

CITY OF MOLINE

COVID-19 MICRO BUSINESS FORGIVABLE LOAN PROGRAM

PROGRAM GUIDELINES

The City of Moline has launched the COVID-19 Micro Business Forgivable Loan Program to assist small businesses that have been negatively impacted by COVID-19. A small business may have up to five employees, including the owner(s).

The COVID-19 Micro Business Forgivable Loan Program will be using approximately \$250,000 of the City of Moline General Fund to be replenished by the American Rescue Plan Grant. The maximum forgivable loan is \$10,000 per business.

These funds will provide much needed capital to small businesses in an effort to remain open/operational and help stabilize Moline's economy. Assistance will be provided to an eligible business in the form of a forgivable loan. The loan will be forgiven in three months as long as certain conditions are met. The "forgivable" feature of the loans rest on the ability of the borrower to remain operational and/or open for three months after receipt of the funds.

Completed applications will be reviewed by the selection committee. Applications will be accepted beginning June 9, 2021, through June 30, 2021, (5:00 pm central time). Applicants may submit their application on the City's FORWARD Platform <https://forward.livestories.com/login>, City's website, www.moline.il.us; email their application to kwhitley@moline.il.us or mail (postmarked by June 30, 2021) to:

**City of Moline
Community & Economic Development Department
COVID-19 Micro Business Forgivable Loan Program
619 16 Street
Moline, IL 61265**

Questions can be directed to KJ Whitley at (309) 524-2044 or kwhitley@moline.il.us.

Once closed, completed applications will be reviewed by the selection committee for accuracy and compliance with the program criteria. Limited funding is available. Awards will be given out until funding is exhausted.

Program Eligibility Requirements

- A small business may have up to five employees, including the owner(s);
- Business must be actively operational or will be operational within ten days of this assistance and remain operational for at least three months (otherwise funds are subject to repayment);

- Must be in and maintain compliance with all State and local orders related to COVID-19, including, but not limited to, the Illinois Department of Public Health;
- Be a for-profit small business, negatively impacted by COVID-19;
- Have a physical establishment in the City of Moline (home-based businesses may qualify but funding cannot pay for residential rent or mortgage in that situation);
- Provide goods or services to multiple clients or customers;
- Be current, or in a payment plan, on all local, state, and federal taxes due through 5/1/2021;
- Have an active and valid state license(s)/registration(s), if applicable;
- Corporately owned national or regional chain businesses are not eligible. Locally owned franchises or chain businesses are eligible;
- Multi-level marketing, franchise sales organizations and gambling businesses are not eligible.

Eligible Expenses

- Mortgage payments for the business's principal place of business or other such business location in the City of Moline. Mortgage payments for businesses that are located in an owner's primary residence are not an eligible expense.
- Rent payments for the business's principal place of business or such other business location in the City of Moline. Rent payments for businesses that are located in an owner's primary residence are not an eligible expense.
- Utility payments such as electric, gas, water and trash removal for the business's principal place of business or such other business location in the City of Moline. Utility payments for businesses that are located in an owner's residence are not eligible.
- Salaries or wages of all employees directly employed by the business.
- Operational expenses such as inventory.
- Personal protective equipment.
- Other expenses maybe considered based on need and industry.

Funding

The maximum forgivable loan is \$10,000 per business.

Application Review

Applications will be reviewed and evaluated for eligibility against the criteria set forth in the Program Guidelines. Applications will be scored against the five criteria set forth in Exhibit A. Approved applicants will be required to sign an Agreement that outlines the terms of the forgivable loan. Approved applicants will be required to comply with all conditions of the program. At the end of the three-month period of retention, the applicant will be required to provide the City of Moline with reporting documentation as proof of compliance. See Exhibit B. If the applicant fails to comply with the terms of the loan, he/she will be required to repay the full loan amount to the City within 30 days of the declared default or upon such other terms as the Parties may agree.

EXHIBIT A
CITY OF MOLINE
COVID-19 Micro Business Forgivable Loan Program

Scoring Criteria

First, staff will verify business eligibility based on self-reported data submitted in the application or City records for the eligibility criteria set forth in the Program Guidelines.

Second, the selection committee will review and evaluate eligible applications based on five criteria and assign a score from 0 to 100.

1. Negative COVID-19 Impact
2. Loss of Revenue
3. Business Retention (Open and/or Operational)
4. Experience and Past Performance
5. Application Completeness

Selection criteria are weighted as follows:

Negative COVID-19 Impact: A statement from the owner(s) describing how the business was negatively impacted by COVID-19

- Maximum of 25 points awarded

Loss of Revenue: Revenue loss for the previous 12-month period or revenue less than 50% of the previous 3-year period average

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| • Down 50% | 25 points |
| • Down between 30%-50% | 20 points |
| • Down between 15%-30% | 15 points |
| • Down between 1%-15% | 10 points |

Business Retention (Open and/or Operational): Points will be given for retaining positions

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| • Business has been opened/operational since 2019 | 15 points |
| • Business recently opened/reopened (since January 1, 2021) | 10 points |
| • Business will reopen within 10 days of receipt of funding | 5 points |

Experience and Past Performance: The experience of the applicant, including length of time in business and experience in undertaking activities of similar nature as the ones for which funds are being requested, will be evaluated

- Maximum of 10 points awarded

Application Completeness: The application will be evaluated for completeness, including signatures and all supporting documentation

Applications will receive a maximum of 10 points based on completeness, including signatures and all supporting documentation.

The following items are required for your application to be considered complete:

- Attachment A:** Submit your employee payroll for the most recent thirty-day period (i.e. payroll register). Payroll must include number of hours worked by each employee for the most recent thirty-day period.
- Attachment B:** Proof of monthly rent or mortgage amount. If you rent or lease a space, submit a copy of your lease that clearly states the monthly rent. If you own and have a mortgage, submit documentation from your financial institution stating your monthly mortgage amount.
- Attachment C:** Last 3 years Completed Business Tax Return or Schedule C from Personal Tax Return.
- Attachment D:** Proof of Address - For the business, documentation must be dated within the most recent 30 days. Acceptable documentation includes Utility Bill, Government Correspondence, Cellular Bill, Media Statement, Inventory Payment Invoice, Lease, Mortgage or similar.
- Attachment E:** Proof of U.S. citizenship or legal residency by submitting the following for the business owner:
 - Social Security card and driver's license or
 - Birth Certificate and driver's license or
 - Naturalization or Resident Alien documents
- Attachment F:** Completed W-9 form. (City must have on file in order to issue payouts if your business is selected for the Relief (Loan) Program.)

You will need to provide the following information:

- Legal name of organization
- Doing Business as (DBA) or other name by which your organization is commonly recognized
- Physical address, city, state and zip code
- Mailing Address, if separate (and P.O. box if you have one)
- Web address
- Telephone number
- Contact name
- Name of the authorizing official (e.g., president, director, etc.)
- Line of business - the purpose of your organization
- Total number of employees
- Is this a home-based business?

Applications are available beginning Wednesday, June 9, 2021

The deadline to submit applications is Wednesday, June 30, 2021. E-mails must be received no later than 5:00 PM 6/30/2021 and applications must be post marked no later than 6/30/2021.

If you have additional questions, please call 309.524.2044 or email: kwhitley@moline.il.us.