

CRITERIA TO BE EMPLOYED FOR MUNICIPAL SMALL BUSINESS GRANT PROGRAM PURSUANT
TO THE FEDERAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

I. ELIGIBLE BUSINESSES

To be eligible for a grant the business must be located within Hudson County and within the City of Hoboken. An eligible business shall be defined as a business owned by an individual, a partnership, a corporation or a limited liability company. A business can be mobile or located in a home provided it is located within Hudson County or in the case of municipal grants within the municipality issuing the grant award.

The business must be a for-profit entity in order to be eligible for a grant.

A business cannot have more than 25 full-time equivalent employees per week (not more than 1,000 hours) per week as of March 15, 2020 regardless of the number of business locations.

II. MAXIMUM AMOUNT OF GRANT

No business shall receive a grant in excess of a total amount of \$20,000.

III. PURPOSE OF GRANT

The grant shall be used to reimburse an eligible business for costs and expenses associated with the COVID-19 Pandemic ("COVID-19) resulting from business closure, partial closure or business interruption.

The grant may be used to pay for expenses and/or reimbursements relating to employee salaries; mortgage payments; business loan payments; equipment leases or finance payments; and utility payments ("Eligible Expenses").

IV. PERIOD OF TIME COVERED BY THE GRANT

The grant may be used to pay for Eligible Expenses incurred or anticipated to be incurred during the period commencing on March 15, 2020 and ending on August 31, 2020.

V. EMPLOYEE SALARIES

Use of grant funds for employee salaries may include salary paid to the owner or principal of the owner of the business applicant.

VI. NON-PERMISSIBLE USE OF GRANT FUNDS (DUPLICATION OF BENEFITS)

No grant application can be submitted for nor can grant funds be used to pay for any of the Eligible Expenses which are or have been the subject of any insurance claims or claims made with any other source, whether governmental or private, and for which a reimbursement payment is actually received.

VII. CERTIFICATION IN SUPPORT OF A GRANT APPLICATION

The individual owner of a business applicant or the principal in any business entity which submits a grant application must certify under oath to the truth of the accuracy of any statement or representation contained in a grant application or a document submitted in support of a grant application.

The grant applicant must specifically certify to the following:

the applicant is currently registered as a business with the New Jersey Department of Treasury, Division of Taxation

the nature or type of business of the applicant

the applicant has not applied for benefits or reimbursements for the Eligible Expenses from any other source for which a reimbursement payment is received

the business of the applicant is open at the time of the grant application and the applicant will use its best efforts to continue its business and not layoff its employees through August 31, 2020.

the applicant has been adversely impacted by COVID-19 resulting in a reduction of its business operations whether due to a partial closure, a complete closure or a change in the manner of doing business

the business has a material financial need caused by COVID-19 that cannot be overcome without the benefit of the grant award

VIII. DOCUMENTS NEEDED TO SUPPORT A GRANT APPLICATION

Any grant application submitted must contain the following documents relative to Eligible Expenses depending upon the use to which the grant funds are to be used:

Employee Salaries – copy of last Form WR-30 filed with the State of New Jersey

Sole proprietor salary – copy of last filed federal income tax return or proof of owner draws

Salary of principal of entity owner – copy of last filed federal Form K-1

Lease payments – copy of the signed lease

Mortgage/Business loans – copy of signed mortgage note and/or business loan note

Utilities – copies of any bills

Equipment lease/finance payment – copy of monthly statement or lease/financing agreement

Any grant application must contain evidence of the tax i.d. number for the business owner

Any grant application which is made by an entity must include a copy of the filed certificate of formation of the entity

Any grant applicant must submit evidence it was in business as of March 15, 2020. Satisfactory evidence shall be leases, utility bills evidencing operations or bills for supplies or other business necessities which disclose that the business was in operation as of March 15, 2020.

IX. AMOUNT OF THE GRANT AWARD AND MANNER OF PAYMENT OF THE GRANT AWARD

No grant award can exceed \$20,000. The amount of the grant award shall be determined as follows:

- (i) The grant applicant shall receive \$2,000 per employee for any employee who was an employee of the applicant (including an owner employee) as of March 15, 2020 and whom the applicant certifies shall be in the employ of the grant applicant through August 31, 2020. The purpose of this payment is to serve as a working capital contribution to the applicant and as financial assistance to allow the applicant to remain open for business.
- (ii) An amount equal to the difference between \$20,000 and amount calculated pursuant to section (i) above which shall be used to pay for documented COVID-19 Expenses incurred or anticipated to be incurred for the period commencing on March 15, 2020 and ending on August 31, 2020 conditioned upon the applicant certifying that it shall use its best efforts to remain in business through August 31 2020.

The grant award as calculated pursuant to sections (i) and (ii) above shall be paid in full at the time the grant is approved.

X. FAILURE TO USE FUNDS PROPERLY

Any business who files a fraudulent grant application or misuses grant funds will be obligated to return any funds improperly received plus interest at the rate of 1% per annum.

XI. DEPOSIT OF FUNDS

Any funds given to a municipality and used to establish a small business grant program must be placed on deposit with a financial institution chosen by the municipality and must be either a bank, a savings bank or association federally chartered or chartered by the State of New Jersey; located in the State of New Jersey or if located in another state must have a branch in New Jersey; must be a member of the FDIC; must meet the requirements of the Government Unit Deposit Protection Act; and must meet the minimum credit criteria of credit analysis provided by commercially available bank rating services.

XII. ADMINISTRATION OF PROGRAM

Prior to the commencement of a small business program and receipt of funds from the County to fund the program, the Municipality must identify the entity chosen to administer the program and receive the approval from the County of the entity, which approval shall not be unreasonably withheld.

XIII. COSTS TO ADMINISTER PROGRAM.

Any reasonable expenses incurred by a Municipality to administer the small business grant program of the Municipality may be deducted from funds received from Hudson County for the program. No funds can be used to pay for any administration expense which exceeds the equivalent of \$350.00 per approved grant application.

XIV. RETURN OF FUNDS

Any funds not used to fund a grant by November 1, 2020 must be returned to the County, however, the Municipality may request an extension of time not beyond December 1, 2020 to process any pending grant applications.