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Braintree Small Business COVID-19 Relief Program Guidelines

1.0 Introduction

Through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and on behalf of the Town of Braintree, the Mayor's Office is administering an emergency micro business assistance program utilizing Community Development Block Grant Coronavirus (CDBG-CV) funds. This assistance is offered to Braintree commercial enterprises that have 5 or fewer employees, 1 or more of whom owns the enterprise and is low- to moderate-income. The program provides short-term working capital assistance to enable the viability of the business during the severe economic interruption related to the impact of the COVID-19 pandemic. Grant funding awarded under this program may be used for rent, mortgage payments, staffing, utilities, personal protective equipment, and costs for adapting to operations during the pandemic.

Micro business assistance will be provided to eligible Braintree businesses affected by COVID-19 who meet certain criteria on a first come, first served basis.. Eligible businesses will be required to provide additional documentation to confirm eligibility before receiving a grant of up to \$10,000. The grant will require repayment only if the terms of the grant agreement are not met.

2.0 Program Requirements

2.1 Eligibility, Terms, and Fees

Eligible businesses may be awarded up to \$10,000 in grant funds through the Braintree Small Business COVID-19 Relief Program.

Eligibility

The following eligibility requirements shall apply:

- Business must be a microenterprise (a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise).
- Business owner(s) must qualify under the Low-Moderate Income (LMI) Limited Clientele national objective criteria. All owners of the business must earn an annual income equal to or less than 80% of the Area Median Income (AMI) based on family size.
- A small locally owned business with a brick and mortar location in the Town of Braintree. If a franchise, the parent company must be based in the Commonwealth of Massachusetts.
- A small for profit business (sole proprietorships, partnerships, corporation, or

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- A small locally owned business that provides goods or services to multiple clients or customers.
- A small locally owned business must be currently in operation and have been established prior to October 1, 2019, though priority will be given to businesses established prior to January 1, 2019.
- A small locally owned business that can demonstrate at the time of application it is current on all state and local taxes.
- The business must be able to document a loss greater or equal to the amount requested due to COVID-19. Example documentation: Personal or business tax returns, business financial statements, sales, year/year quarter/quarter comparisons
- Not listed as one of the following excluded business types:
 - real estate rentals/sales businesses;
 - businesses owned by persons under age 18;
 - businesses that are chains;
 - liquor stores;
 - weapons/firearms dealers;
 - lobbyists; or
 - cannabis-related businesses.

Terms

The following terms shall apply:

- Applicants must comply with all applicable local, state, and federal laws.
- The maximum request is \$10,000.
- There is no minimum request.
- Failure to comply with the grant agreement will require immediate repayment of the grant amount in full.
- Grant funds will be advanced to the business to then pay for eligible costs, and documentation of what the grant funds paid must be provided to the Town within 30 - 45 days.

Fees

There are no application fees.

2.2 Program Service Area

Grant awards are available to eligible for-profit businesses registered and located within the Town of Braintree. If a franchise, the parent company must be based in the Commonwealth of Massachusetts. The location of the business will be considered the place of business administration and registration address.

2.3 Funding Source and Reimbursement

The Braintree Small Business COVID-19 Relief Program is funded through Community Development Block Grant (CDBG-CV) funds provided by the Massachusetts Department of Housing and Community Development and the U.S. Department of Housing and

Urban Development (HUD) to the Town of Braintree. As such, these funds have Federal requirements, as described below.

Funds will be disbursed to the applicant for documented eligible expenses.

2.4 Eligible Applicants

The following eligibility requirements are set forth by the CDBG-CV Program for microenterprises:

- For-profit businesses with up to five employees including owner(s) at the time of application;
- The owner(s) must not earn more than 80 percent of the area median income for their household.

2.5 Ineligible Applicants

The following will be considered ineligible applicants:

- A business that has a physical business location or registration outside of the Town of Braintree.
- Non-profit organizations are not eligible businesses and will not be considered for funding.
- Examples of ineligible businesses include, but are not limited to, the following: cannabis industry, real estate, social clubs, liquor stores, weapons/firearms dealers, internet-only businesses, businesses owned by persons under age 18 and franchisees of national or regional chain businesses.

2.6 Eligible Use of Funds

The Town of Braintree will review the potential uses of funds submitted in the application. Grant funding awarded under this program may be used for rent, mortgage, payments, staffing, utilities, personal protective equipment, and costs for adapting to operations during the pandemic.

2.7 Ineligible Use of Funds

Funds under this Program may not be used to:

- Reimburse expenses paid prior to execution of grant.
- Pay off non-business debt, such as personal credit cards for purchases not associated with the business.
- Purchase personal expenses such as buying a new family car or making repairs to a participant's home.
- Direct financing to political activities or paying off taxes and fines.
- Purchase personal items, or support other businesses in which the borrower may have an interest.
- Construction expenses major equipment purchases, purchase of real property, business expansion or lobbying.
- Grant funds cannot be used to reimburse costs paid by another source. The business will be required to submit a signed Duplication of Benefits Certification for CDBG-CV Funds Form (Appendix A of Final Application)

2.8 Applicant Capacity

The Town must confirm that the business and the applicant(s) possess the capacity to execute the project proposal to be successful with the use CDBG-CV funds. As such, grant applicants for the Braintree Small Business COVID-19 Relief Program are required to demonstrate management capacity and ability to successfully operate a business through their applications. This might include an interview with the business owner.

3.0 Program Details

3.1 General Requirements

The business must not have tax liens, unpaid town fines, or unresolved town or state compliance citations. Grant funds cannot be used to reimburse costs paid by another source. The business will be required to submit a signed Duplication of Benefits Certification for CDBG-CV Funds Form (Appendix A of Final Application).

3.2 Other Requirements of HUD Sourced Grants

Grant applicants must:

- Provide a valid DUNS number.
- Be free of pending litigation or a subject of ongoing monitoring and/or audit findings.

3.3 Program Administration

The Town will:

- Originate grant funds;
- Market the Braintree Small Business COVID-19 Relief Program and promote the application period;
- Accept and process applications;
- Collect income information and document the number of employees to determine eligibility;
- Collect third party documentation from applicant for income loss to determine eligibility;
- Ensure timely disbursement of funds;
- Maintain agreement documents and fiscal records;
- Administer grants; and
- Ensure compliance with CDBG-CV program guidelines.

3.4 Grant Terms and Conditions

Financial assistance from the program is designed to keep businesses operational and retain jobs. Terms and conditions are determined by material submitted in the application

- Grant – the funding is in the form of a grant.
- Allow Town to collect certain income and demographic data from applicants to determine eligibility.
- Allow the Town to collect 3rd party documentation such as financial information that demonstrates income loss to determine eligibility.

4.0 Program Operations and Grant Processing

4.1 Program Marketing and Outreach

Program marketing will be conducted by the Town and will affirmatively target microenterprises owned by underrepresented groups. Examples of marketing include social media coverage, town website, press release, notifications to local chamber of commerce, and business networking organizations.

4.2 Application Period

The Town of Braintree will accept applications on a rolling basis. The Town will award and disburse grants based upon eligibility criteria on a first come, first served basis until available funds are exhausted.

4.3 Eligibility

Upon receipt of a business's pre-application, the Mayor's Office will review to determine initial eligibility. Those applications that are found eligible will be notified that they will proceed to the full application. The applications that are found ineligible will be notified as such.

4.4 Formal Request for Information

For each business that eligible for an award, the Mayor's Office staff will request additional information from the applicant. This information may include, but is not limited to:

- Documentation of income of owner(s)'s household;
- Owner(s)'s household 2019 tax return(s);
- Certification of non-duplication of benefits;
- DUNS number;
- Valid business certificate;
- W-9 Form;
- Documentation of business's gross reported income in 2019 and for the first quarter of 2020;
- Documentation of business's lost monthly income since March 10, 2020;
- Projected income for next 30 days;
- Documentation of number of employees;
- Monthly business expenses;
- Credit report; and
- Lease or mortgage obligations.
- Documentation of business loss due to COVID

Due to the limited amount of funding available for this program, the Town reserves the right to award grantees funding in a lesser amount than requested in order to provide grants to a larger number of our local businesses.

4.5 Future Application Rounds

In the future, if additional funds become available, the same steps to operate this program will be followed.

4.6 Equal Opportunity Compliance

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The Braintree Small Business COVID-19 Relief Program will be implemented in ways consistent with the Town's commitment to State and Federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG-CV program funds on the basis of their race, creed, color, religion, national origin, sex, sexual orientation, gender identity, age, or physical/mental disability, or other arbitrary cause.

4.7 Applicant Confidentiality

All personal and business financial information will be kept confidential to the extent permitted by law.

4.8 Dispute Resolution/ Appeals Procedure

Applicants whose applications are not selected or not deemed eligible have the right to appeal the decision of the Town, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the Town shall be final. An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible projects, appeal in writing to the Mayor's Office or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Mayor, or the appointed Designee, will review the content of the Braintree Small Business COVID-19 Relief Program Guidelines, the applicant's application, and the facts which form the basis for the appeal. The Mayor, or the appointed Designee, will render a written decision within thirty (30) business days of the receipt of the appeal.

4.9 Grant Closing Process

Upon successful completion of application process, Town staff will prepare for the grant execution by preparing the grant document. Funds can be advanced to business, who must provide documentation of what the funds were used for with 30 - 45 days.

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