

## San Diego County Small Business Stimulus Grant Fund

(Amended November 25, 2020)

### I. BACKGROUND

The current COVID-19 pandemic has led to an insurmountably devastating economic impact across San Diego County. Outlined is a proposal that if implemented, would facilitate immediate mitigation of the already worsening dire economic situation countywide. This proposal addresses a multi-pronged approach to utilize \$47.5 million in Board of Supervisors allocated federal CARES Act funding and General Fund fund balance to provide a lifeline grant to many local small businesses to get them open, keep them open, and help prevent more from going out of business. Grant funds will be equally distributed by Supervisorial District (\$9.5 million per district). These grant funds will be quickly mobilized and disbursed through the community through the County of San Diego's Office of Financial Planning. The County of San Diego's Small Business Stimulus Grant Funding is to provide economic assistance to help businesses and nonprofit entities impacted by COVID-19. Financial assistance will be allocated to eligible, qualified small businesses and nonprofit entities with final award recommendations made by individual district offices based on the availability of funds, program guidelines, and the submission of all required information and supporting documentation.

Applications will be made available by the County via an online portal. The first step of the application process will be to ensure eligibility of the applicant. Eligible applicants will be invited to immediately submit applications, subject to funding available by district. Applications will be provided to each Supervisorial District for review and recommendation of awards. Final award information will be posted to the online portal. Successful applicants will be required to enter into a grant agreement with the County.

### II. ELIGIBLE BUSINESSES

1. Must have experienced financial hardship as a result of COVID-19. These impacts must be documented, quantifiable, and clearly driven by COVID-19.
2. Private for-profit and non-profit businesses with fewer than one hundred (100) employees including sole proprietorships and independent contractors.
3. Employers headquartered and operating in San Diego County.
4. Minimum 1-year operating history as of February 14, 2020.
5. Businesses in the following sectors (restaurants, gyms and fitness centers, including yoga studios, movie theaters, museums, zoos and aquariums) that have been impacted by moving from Red to Purple Tier.
6. Must be in compliance with Public Health Order.

### III. ELIGIBLE ACTIVITIES

Activities eligible for funding must be as a direct result supporting public health and response activities associated the COVID-19 pandemic. These activities should be clearly driven by response to COVID-19. For awards made prior to November 25, 2020, the eligible expenditures period begins March 1, 2020 through December 30, 2020. **For awards made after November 25, 2020 eligible expenditures would be from March 1, 2020 through sixty (60) days after the date of executed grant agreement.**

1. Innovation to promote outdoor business to protect employee and public health
2. Payroll/employee retention, including but not limited to Workers Comp Insurance premium and Unemployment Insurance premium increases related to COVID-19, employee paid leave due to COVID-19 illness
3. Purchase of Personal Protective Equipment (PPE) to protect employee and public health and efforts to sanitize the business environment
4. Rent or mortgage payments (excluding property tax payments)
5. Addressing temporary COVID-19 related restrictions on business activity
6. Increasing technology capacity to enable alternative work forms
7. Creating new marketing campaigns or business plans
8. Paying vendor invoices
9. Facility cleaning/restoration
10. Costs associated with additional training or virtual learning to implement COVID-19 safety measures
11. Expenses required to plan for a safe reopening such as expert assessments and/or to conduct research or market surveys

The list below provides a list of examples of ineligible activities or costs covered under the County of San Diego's Small Business Stimulus Grant Funding:

- a) Expenses for the State share of Medicaid
- b) Damages covered by insurance
- c) Reimbursement to donors for donated items or services
- d) Workforce bonuses other than hazard pay or overtime
- e) Severance Pay
- f) Legal Settlements

### IV. APPLICATION PROCESS

The County will make available a centralized, web-based application with instructions to include on the County's website. Completed applications will be accepted subject to funding available by district. Applicants will answer the below questions to demonstrate eligibility. Eligible applicants

will be allowed to immediately complete the online application. Ineligible organizations will receive an immediate notification of ineligibility.

- a) Has your for-profit or non-profit business been impacted by moving from the Red to Purple Tier?
- b) Are you a private for-profit or nonprofit business?
- c) Do you have fewer than one hundred (100) employees, including sole proprietorships and independent contractors?
- d) Are you headquartered in San Diego County, providing local goods and services to the community?
- e) Do you have a minimum 1-year operating history as of February 14, 2020?
- f) Have you experienced financial hardship as a result of COVID-19? These impacts must be documented, quantifiable, and clearly driven by COVID-19.

Eligible applicants will upload a description of the anticipated uses of grant funds to the online application portal.

## V. APPLICATION REVIEW AND AWARD PROCESS: ROLES AND RESPONSIBILITIES

### 1. Application Processing

OFPP will provide a weekly summary of applications received to each Supervisorial District. Applications will be reviewed for legal conformance by the Office of County Counsel.

### 2. Grant Agreement

OFPP will facilitate the execution of a grant agreement between the County of San Diego and the applicant, or Grantee. The County shall require all Grantees to comply with all applicable requirements associated with the CARES Act Coronavirus Relief Fund.

### 3. Customer Service

OFPP will provide technical assistance and support throughout the application and review process and during the term of the grant agreement.

### 4. Recommendations for Grant Awards

Each Supervisorial District will notify the Chief Administrative Officer of approved grant awards, certifying that the grantees meet the program guidelines. Submissions will be made according to the format determined by the Chief Administrative Officer. Payment Processing

Upon execution of the agreement, OFPP will ensure the Grantee is paid in a timely manner.

### 5. Reporting/Documentation

OFPP will ensure the grantees convey all grant deliverables as noted below in section VI. OFPP will follow up with grantees to ensure program compliance. Organizations that fail

to provide satisfactory grant deliverables will receive a demand letter requiring return of funds. Failure to return funds will result in collection action.

6. Audits, Records Retention

OFP will review for adequacy and maintain all records of the San Diego County Small Business Stimulus Grant Fund.

## VI. GRANT DELIVERABLES

### **Grantee Reporting and Documentation Requirements**

At the conclusion of the grant period, Grantee shall deliver to County Office of Financial Planning a program utilization and impact report along with supporting documentation detailing Grantee's expenditure of funds to date and grantee shall deliver to County Office of Financial Planning all unexpended funds. The grant reports shall include documentation of eligible expenditures incurred beginning March 1, 2020 and through the end of the term of the agreement. Organizations that fail to provide satisfactory grant deliverables will receive a demand letter requiring return of funds. Failure to return funds will result in collection action. The list below catalogues examples of documents which show eligible expenditures:

1. Detailed payroll reports
2. Receipts showing purchase of PPE
3. Rent/mortgage invoice, including copy of cleared check or bank statement showing evidence of payment
4. Lease agreement or mortgage contract
5. Payroll records related to paid leave due to COVID 19 illness (employees names should not be listed since this information may be confidential)
6. Receipts for purchase of equipment or other expenditures used to improve telework capabilities
7. Invoice and copy of cleared check, or bank/credit card statement showing evidence of payment for other eligible activities