

LANSING CARES PROGRAM

FINANCIAL AND TECHNICAL ASSISTANCE TO FOR-PROFIT BUSINESSES

FREQUENTLY ASKED QUESTIONS

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Program Details

1. Why was the Lansing CARES Program created?

The Lansing CARES Small Business Assistance Program was created to provide emergency financial assistance and disaster planning training to city of Lansing small businesses in danger of going out of business due to the COVID-19 pandemic. The Lansing CARES Small Business Assistance Program is part of the third stage of the Lansing Small Business Recovery Program.

2. Who is funding and implementing this program?

The Lansing CARES Small Business Assistance Program is funded by a portion of the city of Lansing's additional Community Development Block Grant (CDBG) funds provided through the CARES Act. The city of Lansing contracted the Lansing Economic Development Corporation (LEDC) to develop and implement the program.

3. How much total funding is available for this program?

About \$500,000 - \$550,000 is anticipated to be available for forgivable loans.

What is the amount of funding awardees will receive?

Award amounts will be dependent on the demonstrated need of the applicant. Awards will range from \$5,000 to \$50,000.

4. Are awards grants or loans?

Awards are easily forgivable, deferred payment, 0 interest loans. Once the awardee has completed reporting which shows the funds were used for the approved uses, the loan will be forgiven.

5. What can the funds be used for?

Loan funds can be used to support the following eligible expenses:

- Operating Expenses (e.g., payroll, rent/mortgage, utilities, etc.). Payroll can only include W2 employees.
- Inventory and supplies, such as PPE, MAY be allowed in certain circumstances. All inventory and supplies purchased must be purchased to be utilized within the loan period. The need for these purchases must directly relate to COVID-19.

Eligibility

6. What are key determinants of eligibility?

To be eligible to apply for the Lansing CARES Program, businesses must meet each of the following eligibility criteria:

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- For profit business with their primary business location within the corporate limits of the City of Lansing
- Self-defined service area must be a primarily residential area in the City of Lansing where at least 51% of the household incomes qualify as Low-Mod Income (at or below 80% of Area Median Income).
- Business must have been in operation prior to March 1, 2020
- Business's total revenue in 2019 must have been \$1,500,000 or less
- Total number of employees as of March 1, 2020 and January 1, 2021 must both be 60 or fewer
- Must have been negatively impacted by COVID-19 or related executive orders and be able to show a COVID-19 related need for at least \$5,000 to cover eligible expenses.
- Must certify that the business and any party with 20% or greater ownership is in good standing for all City of Lansing, state, and federal taxes
- Must not be of the following business types (see definitions):
 - Check cashing/payday advance
 - Adult stores/services
 - Packaged Liquor retailer (see definition)
 - Store that sells firearms (see definition)
 - Marijuana operations of any kind
 - Internet based business (see definition)
 - Wholesale and business-to-business operations
 - Nonprofits
 - Manufacturing
- Must not be involved in illegal activities
- Must not have an open personal or business bankruptcy or bankruptcy in the past two years

7. My business has a "Lansing" address. Does this mean my business is located within the corporate limits of the City of Lansing?

Not necessarily. Some businesses located outside the city's corporate limits have a Lansing address. To find out if your business is located within the corporate limits of the City of Lansing, use the City of Lansing Assessor's property information tool at [this website](#) and type in your business's address. If your business's address returns a result, it is located within the corporate limits of the City of Lansing. If there is no result, the business is not located within the corporate limits of the City of Lansing and is not eligible to apply for this award. Another way to verify is if your businesses property tax bill comes from the City of Lansing.

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8. I live in the City of Lansing and own a business, but the business I own is located outside of the corporate limits of the City of Lansing. Is my business eligible to apply?

No, your business is not eligible to apply. To be eligible, the business must have a brick-and-mortar location physically located within the corporate limits of the City of Lansing.

9. Are sole proprietorships or home based businesses eligible?

Yes, sole proprietorships and home based businesses are eligible to apply.

10. Are single person LLCs eligible?

Yes, single person LLCs are eligible to apply.

11. Are franchise businesses eligible?

Yes, locally owned and operated franchises are eligible to apply.

12. Are nonprofits eligible?

No, nonprofits are not eligible to apply.

13. Are businesses with multiple locations eligible? If my business has multiple locations, do I need to submit a separate application for each?

Yes, businesses with multiple locations are eligible to apply; however, the business with multiple locations must choose only one location to apply for. Only one business location per TIN (Taxpayer Identification Number) may apply.

14. Are businesses that received other local, state, federal, or private financial aid in response to COVID-19 eligible?

Yes, businesses that received other local, state, federal, and/or private financial aid in response to COVID-19 are eligible. Applicants will be asked to identify the sources and uses of funds in their full application. No duplication of benefits will be allowed.

Application Process Questions

15. Where would an interested small business owner go to apply?

The pre-application will be available at www.lansingmi.gov/smallbusiness. Full applications will be made available to applicants once their eligibility has been confirmed and as funds are available.

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16. How extensive will the application be?

The Lansing CARES Small Business Assistance Program has a two-step application process. The pre-application is very simple and includes only questions to determine eligibility and basic identification information.

After an applicant has submitted a pre-application, is determined to be eligible, and as funds are available, they will be given access to the full application. This full application is much more extensive, asking for detailed financial information and narrative regarding the impacts of COVID-19 on the business.

17. Will I be able to edit my application after I submit it?

Once your application is submitted, you cannot edit your application. However, before you hit submit, you are able to save progress and return to complete your application via the portal.

18. What happens if I submit two applications for the same business?

Only the most recently submitted application will be considered. This may delay your business's application review. Please refrain from submitting an additional application unless there is a critical change that must be made or we have requested that you resubmit.

19. Will hard copy applications be accepted?

No, only online applications submitted via the process outlined at www.lansingmi.gov/smallbusiness will be accepted.

20. Will there be a defined application period? When will applications be due?

Applications will be reviewed on a rolling basis and as funds are available. There is no defined application period or due date. We do encourage interested businesses to apply as early as possible, however awards will not be made first come, first served. The program timeline is subject to change as funds are available.

21. Can my application for a previous grant program be repurposed for consideration for the Lansing CARES Program?

No. Each applicant business must submit a new application for the Lansing CARES Small Business Assistance Program.

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Awards Process and Next Steps

22. How will any conflict of interest be addressed in the consideration of grant applicants?

Applicants will be asked to identify any potential conflict of interest in their application. Additionally, all loan committee members will be asked to identify any conflict of interest for applications being considered.

23. Will all applicants receive notification of their application status, regardless of if they are awarded or not?

Yes, all applicants will receive notification of their application status. All communications will occur via email.

24. When will successful applicants be notified and what is expected of them?

Because awards will be made as funding in the loan pool is available, there may be delays between when applicants apply and when awards are made. However, applicants will be notified of their award status via email as soon as possible. Successful applicants will be required to complete reporting requirements as outlined in their loan agreement so that their loan may be forgiven.

25. Where can I find additional resources my small business may be eligible for?

Additional funding and support programs can be found at www.lansingmi.gov/smallbusiness.

Definitions

Adult Stores and Services: Adult bookstores, adult movie theaters, adult personal service businesses, adult cabarets, adult novelty businesses, massage parlors and nude modeling studios, or any combination or use thereof, as defined in “Adult business” Part 12, Title 6, Chapter 1296.01 of the City of Lansing Codified Ordinances.

Check Cashing or Payday Advances: Services that offer short term loans at a high interest rate often secured with a check or banking access.

Debarred: Officially excluded or prohibited from doing something; in this case, participating in federal programs

Duplication of Benefits: Assistance from more than one source that is used for the same purpose

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Employee: All paid, permanent full and/or part-time workers. When reporting on the number of employees or calculating the number of jobs created and/or retained due to an award under this program, the following policies apply:

- a. Part-time jobs must be converted to full-time equivalents (see “FTE Employee” definition);
- b. Only permanent jobs count. Temporary jobs may not be included;
- c. Seasonal jobs are considered to be permanent for this purpose only if the season is long enough for the job to be considered as the employee’s principal occupation;
- d. All permanent jobs created or retained due to an award to fund eligible expenses must be counted even if the use has multiple sources of funds; and
- e. Jobs indirectly created or retained by an assisted use/eligible expense may not be counted (i.e., “spin off” jobs or non-employee/contractor employment).

Firearms Retailer: Business that is licensed to sell used or new firearms

FTE/FTE Employee: “FTE employee” stands for “full-time equivalent employee.” Applicants must calculate the number of FTE employees their business employs, which takes into consideration both full and part time employees.

Full-time employees are those who worked on average 30 hours or more a week for more than 120 days in a year – or the number of employees you expect to work these hours. Part-time employees are those who worked on average less than 30 hours per week, but more than 120 days per year. If the total number of hours worked isn’t a whole number, round it down to the nearest whole number. Full time employees each equal 1 FTE employee and multiple part time employees may “add up” to FTE employees, as described in the example below:

For example, one individual working an average of 30 hours per week for more than 120 days in a year equals 1 FTE. Two individuals each working an average of 15 hours per week for more than 120 days in a year also equals 1 FTE.

Home-Based Business: A business that is run out of the owner’s home or other residential premise, whose service area is solely local and that service area meets the income requirements of the program.

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Internet-Based Business: For the purposes of this program, an Internet-Based Business is a business that operates exclusively online, and whose service area is larger than the community it is located in.

Lending Service Area: A primarily residential area in the City of Lansing where at least 51% of the household incomes qualify as Low-Mod Income (at or below 80% of the Area Median Income)

Low to Moderate Income Household: A household with income at or below 80% of the median income adjusted for household size (LMI). See CDBG-CV Program Income Limits Chart.

Low to Moderate Income Individual: A person residing in a household with income at or below 80% of the median income adjusted for household size (LMI). See CDBG-CV Program Income Limits Chart.

Effective Date: July 1, 2020

Household Size	
1	\$44,950
2	\$51,350
3	\$57,750
4	\$64,150
5	\$69,300
6	\$74,450
7	\$79,550

Marihuana Business: Marihuana operations of any kind (retail, production, consumption, etc.)

Nonprofit business: A non-profit business is a tax-exempt organization, including all organizations with a 501(c) designation by the Internal Revenue Service.

Operating Expense: An ongoing cost for running a product, business, or system. Examples include payroll, rent/mortgage, and utilities expenses.

Packaged Liquor Retailers: Businesses that sell at retail spirits and mixed spirit drink in the original package for consumption off the premises (i.e. Specially Designated Distributors, SDD)

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Service Area: A geographic area defined by the business that represents the principal boundaries beyond the business location which its goods and/or services are provided or where its customers reside.

Small Business: Businesses with 60 or fewer employees