Cares Act Economic Development Program Guidelines

St. Clair County is providing financial support through the St. Clair County CARES Small Business Loan for qualified small businesses that are negatively impacted by the COVID-19 pandemic due to orders to close or limit operations. This program provides **a maximum $15,000** (amounts available are 1-5 FTE employees, max $5,000; 6-10 FTE employees max $10,000; 11+ FTE employees max $15,000)**, 0% deferred payment loan** to help offset/recover from the significant, temporary loss of revenue to these qualified businesses during this pandemic, and to assist businesses in retaining and paying employees.

The County has identified relief funds to support the small businesses hardest hit by the COVID-19 pandemic, specifically local businesses with a commercial location in the County. Funds are available as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act federal stimulus package.

Program Overview

- $15,000 maximum (see above) for qualifying small businesses with a physical location in St. Clair County (1-25 full-time employees, or equivalent part-time employees, including the owner).
- Food Service Establishments, short-term lodging and other non-essential businesses impacted by the local or state safer-at-home orders are eligible.
- Larger businesses over 25 FTE employees, non-profits and home-based businesses are not eligible.
- Funds can only be used to reimburse the cost of business interruption caused due to orders to close or limit operations provided those costs are not paid by insurance or by another federal program. Such costs may include employee wages, vendors, rent or other business expenses.

Eligible Businesses

Small businesses hardest hit by the COVID-19 pandemic, i.e. Food Service Establishments; Short-term lodging establishments; Non-essential businesses.

Eligibility Checklist

Businesses are eligible for a $15,000 (see above), 0% forgivable loan from St. Clair County if:

- Business suffered from business interruption caused by required closures resulting from the COVID-19 public health emergency.
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- Expenses as a result of the business interruption should exceed the amount requested since March 1, 2020, excluding those covered by insurance or reimbursement from any federal program.
- Business suffered economic damages from business interruption caused by COVID-19 exceeding $5,000 since March 1, 2020, excluding those covered by insurance or reimbursement from any federal program.
- Business employed 25 full-time equivalent employees or less.
- Business is physically located within the boundaries of St. Clair County, Illinois.
- Business is not a home-based business and occupies commercial space.
- Business has been operating since at least October 1, 2019.
- Business can demonstrate ongoing business operations as of February 29, 2020.
- Business is expected to be fully operational after local and state emergency guidelines are rolled back.
- Business is not a publicly traded company.
- Business does not have any current unpaid liens and is not operating in violation of any state, federal or local laws.
- No owner, officer, partner, or principal actor of the business has a felony conviction for financial mismanagement within the last two years for which he or she is still serving a sentence (including prison, parole, and probation).

Business is considered in good standing with St. Clair County. Businesses that did not comply with the Illinois Governor's Executive orders will not be eligible.

ONE (1) of the following eligibility criteria must also be met to qualify:

- The Owner's household income (including all adults at their home address) is below the income limits below, per HUD income guidelines
- The business is located within a Low-to-Moderate Income Area (LMA) as per HUD guidelines.
- The funding will help retain at least one full-time or part-time position for a person from a Low-to-Moderate Income (LMI) household, as per HUD income guidelines, who is at imminent risk of job loss without the funding (Note: this includes furloughed workers). It is anticipated that the funding would be used to supplement or aid job retention, rather than as a sole means of retaining a worker. Employees must have been on payroll as W-2 workers and be considered Low-to-Moderate Income to be considered for retention.

- The funding will hire at least one full-time or part-time position for a person from a Low-to-Moderate Income (LMI) household, per HUD income guidelines. If new hire, employees must be on payroll as W-2 workers and be considered Low-to-Moderate Income at the time of hire.

Owners with more than one eligible business may submit an application for each legal entity.

Ineligible Businesses

- **Businesses with more than 25 full-time equivalent (FTE) employees**: St. Clair County has limited funding, therefore, the County intends to preserve and promote small local businesses.
- **Publicly traded companies**: These firms are owned by the stockholders, who may not be local residents and are not involved in the day to day operations of the company.
- **Home-based businesses:** These businesses tend to have very few employees and do not pay the additional rent or utilities expenses of brick and mortar businesses.
- **Non-profit organizations:** 501(c)(3) organizations are by definition "charitable organizations" and receive funding primarily from private donors and governmental sources. Other 501(c) organizations are involved in lobbying activities and/or are supported primarily by member dues, rather than by sales of products or services.
- **Businesses with unpaid code enforcement liens or any liens/judgements** against them.
- **Any business not to be considered in good standing with St. Clair County (for example not following the stay at home order or having retaliated against a person who reported violations to the County).**
- **Other business that do not qualify for assistance are:**
    - **Adult bookstores, adult video shops or other adult entertainment facilities, check cashing facilities, gambling facilities, liquor stores, non-therapeutic massage parlors, medical marijuana production or distribution businesses.**
    - **Any business that is principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities is not eligible.**
- **Businesses with an owner, officer, partner, or principal actor who has a felony conviction for financial mismanagement within the last two years for which he or she is still serving a sentence** (including prison, parole, and probation).

What you'll need to apply

Completed W-9 form for business. DBA, Tax ID Number (or Social Security Number for sole proprietor), and Mailing Address for 0% forgivable loan. Check must match entries in B.6 of the General Information section on the application.

Copy of "active" state business registration from State of Illinois

If not required to register with State of Illinois, attach documentation showing the business was operating prior to March 1, 2020 and meets all regulatory requirements from St. Clair County or the municipality in which the business is located.

Taxpayer ID (Need both FEIN and DUNS number) (if sole proprietorship, enter social security number of sole proprietor)

Business Financials /Tax Returns

- Individual (Sole Proprietors and individual/single-owner LLCs)
  - 2019 Schedule C (Form 1040) **OR**
  - If no 2019 Schedule C is available, provide 2018 Schedule C (Form 1040) **and** most recent Annual or Quarterly Balance Sheet or Profit & Loss Statement.
- Corporations (C-Corps, S-Corps, corporate Limited Liability Corporations (LLCs))
  - 2019 Corporation Income Tax Return (Form 1120 or 1120-S) **OR**
  - If no 2019 tax return is available, provide 2018 tax return **and** Annual or Quarterly Balance Sheet or Profit & Loss Statement
- Partnerships
  - 2019 Return of Partnership Income (Form 1065) **OR**
  - If no 2019 tax return is available, provide 2018 tax return **and** Annual or Quarterly Balance Sheet or Profit & Loss Statement

W3 Summary, 1096 (from 2019) or IRS FORM 941 (from 1st quarter 2020 or, if not completed, 4th quarter 2019). Sole proprietors may complete and attach a certification stating that business owner is the sole proprietor with no additional employees or subcontracted workers.

Updated and Current Municipal Business Tax Receipt, if applicable. Note that many cities and the unincorporated area do not require a business license.

How to apply

- Gather all necessary documents before starting the application.
- Make sure all necessary documents are included before you submit your application – that will ensure your application is processed as quickly as possible.

The application deadline is June 19, 2020. Depending on response date may be extended. St. Clair County reserves the right to reject any application submitted.