

FRANKLIN COUNTY MICROENTERPRISE PROGRAM

The goal of the Franklin County Microenterprise Grant program is to provide strategic grants to microenterprise businesses that advance projects that take their business or idea to the next level and directly benefit low to moderate income workers. This program will incentivize business creation and expansion in order to provide employment and stimulate economic growth. The program provides access to grant funds and stimulates small business development activity through start-up and expansion assistance.

The main objectives of this program are to:

- Facilitate the expansion and retention of microenterprise activity within Franklin County
- Create and retain employment opportunities for low- to moderate- income individuals
- Support growth in:
 - Downtowns and other priority commercial corridors
 - Businesses providing services and experiences that contribute to culture and tourism
 - Businesses that provide for an unmet need, good or service that has been identified
- Support entrepreneurs who are purchasing an existing business

The desired impacts of the program are:

- Improved quality of life and opportunities for low- to moderate- income individuals
- Increased vibrancy and revitalization of downtown and other priority commercial corridors through additional services and reduced vacancy and blight
- Improved quality of life, culture and tourism through expanded services and recreation opportunities for local residents and tourists, including “family-friendly” activities
- Increased feasibility and success of business ownership transitions

ELIGIBLE APPLICANTS

- The business must be located in Franklin County and be a microenterprise defined as:
 - A private for-profit corporation, partnership, or sole proprietorship that is legal, licensed and operating
 - A commercial enterprise that has five (5) or fewer employees
 - This includes owners and both part-time and full-time employees
 - Seasonal employees are included if the job is their primary employment
 - One or more employees must be the principal and must own the enterprise at time of application
 - Businesses can expand to more employees after grant award
- Each microenterprise must either be owned by a low- to moderate-income person or the project must result in the creation of at least one full-time equivalent position to benefit a low to moderate income person. At least 51% of jobs created must be held by or made available to low- to mod income persons.
- There must be clear evidence that job creation will occur and/or that the owner(s) of the microenterprise qualifies as LMI before a grant is awarded
- The business can be a start-up. A start up business is one which has been in operation less than six (6) months from the time of application.
- A low-and moderate income person is defined as a member of a household whose income is less than 80% of the area median income for the household size. Final income limits are established at the time of program application. The exact income requirements will be established at time of award, but the following 2020 amounts may be used as guidelines:

CDBG MICROENTERPRISE PROGRAM LOW TO MODERATE INCOME REQUIREMENTS TO QUALIFY								
HOUSEHOLD/FAMILY SIZE	1	2	3	4	5	6	7	8
MAXIMUM HOUSEHOLD INCOME TO QUALIFY	\$37,650	\$43,000	\$48,400	\$53,750	\$58,050	\$62,350	\$66,650	\$70,950

[For example, if you have two adults and two children in a household, you would have to show that the total household income (four persons, including both adults) is less than \$53,750.]

PROGRAM DETAILS:

EXAMPLES OF ELIGIBLE AND INELIGIBLE USES OF FUNDS

ELIGIBLE USES OF FUNDS

- Inventory
- Procurement of machinery, furniture, fixtures and equipment
 - Computers, laptops, phones, and other electronic equipment must be accompanied by a written agreement from business owners verifying that they will ONLY be used for business purposes
- Operating capital
- Reimbursement of the cost to attend the entrepreneurial training program

INELIGIBLE OR RESTRICTED PROJECT ACTIVITIES

- The repayment of existing debt
- Construction, remodeling, building or other physical improvements
- Fixtures or equipment that are essentially permanent and cannot be practically removed
- Assistance to a nonprofit
- Reimbursement of costs incurred prior to grant award
- Political or religious activities; Lobbying any governmental entity
- Advancement of funds
- Purchase and/or lease of a motor vehicle without prior consent from OCR

GRANT DETAILS:

AMOUNTS

- Individual grant amounts to business will be between \$5,000 (minimum) to \$35,000 (maximum) and can fund up to 90% of a total project cost.
- Owners must match the grant amount with a minimum of 10% owner equity contribution. The equity contribution must be provided as cash; not to be associated with debt of any kind. Equity must be committed and available to the project at the time of the business application.

REIMBURSEMENT BASIS

- Grants are offered on a reimbursement basis. Grant funds are not advanced prior to purchases or spending. After award and prior to reimbursement, owners must:
 - Receive a notice of approval from Franklin County
 - Complete training with a Small Business Development Center or other approved partner
 - Have or obtain their own funding to complete eligible spending
 - Pay for, complete and provide sufficient documentation for eligible purchases and spending

GRANT PRIORITIES

Grant awards and amounts will be based upon the following priority system:

- Retail or tourism-based businesses currently operating in existing locations or who agree to lease space in vacant commercial storefronts in a downtown or priority commercial district corridor
- New retail- or tourism-based businesses in a downtown or priority commercial district corridor
- Retail, tourism-based or service business that offers a product or service that provides for a demonstrated need that is unmet or insufficiently available in the community
- Value-added agriculture businesses (i.e. a business that uses/improves on an ag. product)
- A business transitioning to new ownership where funding would improve the success of the transition

Projects that do not directly fit these priorities WILL be considered and have the opportunity to explain why their project is important to the advancement of program goals.

ADDITIONAL REQUIREMENTS

ENTREPRENEURIAL TRAINING

Each microenterprise owner that is awarded a grant must complete an entrepreneurial training with the Small Business Development Center or other approved partner prior to requesting reimbursement of grant funds. Owner(s) of the microenterprise must attend the entrepreneurial training. Attendance by the employees does not satisfy this requirement. If the microenterprise is owned and operated by more than one individual, at least one person must complete the training program.

The training requirement must cover the fundamentals of owning and operating a business. The training program is intended to help entrepreneurs evaluate their business plans and develop business skills. At minimum, the training program will cover the following elements:

- Developing business plans
- Taxes and accounting
- Marketing, advertising
- Legal issues
- Financing
- Employee issues

If the applicant incurs costs for an approved training option, grant funds may be used to reimburse the microenterprise business owner(s) for participating in an entrepreneurial training course.

GRANT PROCESS

In general, the grant process will be as follows:

- Applicant submits an Applicant Qualification Form
- Applicant's project is reviewed by the Grant Committee and Program Team. If the project meets the requirements and is identified as advancing program priorities and goals, the Applicant will be asked to provide a full application and business plan.
 - The following are examples of criteria used by the Grant Committee to review applications:
 - Program requirements, priorities and goals
 - Number of jobs created
 - Length of time business has been in existence (priority will be given to startups)
 - General quality of the business plan
 - Other funding secured
 - Growth potential
 - Positive community impacts
- Applicant works with Program Team to complete application and business plan requirements
- Once a complete application has been received, the Grant Committee will review application and make a recommendation for approval, waiting list or pass.
- If approved, applicant will be required to enter into a Grant Agreement and will receive an approval letter and authorization to move forward with spending on eligible expenses
- Once Applicant has provided adequate and appropriate documentation of training and eligible spending, the Program Team will begin reviewing the project for compliance and processing reimbursement
- The Program Team will conduct periodic reviews to ensure that the requirements of the grant agreement and any plans and/or commitments made for employment are completed. Franklin County reserves the right to use liens and other legal and financial instruments to recover funds and ensure fulfillment of obligations. Businesses who do not complete obligations will be accountable for repaying grant funds.

CONFLICTS OF INTEREST

No persons who exercise or have exercised any responsibilities with respect to this program shall be eligible to receive any assistance under this program. This lists includes, but is not limited to, all County staff, elected, and appointed officials exercising responsibilities related to the CDBG program, and the immediate family members of these groups. This prohibition will continue for a period of one year from the date their affiliation ceases. Immediate family members include: parents, spouses and domestic partners, siblings, and children regardless of age.

GENERAL DISCLAIMER

There is no right or entitlement to funding. All decisions are made at the sole discretion of Franklin County and are subject to its approval. All projects must meet all applicable regulations of the Community Development Block Grant program, including environmental review requirements. The NYS Community Development Block Grant Program, administered by the NYS Homes and Community Renewal, and Franklin County cannot guarantee a specific timeline for final payment to the Business Owner.

APPLICATION DEADLINE

When the program is active, applications will be accepted on a rolling basis until all funds are committed.

QUESTIONS

Assistance with your application is happily provided by Franklin County Economic Development.

Questions may be directed to:

Russ Kinyon, Director of Economic Development

Franklin County Economic Development

(518) 651-2957, russ@adirondackfrontier.com

Franklin County Courthouse, 355 W. Main Street, Suite 428, Malone, NY 12953