



Raytown CARES Act Small Business Grant Program Frequently Asked Questions

Congress passed and the President signed the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27, 2020. On August 18, 2020, the Raytown Board of Aldermen approved Ordinance NO. 5647-20, authorizing the request of available CARES funds from Jackson County for eligible expenses incurred between March 1, 2020 and December 31, 2020 and the creation of programs to assist the Raytown community.

The Mayor appointed an Ad Hoc Raytown CARES Act Business Grant Advisory Committee for the purpose of (1) recommending to the Raytown Board of Aldermen the priorities and guidelines for the Raytown CARES Act Small Business Grant Program, (2) administering the Grant Program, and (3) recommending grant recipients from the small business grant program.

On September 22, 2020, the Mayor and Board of Aldermen approved the priorities and program guidelines for the Raytown CARES Act Small Business Grant program. This program will distribute \$200,000 in CARES Act assistance to small businesses experiencing financial hardship due to COVID19. The City of Raytown remains committed to supporting our local businesses.

Who is eligible for this grant?

To be eligible for this grant, applicants must be any of the following:

- a. Raytown non-residential, bricks and mortar business owned and operated by a Raytown resident
- b. A for-profit business with a physical location of the business operation within the City of Raytown
- c. A 501 (c) (3), (4), or (6) with a physical location of the business operation within the City of Raytown
- d. A sole proprietor or home-based business with a physical location of the business operation within the City of Raytown
- e. A franchisee only applying for one Raytown location and providing segregated financials with only information for the location included in the application
- f. Priority given to businesses that have not received any PPP (Paycheck Protection Program) or other government grant funds (*prior receipt of PPP or other grant or loan funds **does not** exclude a business from receiving Raytown's Small Business Grant assistance*)

- g. All expenses submitted for reimbursement must be incurred and documented for April 1, 2020 through October 16, 2020

Grant Applicants Must Meet All of the Following

- Have at least one (1) employee and up to no more than 50 employees (FT or FTE) working at the Raytown location or documented on payroll of the Raytown location, and
- Be negatively impacted by COVID-19 or was temporarily closed due to Jackson County's order, and
- Have a current Raytown business license as of October 1, 2020, if not exempt by the State of Missouri per RSMo 71.620, and
- Have been established and operational prior to September 1, 2019.

How is FT and FTE defined?

FT is defined as a full-time employee who is employed on average at least 30 hours per week.

FTEs equal the number of full-time employees (those working 30 or more hours per week) plus the number of hours worked in a month by part-time employees (those working fewer than 30 hours per week) divided by 120.

How is "Business Operations" defined?

- Business operations shall have been established and open for business prior to September 1, 2019
- Must have a current Raytown business license as of October 1, 2020, if not exempt by the State of Missouri per RSMo 71.620
- Must be current on Raytown Sewer payments as of October 15, 2020.]

Who is NOT eligible for this grant?

- a. National or multinational corporate-owned franchises. Corporately owned chains are not eligible for the grant unless the business is individually owned by a franchise operator
- b. Businesses whose primary revenue is generated from rental properties (for example: office, residential, multifamily, or retail rental property)
- c. Businesses with more than 50 full-time equivalent (FTE) employees
- d. 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
- e. Businesses with unpaid code enforcement liens against them
- f. 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)
- g. National or multinational corporate-owned franchises. Corporately owned chains are not eligible for the grant unless the business is individually owned by a franchise operator
- h. Businesses whose primary revenue is generated from rental properties (for example: office, residential, multifamily, or retail rental property).
- i. Adult entertainment
- j. Gambling

- k. Real estate operations (commercial and residential) and real estate investing firms
- l. Any business operation prohibited by the Federal government
- m. Government owned

What expenses are eligible for this grant?

Reimbursement of expenses incurred from April 1, 2020 thru October 16, 2020. Applicants are only eligible for reimbursement for expenses that have not previously been paid from insurance proceeds or from reimbursement from any federal program.

For-Profit Brick & Mortar business expenses eligible for reimbursement:

- a. Rent for business location, including CAM (common area maintenance) charges only
- b. Mortgage interest only
- c. Payroll (W-2 wages only)
- d. Utility costs for the business location (limited only to Water, Sewer, Electric, and Gas)
- e. Purchase of Personal Protective Equipment (PPE) and other workplace improvements directly related to mitigating the spread of COVID-19
- f. Remote access equipment, such as computers, software, and printers for employers to enable telecommuting to allow social distancing (cell phone service expenses are eligible if used for the business)
- g. Inventory replacement, limited to spoilage of food relating to a temporary closure

For-Profit Home-Based business expenses eligible for reimbursement:

- a. Payroll (W-2 wages only)
- b. Purchase of Personal Protective Equipment (PPE) and other workplace improvements directly related to mitigating the spread of COVID-19
- c. Remote access equipment, such as computers, software, and printers for employers to enable telecommuting to allow social distancing (cell phone service expenses are eligible if used for the business)

Non-Profit business expenses eligible for reimbursement:

- a. Rent for business location, including CAM (common area maintenance) charges
- b. Mortgage interest only
- c. Payroll (W-2 wages only)
- d. Utility costs for the business location (limited to Water, Sewer, Electric, and Gas)
- e. Purchase of Personal Protective Equipment (PPE) and other workplace improvements directly related to mitigating the spread of COVID-19
- f. Remote access equipment, such as computers, software, and printers for employers to enable telecommuting to allow social distancing (cell phone service expenses are eligible if used for the business)

Sole Proprietor (no additional employees) business expenses eligible for reimbursement:

- a. Rent for business location (brick and mortar only and not a personal residence)
- b. Utility costs for brick and mortar location only (limited to Water, Sewer, Electric, and Gas)

- c. Purchase of Personal Protective Equipment (PPE) and other workplace improvements directly related to mitigating the spread of COVID-19
- d. Remote access equipment, such as computers, software, and printers for employers to enable telecommuting to allow social distancing (cell phone service expenses are eligible if used for the business) - new purchases only
- e. Expenses incurred and documented for April 1, 2020 through October 16, 2020

What expenses are NOT eligible for this grant?

The following expenses are not eligible for reimbursement through the Raytown CARES Act Small Business Grant:

- a. Purchase of cell phones for remote working
- b. Mortgage principal payment, mortgage insurance, real property insurance payment or property taxes
- c. Non W2 wages

What financial documents are required to apply for this grant?

- a. Profit and loss statement for 2019 (full calendar year)
- b. Year-to-date profit and loss statement for 2020
- c. Completed Reimbursement Form with copies of expenses (utility bill, mortgage statement, lease agreement, sales receipt) **and** documentation of payment (front and back of cancelled checks, credit card statement, etc.)
- d. Completed W-9
- e. Two forms of ID (one with a picture)
- f. Tax Return for 2019 (1040 Schedule C, 1065, 1120, 11-20S)
- g. Details showing other governmental grant or loan aid received (amounts, uses and timing)
- h. Additional Information **For Non-Profits only**: Financial statement for 2019 and year-to-date
- i. Additional Information **For Non-Profits only**: Copy of the IRS determination letter (which notifies or confirms that a nonprofit organization has federal tax exemption)

How do I apply?

Beginning **October 1, 2020**, the Raytown CARES Act Small Business Grant application will be available for applicants to submit online at www.RaytownCARES.com. Prior to October 1, applicants can review grant details and begin compiling supporting documents for their requests.

When does the application period close?

The last chance to submit an application is **11:59pm on October 30th, 2020**.

How much grant funding could I receive?

For sole proprietorships, or businesses with one employee, and non-profits the maximum amount that could be awarded is \$5,000. For businesses with 2-50 employees, the maximum amount that could be awarded is \$10,000.

If I am awarded Raytown CARES Act Grant funds, are they taxable?

These grant funds may be considered taxable income. Please contact your financial advisor for guidance.

When would I receive the grant?

For approved applicants, grant funds for reimbursables expenses will be distributed to applicants **before December 30, 2020**.

How will recipients of grant dollars be chosen?

A Raytown CARES Act Business Grant Advisory Committee has been formed to administer the grant program following the guidelines and **priorities** approved by the Raytown Board of Aldermen for these funds. Some of the factors that the committee will take into consideration include:

- Raytown non-residential, bricks and mortar business owned and operated by a Raytown resident
- Principle physical business operation is within the City of Raytown, even if business has multiple locations
- Sole proprietor, home-based business or franchisee employing at least one (1) person and no more than 50 people (FT or FTE) working at Raytown location or documented on payroll at the Raytown location. Full-time employee is defined as a person working thirty (30) hours or greater
- For-Profit business that holds a current Raytown business license (as of October 1, 2020), if applicable
- A 501 (c)(4) or (6) Non-Profit with a current Raytown address and employing at least one (1) full-time employee
- Priority given to businesses that have not received any PPP (Paycheck Protection Program) or other grant funds (*prior receipt of PPP or other grant funds **does not** exclude a business from receiving Small Business Grant assistance*)

What does “Priority” mean?

For the purpose of the Raytown CARES Act Business Grant, priority means first consideration to receive reimbursement for documented and approved expenses related to COVID-19 will be given to applications submitted by businesses that meet the priorities set out by the Raytown CARES Act Business Grant Advisory Committee and approved by the Board of Aldermen. To see what these priorities are, please refer to the above question, ***How will recipients of grant dollars be chosen?***

I own more than one business in Raytown. Can I apply for more than one grant?

Yes, you can qualify for a grant for each legal business entity. Each entity must occupy a separate physical storefront and have a unique business name. You must provide separate financial statements and staffing documentation for each location. If you are a private franchisee of a chain of food or retail establishments, you will qualify. However, corporate-owned locations of franchised chains do not qualify.

I own one or more commercial or residential properties that I rent to others. Do I qualify for a grant?

No. Landlords do not qualify. The businesses to which they rent space may apply if they meet the application criteria.

Will my business be required to report how I spent funds that are awarded?

The City reserves the right to request such information. Also note that your business may be required to provide access to such records as may be necessary to prevent fraud or ensure compliance with federal requirements.

What if I have questions about the application or whether my business qualifies?

Raytown is here to help. Please visit www.RaytownCARES.com/FAQs for detailed information about the Raytown CARES Act Small Business Grant. If you have a question that is not answered in the FAQs, please call **816-737-6121** and leave your contact information to receive a return phone call. Questions will be answered in the order in which they are received.

What businesses are not required to have a current Raytown Business License?

Per RSMo 71.620, the following businesses are exempt from having a Raytown Business License:

71.620. Imposition of tax or license fee on certain professions prohibited — imposition of tax or fee prohibited unless business office maintained — limitation on business license tax amount in certain villages. — 1. Hereafter no person following for a livelihood the profession or calling of **minister of the gospel, duly accredited Christian Science practitioner, teacher, professor in a college, priest, lawyer, certified public accountant, dentist, chiropractor, optometrist, chiropodist, physician or surgeon** in this state shall be taxed or made liable to pay any municipal or other corporation tax or license fee of any description whatever for the privilege of following or carrying on such profession or calling, and, after December 31, 2003, no investment funds service corporation, as defined in section **143.451**, may be required to pay, or shall be taxed or made liable to pay any municipal or other corporation tax or license fee of any description whatever for the privilege of following or carrying on its business or occupation, in excess of or in an aggregate amount exceeding twenty-five thousand dollars annually, any law, ordinance or charter to the contrary notwithstanding.

2. No person following for a livelihood the profession of **insurance agent or broker, veterinarian, architect, professional engineer, land surveyor, auctioneer, or real estate broker or salesman** in this state shall be taxed or made liable to pay any municipal or other corporation tax or license fee for the privilege of following or carrying on his or her profession by a municipality **unless that person maintains a business office within that municipality.**

Am I eligible if I meet some, but not all the eligibility requirements?

To be eligible for this grant, applicants must be:

- a. Raytown non-residential, bricks and mortar business owned and operated by a Raytown resident

- b. A for-profit business with a physical location of the business operation within the City of Raytown
- c. A 501 (c) (3), (4), or (6) with a physical location of the business operation within the City of Raytown
- d. A sole proprietor or home-based business with a physical location of the business operation within the City of Raytown
- e. A franchisee only applying for one Raytown location and providing segregated financials with only information for the location included in the application
- f. Priority given to businesses that have not received any PPP (Paycheck Protection Program) or other grant funds. (*prior receipt of PPP or other grand funds **does not** exclude a business from receiving Small Business Grant assistance*)

And all applicants must:

- Have at least one (1) employee and up to no more than 50 employees (FT or FTE) working at the Raytown location or documented on payroll of the Raytown location, and
- Be negatively impacted by COVID-19 or was temporarily closed due to Jackson County's order, and
- Have a current Raytown business license as of October 1, 2020, if not exempt by the State of Missouri per RSMo 71.620, and
- Have been established and operational prior to September 1, 2019