of Hidalgo is used interchangeably with the term “project partner.” All terms of this program are subject to change at the request of the County of Hidalgo.

Program Summary:

The County of Hidalgo has secured \$3,500,000 designated to provide financial assistance in the form of grants to eligible businesses in order to help them financially sustain, pivot, and rebuild following the disastrous effects of COVID-19. PeopleFund will be partnering with the County of Hidalgo as a grant administrator to assist in disseminating CARES Act funding to eligible business owners in the County of Hidalgo navigating COVID-19 response. This program will benefit the public by providing grants between \$5,000 and \$10,000 to eligible individuals; therefore increasing the access to capital and stimulating economic development within the region. Under this program, PeopleFund will: provide an efficient online application for interested applicants, determine the eligibility of applicants based on requirements established by the County, process applications and make grant amount determinations, relay disbursement requests for grant recipients to the County, and monitor compliance and provide reports. The culmination of this program will allow Hidalgo County business owners to sustain, pivot, and rebuild following the disastrous effects of COVID-19.

1: Online Application:

The online application utilized for this program will be a 1-page web form that PeopleFund will create and monitor directly on the PeopleFund website. The application will be publicly accessible through www.hidalgocares.org in English and in Spanish and a link will be provided to all project partners, resource partners, and clients for ease of access. The application will consist of the following: identifying information for the applicant including Business Name, Applicant Name, EIN/TIN/SSN, address, and contact information (email and phone), and Applicant statements that certify that the business has been affected by COVID-19, has experienced a decline in revenue by 15% or more as a result of the crisis as of March 2020, verification that the business has less than \$250,000 in annual net income, but no less than \$10,000 in net annual income, and that the applicant, in good faith, believes this grant will help them to sustain as we work to reach pre-COVID-19 business occupancy. A copy of the grant application can be found in attachment A.

2. Eligibility Determination: Once an applicant submits an online application, the application will be picked up by a PeopleFund team member for review and the client will be contacted with further instructions. For security purposes, in regards to keeping applicant personal information safeguarded, once submitted, the application will be accessed by a PeopleFund team member using a secure employee login to our website and email system. Applications will then only be shared with the PeopleFund employees directly involved in the management and administration of this project. The primary point of contact and the reviewer for this program will be Victoria Valdez, the Senior Economic Development Officer for PeopleFund and the South Texas region. Interested applicants can call Ms. Valdez at 956-238-3532 or email her at mvvvaldez@peoplefund.org.

For the purposes of this scope of work, eligible small businesses are those businesses that meet the following:

- Geographic location requirement: Businesses must be located in an unincorporated County of Hidalgo; Businesses not located within these geographic limits are disqualified; and

- 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
- The business must demonstrate that they were in operations as of October 1, 2019; and
- The business must have a total annual net income under \$250,000 but no less than \$10,000.
- Businesses with a total annual net income of \$250,000 - \$150,000 are eligible for a \$10,000 grant
- Businesses with a total annual net income of \$149,999 - \$10,000 are eligible for a \$5,000 grant
- Businesses that are not defined as or engaged in the following activities: non-profit, franchise, a business with more than 3 locations, church or religious services, rental or property income based businesses.

As an amendment to the program, in addition to the grants available for businesses who have suffered a loss due to the pandemic, the County is implementing an additional \$10,000 award to applicants within Hidalgo County whose business was closed for 3 months or longer due to the Governor's executive order. Using a list of industries or businesses that were closed or shut down as a result of the executive order, as provided by the county, the Grant Administrator will identify businesses that fall under the parameters established by the County of Hidalgo. Any business that fits these qualifications and criteria will provide documents required under the original program and may thereafter be awarded \$10,000.

Once a pre-determination has been made by reviewing the applicant's eligibility based on their submitted application, a PeopleFund team member will reach out to the client with further instructions and a request for documents, or a denial. If a determination of a denial is made, PeopleFund will notify the applicant and the project partner in writing with the reason for denial.

3. Request for Documents: Certain documents may be necessary to collect to verify the applicant's eligibility including: a completed and signed IRS W-9 Form, Business EIN/TIN/SSN, 2019/18 tax return, financial statements, and other financial and employment data including IRS Form 941. Additionally, the applicant will need to provide a written statement detailing the economic hardship. In attempt to expedite the grant process and in lieu of these documents, grantees are permitted to use a self-certification form certifying that they have met the above requirements and documenting the award need. Business's receiving the \$10,000 award (those who were affected by the government shutdown) will need to provide only a self-certification form, and proof of business address. Documents provided by the applicant to the administrator will be submitted directly to the PeopleFund team member performing the review via email. A list of all possible documents requested can be found in attachment B along with a copy of the self-certification form.

4. Funding Determination: Once documents are reviewed, a final determination will be made. If the final determination results in an approval, a funding determination will be made based on applicant revenue reported and the awardee will be contacted to execute a grant agreement. If the final determination results in a denial, the applicant and project partner will be notified in writing with the reason for the denial. A copy of the funding determination template can be found in attachment C.

5. Grant Agreement: A grant agreement is necessary to communicate expectations to the applicant about use of grant funds and reporting required. It is expected that the eligible use of grant funds will be limited to business expenses including payroll, occupancy costs, and fixed debts unless otherwise decided upon by the project partner. Additionally, the administrator in accordance with this program will be expected to provide timely reports regarding the applicants funded through this program,

therefore, the agreement will outline expectations of the applicant regarding responsibilities required. Responsibilities of the applicant include: keeping accurate records of grant funds utilized, and reporting back to the administrator, as requested, the number of jobs created and retained. The grant agreement should also include the address with which the applicant will receive a check. A copy of the grant agreement template can be found in attachment D.

6. Disbursement: Once the grant agreement has been executed, the agreement and applicant W9 shall be sent to the County for disbursement. Specifically to the following contacts:

Patricia Ramos: Patricia.ramos@co.hidalgo.tx.us
Damaris San Miguel: Damaris.sanmiguel@co.hidalgo.tx.us

7. Grant Reporting: Upon receipt of funds and public announcement of the program, the administrator shall immediately start providing services under this agreement. The administrator shall provide these services on a first-come-first-serve basis until funds are exhausted. Upon all grant funds having been deployed, the administrator shall produce a report detailing: number of applicants, number of eligible beneficiaries, names and contact information of applicants, hours and type of technical assistance provided, whether the beneficiaries needed additional financial assistance, whether the administrator provided such financial assistance, and if so, the type of financial assistance and amount. In addition to that, the administrator shall produce quarterly reports starting on September 30, 2020 through December 31, 2020 detailing number of businesses helped, jobs created/retained, number of businesses that remain in business, hours of technical assistance delivered to participants, and other types of financial assistance delivered to the applicants during the term of the program.

Additional Program Components:

Compliance and Record-Keeping: Application materials including all documents requested, the application itself, the grant agreement, and funding determinations will be stored on the PeopleFund internal server in an applicant's created folder for 5 years. The use of a CRM will be utilized for reporting purposes.

Marketing and Outreach: PeopleFund will ensure that appropriate marketing and outreach expectations are achieved effectively marketing the program to all eligible applicants. The marketing strategy includes:

- Hosting one or multiple informational webinars with the County of Hidalgo and resource partners
- Including mention and information about the program at any outreach events (virtual or in-person)
- Dedicating social media posts on each organization social channel including LinkedIn, Facebook, Instagram, and Twitter
- Providing a marketing toolkit to all resource partners including language for email and social sharing
- Launching an email campaign to eligible business owners
- All materials in English and Spanish and with regard to technological challenges and individuals with disabilities

Service Fees: The County will pay PeopleFund \$75 per approved grant disbursed and \$20 per active grant per quarterly report. The County reserves the right to perform an audit of PeopleFund's operations and finances in connection with this Program and at any time during the term of this Agreement and for five (5) years thereafter; if the County determines that such audit is necessary for

County's compliance with any laws, regulations, or County policies. PeopleFund agrees to allow access to all pertinent materials as described herein. If such audit reveals a questioned practice or expenditure, such question must be resolved within fifteen (15) business days after notice to PeopleFund of such questioned practice or expenditure. If questions are not resolved within this period, the County reserves the right to withhold further funding under this and/or other agreements with PeopleFund. If, because of any audit, it is determined that PeopleFund has falsified any documentation or misused, misapplied, or misappropriated the funds or spent funds on any ineligible activities, PeopleFund agrees to reimburse the County the amount of such monies.

ATTACHMENT A:

Hidalgo County CARES Small Business Grant Program Application

Please submit the following application if you would like to be considered for a Hidalgo County CARES Small Business Grant.

To complete your application, in addition to questions asked, the following certifications are required:

- Signature on application
- Good Faith Certification as to truth and accuracy of information provided and that the grant request is necessary due to conditions caused by COVID-19
- Agreement to audit of the use of grant funds received
- Agreement to claw-back provisions if funds are used for ineligible purposes

APPLICANT CONTACT INFORMATION

Applicant First Name:

Applicant Last Name:

Applicant Phone Number:

Applicant Email Address:

INITIAL ELIGIBILITY

1. Is your business located within an unincorporated County of Hidalgo?
o Yes o No

2. Is your business's annual net income less than \$100,000 but no less than \$10,000?
o Yes o No

3. Has your business experienced a 15% or greater loss in business revenue due to COVID-19?
o Yes o No

4. Was your business operating on or before October 1, 2019?
o Yes o No

5. How many employees does your business have?
o It has 5 or fewer employees
o It has 10 or fewer employees
o It has more than 10 employees

6. Has your business experienced an interruption in income/revenue caused by required closures to COVID-19?
o Yes o No

7. How will the funds be used?
o Payroll costs for employees

- Contract labor
- Utilities
- Mortgage/lease
- Cost of critical business operations
- Other (please specify) _____

BUSINESS INFORMATION

8. Business Name (must match state or county business registration):

9. Business Address (street address, suite/office/unit number, city, state, zip code)

10. Employer Identification Number or Social Security Number:

11. When was your business established (month and year)?

____/____

12. What type of business do you own?

(Industry drop-down)

Manufacturing

Agriculture

Construction

Retail

Logistics

Finance

Technology/IT

Healthcare

Marketing

Personal Services/Salon

Childcare

Adult Care

Food/Restaurant

Real Estate

Education

Other

If other, please list:

ADDITIONAL BUSINESS INFORMATION

13. Are you the primary business owner?

Yes No

14. What percent of the business do you own?

100

- 80-99
- 60-79
- 40-59
- 20-39

15. What is your primary source of income? (please list your business, place of employment, or other)

16. What is your secondary source of income? (If applicable)

17. Have you applied for other federal/state/local assistance like SBA disaster assistance funding (recommendation: change this to say Economic Injury Disaster Loan), or Paycheck Protection Program funding?

- Yes, I have applied and received funds
- Yes, I have applied but haven't received funds
- No

18. What was your monthly payroll for the months of January, February and March?

January _____

February _____

March _____

SMALL BUSINESS OWNER CERTIFICATIONS

19. I certify that I am a small business owner.

- Yes No

20. I certify that the funds will be used to retain workers, maintain payroll, and make mortgage payments, lease payments, or utility payments. I understand that if the funds are knowingly used for unauthorized purposes, Hidalgo County may hold me legally liable, such as for charges of fraud.

- Yes No

GENERAL CERTIFICATIONS

21. My business is engaged in activities regulated by the County of Hidalgo and I have all valid licenses and permits to operate my business and will provide them to the third party administrator when requested.

- Yes No

22. I confirm that my business income has declined by 15% or more because of covid-19 since March 2020 and have documentation to support that.

- Yes No

23. I will submit my W-9 [Business TIN, EIN or SSN] when requested

- Yes No

24. I will submit my most recent tax return (no later than 2018), profit and loss statement and sales and use tax reports, plus other documents needed when requested.

- Yes No

25. I am not an elected official.

True False

26. I will submit the last three (3) month's bank statements when requested.

Yes No

27. I confirm that I have completed this application truthfully and understand that untruthful answers will prevent me from obtaining funding under this program.

Yes No

28. I know that I may be audited to prove that grant funds under this program were used appropriately. I agree to an audit of the use of grant funds received.

Yes No

29. I agree to claw-back provisions if funds are used for ineligible purposes.

Yes No

By signing below, you agree to all of the representations, authorizations, and certifications as listed in this application.

Applicant Signature

Date

Hidalgo County is a governmental body subject to the Texas Public Information Act. Information you submit to Hidalgo County in this application may be subject to the Act and, therefore, subject to public release.

Attachment B:

Documents for Request

- W-9
- Business TIN, EIN or SSN
- Proof that the business has been in operation as of October 1, 2019
- Documentation demonstrating a 15% loss or greater of income/revenue since March 2020 (Profit and Loss statements)
- Registration with Secretary of State or County of Hidalgo (if applicable)
- Most recent tax return (no later than 2018)
- Profit and Loss statements
- Bank statements
- Self-certification form (*form takes the place of other documents requested)

County or third party administrator reserves the right to request further documentation and information as it deems necessary.

(Self-certification for businesses under the general grant program)

Coronavirus Aid, Relief, and Economic Security Acts (CARES Act) Financial Grant Self-Certification Letter for Declaration of Financial Losses

Applicant Name (Business Owner):

Business Legal Name:

Business Address:

By signing this form, I hereby certify the following:

1. Business listed above is located in the Unincorporated area of Hidalgo County, Texas.
2. My business has experienced at least a 15% financial loss since March 2020 due to the COVID-19 public health emergency.

3. I have supplied proof of business ownership with one or more of the following:

Business Utility Bill

Bank Statements

Lease Agreement

Federal Income Tax Return

Sales Tax Permit Business

Insurance Policy

Business License

Assumed Name Certificate

Other (as deemed appropriate by the Grant Administrator)

I declare that the foregoing is true, correct, and complete to the best of my knowledge and belief. Failure to provide true and accurate information may result in having to repay any financial assistance received under this program. Executed on [insert date], 2020, in Hidalgo County, Texas.

Signature of Applicant

Date

(Self-certification for businesses with forced shutdowns)

Coronavirus Aid, Relief, and Economic Security Acts (CARES Act) Financial Grant Self-Certification Letter for Declaration of Financial Losses

On March 13, 2020, Texas Governor Greg Abbott issued a disaster proclamation certifying that COVID-19 posed an imminent threat of disaster for all counties in Texas. On March 19, 2020, Governor Abbott issued Executive Order GA-08, directing every person in Texas to avoid gatherings in groups of more than 10 people and to avoid eating or drinking at bars, restaurants, and food courts, or visiting gyms or massage parlors. On March 31, 2020, the Governor issued Executive Order GA-14, adding tattoo studios, piercing studios, and cosmetology salons to the list of establishments to avoid. Further, under Executive Order GA-14, these, and other businesses, were considered non-essential services, and, therefore, were unable to open their doors for business. The closures resulted in financial losses, loss of employment and in some cases, permanent closures.

Applicant Name (Business Owner):

Business Legal Name:

Business Address:

By signing this form, I hereby certify the following:

1. Business listed above is located in area of Hidalgo County, Texas.
2. My business was classified as "non-essential" by the Executive Order which resulted in temporary closure and/or minimized capacity for at least 3 months.
3. I have supplied proof of business ownership with one or more of the following:
 - Business Utility Bill
 - Bank Statements
 - Lease Agreement
 - Federal Income Tax Return
 - Sales Tax Permit Business
 - Insurance Policy
 - Business License
 - Assumed Name Certificate
 - Other (as deemed appropriate by the Grant Administrator)

I declare that the foregoing is true, correct, and complete to the best of my knowledge and belief. Failure to provide true and accurate information may result in having to repay any financial assistance received under this program. Executed on [insert date], 2020, in Hidalgo County, Texas.

Signature of Applicant

Date

ATTACHMENT C:

Funding Determination and Program Language

Pre-Approval

Thank you for submitting an application to the Hidalgo County CARES Small Business Grant Program. Your application has been reviewed and it has been determined that you may be eligible to receive a grant under this program. In order to confirm eligibility, you will need to submit the following documents to Victoria Valdez at mvaldez@peoplefund.org. Documents can also be sent via mail to:

Ms. Victoria Valdez
1312 Houston St.
Laredo, TX, 78040

Once your documents are reviewed, Ms. Valdez will reach out with a funding determination.

Documents requested include the following:

- W-9
- Business TIN, EIN or SSN
- Proof that the business has been in operation as of October 1, 2019
- Documentation demonstrating a 15% loss or greater of income/revenue since March 2020 (Profit and Loss statements)
- Registration with Secretary of State or County of Hidalgo (if applicable)
- Most recent tax return (no later than 2018)
- Profit and Loss statements
- Bank statements
- Additional documents as needed

If you have any questions or need assistance in compiling the documents requested, please reach out to Ms. Valdez at mvaldez@peoplefund.org or 956-238-3532.

Approval

Thank you for submitting an application to the Hidalgo County CARES Small Business Grant Program. Your application and submitted documents have been reviewed and it has been determined that you are eligible to receive a grant under this program. The grant amount you have been awarded is \$XXXX. Attached is a grant agreement that outlines your funding amount, eligible uses of funds, and program reporting and communication responsibilities. The agreement also determines the address or account the County will disburse your funds to. You will now need to sign the agreement and send back to us. Once you have read and signed the agreement, please send the agreement to Victoria Valdez at mvaldez@peoplefund.org. You can also mail the agreement to Ms. Valdez at:

Ms. Victoria Valdez
1312 Houston St.
Laredo, TX, 78040

Once you sign and remit the agreement, PeopleFund will submit a request to the County of Hidalgo to disburse your funds. If you have questions regarding the agreement or the interpretation of language within the agreement, please reach out to Ms. Valdez at mvvaldez@peoplefund.org or 956-238-3532.

Pre-Denial

Thank you for submitting an application to the Hidalgo County CARES Small Business Grant Program. Your application has been reviewed and it has been determined that you are ineligible to receive an award under this program based on one or more of the answers provided in your application. The reason for denial is listed below:

Denial Code:

1. The applicant does not meet geographic requirements
2. The applicant has a total net income of over \$100,000
3. The applicant has a total net income of under \$10,000
4. The applicant is engaged in one of the following activities: franchising, adult entertainment, gambling or gaming, owns a business that is not-for-profit, church or religious activities, real estate investment or rental property income generation, own an establishment that is not accessible to patrons under the age of 18, or owns more than 3 business locations locally.
5. The applicant is an Elected Official.
6. The applicant received a federal source of assistance including, but not limited to, the Paycheck Protection Program, the Economic Injury Disaster Loan Program, or an SBA Express Bridge Loan during a subsequent time period.
7. The application was received incomplete.
8. The applicant was unable to attest to all mandatory applicant certifications.
9. Other: _____

If you believe that this determination was made incorrectly, you may appeal the determination by reaching out to Katherine Sobel at ksobel@peoplefund.org or 512-220-3775. PeopleFund will review your appeal within 3 business days of the appeal remittance and contact you to mitigate the request. An appeal is not confirmation of a decision approval, only a decision review and it may still be deemed that your request is ineligible.

A paper copy of this denial has been sent to the following address:

XXXX XXXX
XXXXXXXXXXXX
XXXX, XX, XXXXX

Denial

Thank you for submitting an application to the Hidalgo County CARES Small Business Grant Program. Your application and additional documents have been reviewed and it has been determined that you are ineligible to receive an award under this program based on one or more of the answers provided in your application. The reason for denial is listed below:

Denial Code:

1. The applicant does not meet geographic requirements

2. The applicant has a total net income of over \$100,000
3. The applicant has a total net income of under \$10,000
4. The applicant is engaged in one of the following activities: franchising, adult entertainment, gambling or gaming, owns a business that is not-for-profit, church or religious activities, real estate investment or rental property income generation, own an establishment that is not accessible to patrons under the age of 18, or owns more than 3 business locations locally.
5. The applicant is an Elected Official.
6. The applicant received a federal source of assistance including, but not limited to, the Paycheck Protection Program, the Economic Injury Disaster Loan Program, or an SBA Express Bridge Loan during a subsequent time period.
7. The application was received incomplete.
8. The applicant was unable to attest to all mandatory applicant certifications.
9. The documents submitted to PeopleFund are inconsistent, incomplete, or alert the administrator of a conflict between your application answers and document verification.
10. Other: _____

If you believe that this determination was made incorrectly, you may appeal the determination by reaching out to Katherine Sobel at ksobel@peoplefund.org or 512-220-3775. PeopleFund will review your appeal within 3 business days of the appeal remittance and contact you to mitigate the request. An appeal is not confirmation of a decision approval, only a decision review and it may still be deemed that your request is ineligible.

A paper copy of this denial has been sent to the following address:

XXXX XXXX
XXXXXXXXXXXX
XXXX, XX, XXXXX

ATTACHMENT D:

Grant Agreement

Date

Name

Address

City, State, Zip

Thank you for submitting an application to the Hidalgo County CARES Small Business Grant Program. We are pleased to inform you that a grant has been approved in the amount of \$_____ to be used directly for business expenses unable to be paid in relation to the effects of COVID-19. This agreement outlines the terms and conditions of accepting this grant. Please read all of the terms and conditions carefully, sign, and return no later than [2 weeks from date sent]. After we receive your signed agreement, the County of Hidalgo will mail you a check to the address you select below.

Use of Funds:

The funds awarded must be used specifically for the designated purpose(s) by 12/31/2020. Eligible uses of funds include:

- Payroll costs for employees
- Contract labor
- Utilities
- Mortgage/lease or occupancy
- Cost of critical business operations

Grant Reporting:

PeopleFund, in accordance with reporting requirements to Hidalgo County, will request a report from you, the grantee, quarterly through 12/31/2020. You will be expected to provide the following information via email, phone, or mail upon request:

- Status of the business (is the business still operating)
- Number of new jobs created (if any)
- Number of jobs retained

Record Keeping and Right to Audit:

Financial records, in relation to this grant, must be kept for a minimum of 5 years. The County of Hidalgo and PeopleFund, on behalf of the County, have the right to audit you at any time during this 5 year period. If it has been discovered that grant funds have been misused, the grantee agrees to pay back the funds to Hidalgo County. Financial records can include, but are not limited to:

- Profit and loss statements
- Tax returns
- Payroll records
- Bank statements

Public Information and Publicity:

Hidalgo County is a governmental body subject to the Texas Public Information Act. Information you submit to Hidalgo County during this program may be subject to the Act and, therefore, subject to public release. This agreement also gives the County of Hidalgo and PeopleFund your permission to use photographs, logos, published/printed information, and any other materials you supply, without further notice, in press releases and/or publications.

Release of Address for Disbursement:

Mailed Check: Whereby the County of Hidalgo will disburse the funds by mailing a check to an address of your choosing:

Address:

City:

State:

Zip Code:

Applicant Name

Applicant Signature

Date

Katherine Sobel
Senior Manager of Training and Education
PeopleFund

XXXXXXXXXX
County of Hidalgo