

The following policy was approved at the January 18, 2022, Board of Commissioner's meeting.

Cumberland County

Section I – Board Approved Policies

Subsection 10: American Rescue Plan Act of 2021

Policy No. 10-2.9: Small Business Economic Assistance

1.0 PURPOSE

Cumberland County has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CSLFRF). The Board of Commissioners approved allocating ARPA funding to establish a Small Business Economic Assistance Program (SBEAP) in response to the economic impacts experienced by small businesses as a result of the COVID-19 pandemic. This program describes eligible activities as defined in 31 CFR Part 35.

2.0 SCOPE

Funds are made available by the U.S. Department of Treasury through Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) and are administered by the Cumberland County ARP Staff Committee. The goal is to provide up to \$50,000 in financial assistance to small for-profit businesses that faced economic hardship due to the pandemic. For the purpose of this program Cumberland County has defined a small business as a business with no more than two hundred and fifty (250) employees (including the owner) at the time of application submission.

As defined in the federal guidance in the CSLFRF Final Rule, Funds may be used for the following:

- Payroll;
- Mortgages;
- Rent;
- Costs associated with mitigation or prevention of COVID-19 such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs;
- Technical assistance, counseling, or other services to assist with business planning needs; and
- Other operating costs as a result of the public health emergency and measures taken to contain the spread of the coronavirus.

Funding for activities will be approved based on the business needs on or after March 3, 2021.

Funds under this Program may not be used to:

- Pay off non-business debt, such as personal credit cards for purchases not associated with the business;
- Purchase personal expenses such as buying a new family car or making repairs to a participant's home;
- Direct financing to political activities or paying off taxes and fines; and
- Purchase personal items or support other businesses in which the owner may have an interest.

3.0 STATEMENT OF THE POLICY

For-profit businesses operating within Cumberland County employing no more than two hundred and fifty (250) individuals at the time of application submission may apply.

1. The business must be located in a Qualified Census Tract (QCT) or employing individuals (at least 51% of total employees) with a household income at or below the income limits established in Appendix A;
2. The business must possess the capacity to be successful with the use of the program funds;
3. If the business is a sole proprietorship or a partnership, each person owning an interest in the business must be at least 18 years old;
4. The business must have a valid tax identification number consisting of the owner's social security number, if the business is a sole proprietorship or Federal Employer Identification Number, if the business is other than a sole proprietorship; a State Employer Number; and a business bank account in the name of the business;
5. If the business is a corporation, limited liability company or limited partnership, it must be registered in good standing with the North Carolina Secretary of State;
6. The business must not currently be in bankruptcy; if the business is a sole proprietorship or a partnership no person owning an interest in the business may currently be in bankruptcy;
7. The business is current with property taxes and any fees that are collected with property taxes, or has a payment plan in place with the tax collector; and
8. Business will have general liability insurance in policy with sufficient coverage in place at the time the assistance is received.

Certain business types are ineligible to apply. This includes but not limited to:

Businesses owned in part or fully by Cumberland County employees, commissioners, or their family members.

The SBEAP will be administered internally by County ARP Staff. using the following method:

- a. Businesses with 250 or fewer employees paid with wages reported on a Form W-2 or Form 1099;

- b. Business was in operation on or before March 3, 2021 and is currently still in operation.
- c. Businesses must commit to retaining a minimum of one (1) employee for one year after the receipt of the assistance, owners of sole proprietorships meet the definition of one (1) employee; and
- d. At least 51% of the retained jobs must be held by employees who reside in low-to-moderate income (LMI) households or Qualified Census Tracts, as determined by a self-verification of household income and/or address.

4.0 IMPLEMENTATION

The Cumberland County ARP Staff Committee will consider businesses qualifying under the LMI benefit categories indicated above. If a business does not qualify under the LMI criteria, then Cumberland County may consider qualifying businesses under the QCT category, which has fewer qualification requirements.

A contractual relationship will be established between the County and the small business to ensure compliance with county, state and federal guidelines.

Implementation and enforcement of this policy shall be the responsibility of County Administration, Finance, and Legal.

- [31 CFR 35, Coronavirus State and Local Fiscal Recovery Funds Interim Rule](#)
- [31 CFR 35, Coronavirus State and Local Fiscal Recovery Funds Final Rule](#)
- [2021 HUD Income Limits, Appendix A](#)