



SMALL BUSINESS ECONOMIC ASSISTANCE PROGRAM

- **How does the program define a Low to Moderate Income (LMI) employee?**
 - The program defines Low to Moderate Income (LMI) as a full-time equivalent (those that work a 40-hour week) ***that earn less than \$37,350***, annually. The program does not take the employee's household income into consideration.
- **When entering a "proposed use of funds", what time period are you looking at? Is this effectively a reimbursement for costs during the shutdown? Or is it based off of current costs today?**
 - The County's program reimburses the business's expenses for **payroll** (e.g. wages, payroll taxes) and **occupancy** (e.g. rental lease payments, mortgage, and utilities) **incurred after a contract has been executed** between the business and the County. Therefore, the County cannot reimburse payroll or occupancy expenses incurred before the contract has been executed.
- **What is the application referring to when it states that a business must "be registered and in good standing with the NC Secretary of State?" Is this referring to the Charitable Solicitation License?**
 - All applicants (non-sole proprietorships) must be in good standing with the NC Secretary of State (NC SOS) prior to being recommended by staff for funding. A Charitable Solicitation License is not required for applying to this program. Please refer to the Business Search function (found [here](#)) on the NC SOS website to determine if your organization is active and current on all required documents.
- **If a business has received an Employee Retention Credit under the CARES Act, are they still eligible for reimbursements under the County's program?**
 - Yes. Since the Employee Retention Credit under the CARES Act qualified for wages paid prior to January 1, 2022, prior recipients of the credit do not run the risk of duplication of benefits by engaging in the reimbursement process through this program. It is also important to reiterate that the County's program only reimburses payroll and occupancy expenses incurred after the contract between the County and the business is executed.
- **What documentation is needed for payroll reimbursements? (e.g. job description, payroll records, or payroll documentation supporting the request for payroll?)**
 - Generally, submitting documentation that your organization actively uses to track your payroll (e.g. a breakdown from your payroll software or timesheets) is acceptable documentation for the County to track your compliance with hiring or



retaining Low to Moderate Income (LMI) employees for your organization. You will also be required to submit documentation showing that the ACH check has left your bank account or demonstrate that checks have cleared the bank.

- **Does this program apply to projects that have started but have not yet been completed?**
 - The County's program is tailored as a response to the negative economic impacts of COVID-19 that the nonprofit organization has directly experienced. Therefore, only **payroll** (e.g. wages, payroll taxes) and **occupancy** (e.g. rental lease payments, mortgage, and utilities) expenses incurred after a contract has been executed can be reimbursed under this program.

- **Can health insurance and 401k match for employees be included in the program's payroll reimbursement?**
 - Yes. 401k match, health insurance, or other types of provided retirement plans for Low to Moderate Income (LMI) employees can be included in payroll reimbursements to the organization. However, the cap for the business's reimbursements cannot exceed \$50,000 in total.

- **If an employee received a pay raise, but met the income requirements for the requested months included within the application, is this still acceptable?**
 - If an employee is claimed as a Low to Moderate Income (LMI) employee during a certain month during the contract period, and then receives a raise the following month, then the employee is no longer classified as an LMI position and does not qualify for reimbursement. Additionally, the reimbursement program only applies to costs incurred after a contract is signed and executed.

- **Are eligible payroll reimbursements only applicable to employees paid below the Low to Moderate Income (LMI) threshold?**
 - Yes. Based on the parameters of this program and under North Carolina law, the County can authorize appropriations for economic development that increases employment and business prospects in the county (N.C.G.S. § 160D-1311(a)(2)). However, this is limited to programs concerned with employment and welfare needs of persons of low and moderate income (N.C.G.S. § 160D-1311(a)(2)). The federal funds provided by the American Rescue Plan also restrict funding to responding to the negative economic impact that nonprofits experienced as a result of the COVID-19 pandemic. Based on [HUD income guidelines for 2022](#), Low to Moderate Income (LMI) levels is defined as full-time equivalent positions (those that work a 40-hour week) that earn less than \$37,350, annually.



- **Can internet costs be included as a utility expense?**
 - No. Internet costs are not considered a utility expense under this program. Utility reimbursements include services that are required to meet standards of building codes (e.g. water, power, gas, sewer, solid waste).

- **If a mortgage is paid off, is it acceptable to be reimbursed for crucial building repairs?**
 - No. Since the program is based on reimbursements, the business must be actively incurring occupancy expenses, payroll expenses, or both. If the nonprofit is currently making mortgage or rental payments, crucial building repairs *may* be allowable if the necessary repairs are consolidated into the stipulations of a mortgage or rental agreement. If this does not apply, then exploring the reimbursement of Low to Moderate Income (LMI) employee payrolls (e.g. wages, payroll taxes, fringe benefits) may be a more viable option.

- **If requesting reimbursements exclusively for utilities, do you still have to submit payroll documents?**
 - Yes. You may request reimbursement for occupancy expenses, payroll expenses, or both. However, you will still need to submit payroll information that demonstrates the hiring or retention of Low to Moderate Income (LMI) employees since reimbursements under this program depend on your organization fulfilling this contractual obligation.

- **So, we submit an application, get approved, keep track of our expenses, and get reimbursed at the end of the year or on a month-by-month basis?**
 - After your business has been approved and a contract has been executed, a month-by-month basis for reimbursement is the shortest timeframe the County can distribute reimbursements to your organization. You will be able to submit supporting occupancy or payroll documentation month-by-month or even submit documents at the end of the year to a document portal provided by the County in the future. However, reimbursements will not be distributed until the County can verify eligible reimbursement categories based on provided documentation.

- **Do positions have to be full-time or part-time to keep with the hiring and/or retaining Low to Moderate Income (LMI) employee requirement?**
 - The program defines Low to Moderate Income (LMI) individuals as a 40-hour full-time equivalent position. However, multiple part-time positions can be combined to satisfy the 40-hour LMI full-time equivalent requirement.



- **If we are required to make upgrades to meet disability requirements for occupancy reimbursements, is that covered?**
 - Most likely, no. If the business is currently making mortgage or rental payments, crucial building repairs such as meeting disability requirements *may* be allowable only if the necessary repairs are consolidated into the stipulations of a mortgage contract or rental agreement. However, this is generally not the case.

- **Is there a required percentage of overall/total employees who must meet the low to moderate income requirements in order to apply?**
 - No. However, reimbursement requests must be proportional. For example, if an organization is asking to retain 3 LMI full-time employees for \$50,000, this would be considered proportional. However, if an organization requests \$50,000 and only has 1 LMI full-time position to retain, the request would be considered unproportional.

- **Do funds have to be expended by the receiving business by a certain date?**
 - No. There is not a timeframe on being reimbursed through the program. Therefore, reimbursements will be available until the contracted amount with the organization is expended. The termination of the contract by either party would also result in ceasing reimbursements.

- **If I get approved for a reimbursement and it's going to take me a full year to re-coup that award, is that ok?**
 - If you are unable to wait until the end of the year for the full reimbursement that you are approved for, you would ideally take the option of drawing down monthly reimbursements, which is the shortest timeframe the County can distribute reimbursements to your organization. For example, if you are approved to retain 3 Low to Moderate Income full-time employees for \$50,000, the maximum amount you can draw down each month is \$4,166.66. This places less of a financial burden on the nonprofit organization.

- **Can we claim out of pocket funds spent on clients?**
 - The County's program only reimburses the nonprofit's expenses for payroll (e.g. wages, payroll taxes) and occupancy (e.g. rental lease payments, mortgage, and utilities) incurred after a contract has been executed between the nonprofit organization and the County.

- **Can payroll and utility expenses both be claimed each month for reimbursement?**



- Yes. You can either claim occupancy expenses (rental lease payments, mortgage [for organization property], and utilities), payroll expenses (wages and associated payroll taxes), or both.
- **What source are you using for the Low to Moderate Income (LMI) levels? Also, if the employee is in a family of 5, these adjustments would coincide with the number of family members, correct?**
 - The Low to Moderate Income (LMI) levels use HUD income guidelines for 2022 (See Cumberland County's breakdown of income limits [here](#)). Because this program is geared toward the business and not the employee, the program defines LMI as an individual full-time equivalent employee's salary being those being paid less than \$37,350, annually. The program does not take the employee's household income into consideration.
- **Can we be reimbursed for property taxes and insurance premiums?**
 - Most likely, no. Property taxes and insurance premiums are not generally included under the allowable reimbursement categories of this program. Allowable expense reimbursements include payroll (e.g. wages, payroll taxes) and occupancy (e.g. rental lease payments, mortgage, and utilities). Additional expense reimbursements may be allowable only if the expenses are consolidated into the stipulations of a mortgage or rental agreement.
- **When can we expect approval after submission?**
 - The County will be reviewing applications on a rolling basis. The timeline for approval depends on completing the application in full. Partial applications yield a longer review period as County staff reach out to the applicant to verify the completeness and validity of application materials. An overview of the approval process is as follows:
 1. Your application will be reviewed by the American Rescue Plan (ARP) team
 2. If the ARP team recommends your application after review, your application then moves to the ARP staff committee, which consists of various County employees across departments
 3. Upon recommendation by the ARP staff committee, your application will move to the ARP board committee for review
 4. After the ARP board committee approves your application, the application moves to the full board of commissioners for formal approval



5. After full board approval, you will receive a conditional award letter
6. A contract will then be created, which is vetted for legal sufficiency and pre-audited by County staff prior to the last step
7. A member of the ARP team will then reach out to you to setup a date and time to sign and execute the contract

- **What is the maximum amount I can draw down each month?**
 - The maximum amount that you can draw down each month depends on the final reimbursement in the contract between your organization and the County. For example, if your organization is approved for \$50,000 in reimbursements, the maximum amount you can draw down per month is \$4,166.66. Beyond what the final amount for reimbursement is in the contract between your business and the County, there is no cap based on whether you choose to reimburse for payroll, occupancy, or both.
- **I own the building outright, how does that affect what I can apply for?**
 - Given the lack of a rental agreement or mortgage payments, you would still be eligible to apply for payroll expense reimbursements (e.g. wages, payroll taxes) and utilities (e.g. water, power, gas, sewer).