

Implementation Overview of Small Business Grants

Pre-Award

1. Planning - A plan must be completed before moving forward with the Small Business Grants. This plan will address each task listed below (2-7).

- Determine which businesses are eligible for the grant along with eligible expenses and reporting requirements.
- Determine whether to create a small business grant application or use the existing application created by the Department of Finance & Administration.

Items to consider when determining application:

- Will the applications be accepted until funding is gone?
- Is there a limited time for all applications to be submitted (two weeks)?
- What information/documentation must be included with the application?
- Will the awards be based off of score, need, business size or other?
- Notification of award. When will awards be announced?
- What type of agreement will be used? Who will oversee the grants? Will they be responsible for grant from start to finish? Will different employees be responsible for different tasks? Will site visits be required? Will the applicant be audited for compliance?
- Who will review disbursement requests? What backup documentation is needed along with the request?
- When the grant funds are fully expended and the applicant is ready to close their grant, what is needed? Who will keep grant files for audit purposes?

2. Application Submittal

- Create a deadline for all applications submissions.
- Review all applications for completeness and eligibility. Remove all ineligible applications and distribute the eligible applications to the score panel.
- Application requirements:
 - The business must be headquartered in NM;
 - 50 or fewer full time equivalent employees;
 - Annual revenues of \$2 million or less;
 - Business start date no later than March 1, 2019; and

- The business was either forced to close or had severely curtailed business operations as a result of closure orders due to covid-19.

3. Application Determinations

- Applications will be reviewed and scored. Determination will be made for award amounts. Document all decisions for award and keep scores available as backup documentation, or,
- Applications can be reviewed and awarded on a first come first serve basis, or,
- Applications are based on need, business size or other.

Award

4. Awards

- When the review process has been completed, the applicant must be notified whether or not they have been awarded a grant.
- Create award letters or agreements to be sent to the small businesses.
- All required documentation must be presented upon execution of the agreement:
 - Certificate of good standing
 - Copy of your payroll to include March 1, 2020
 - Most recent payroll at time of application
 - Documentation of March and April 2019 total gross receipts
 - Most recent taxes documenting net taxable income
 - Unemployment insurance tax documentation for the fourth quarter of 2019
 - Completed W9 Form
 - Voided Check or Bank Letter with Account/Routing Info (if applicable).
Payments will be made directly into the small business bank account. By providing us this information, you certify that the information provided is correct and you authorize the county or municipality to initiate credits for corrections to the financial institution.

Post Award

5. Project Management

- The grant manager will ensure all requirements and obligations are met. This may include reaching out to the small business requesting additional documentation.
- This may include auditing the awardee's files and site visits, if necessary.

6. Disbursement

- Reimbursement requests must be reviewed to ensure compliance for eligible expenses and accurate financial management. All backup documentation for reimbursement requests must be kept for auditing purposes.
- What expenses will be covered:

Business Continuity:

- Non-owner employee payroll
- Rent
- Scheduled mortgage payments
- Insurance
- Utilities
- Marketing

Business Redesign:

- Reconfiguring physical space
 - Installing plexiglass barriers
 - Purchasing web-conferencing or other technology to facilitate work-at-home
 - PPE for employees
 - Temporary structures to mitigate the spread of Covid-19
- Once reimbursement requests are received from the business, the entity will need to gather the documentation and submit a disbursement request to DFA to cover those expenses. This disbursement request will include Exhibits 1-4 from the request for disbursement packet.

7. Closeout

- All reports and financial data must be kept to ensure all requirements have been met. Upon completion of all closeout requirements, the grant can be closed.
- Current guidance from the IRS states the awards will be reported as income to the small business and a 1099 will need to be issued for each award.