

CORTLAND COUNTY
FINAL MICROENTERPRISE PROGRAM GUIDELINES - 2018

Funded by: The New York State Office of Community Renewal (OCR) under the
Community Development Block Grant Program

MICROENTERPRISE DEFINITION:

A microenterprise is a new or existing business that employs, or will employ, five or fewer persons, including the business owner or owners. The “five or fewer test” is based on total headcount regardless of the number of hours worked by each employee. To be eligible for assistance, an existing microenterprise or newly formed microenterprise must meet a low-to-moderate income test; that is the business owner(s) must be low-to-moderate in income (based on family size and gross, annual income) or a majority of the jobs to be created must be low-to-moderate income jobs and/or available to low-to-moderate income persons. Income limits are provided in Attachment 1. The determination of whether a job meets the low-to-moderate income test is discussed in Attachment 2.

PROGRAM PURPOSE:

The purpose of the Microenterprise Program is to provide training and financial assistance to entrepreneurs, start-up businesses, and existing businesses that will create entrepreneurial opportunities or jobs for persons who are low-to-moderate in income. The Program is especially interested in assisting entrepreneurs who are low-to-moderate income persons and do not have access to other sources of capital.

STATE REVIEW OF PROJECTS/STATE DETERMINATION:

The local applicants awards are subject to final approval by the NYS Office of Community Renewal (OCR). By signing below, the applicant or business owner agrees to hold the funding source, the US Department of Housing and Urban Development (HUD); the State’s administrator, the NYS HTFC; HUD’s and HTFC’s offices, agencies and their employees; the County, its employees and their agents, harmless from any legal recourse as a result of the State’s determination.

LOCATION OF PROGRAM:

To be eligible for assistance the microenterprise must be located in Cortland County, and the business location must be zoned appropriately for the proposed business use.

ELIGIBILITY:

1. **At the time of application an existing business must have no more than five employees, including the owner(s).** To meet the “five or fewer” test, the County will look at the total headcount of the business at the time of application, regardless of the number of hours worked by the owner(s) and its employees.

2. The project must meet a low-to-moderate income test; that is, either the owner(s) must be low-to-moderate in income based on family size and gross, annual income; or the project must result in the creation of jobs, the majority of which meet the low-to-moderate income test. The County will make this determination with information provided by the applicant (See Attachment 6 for submission requirements for documenting a low-to-moderate income owner).
3. If a business is owned or started by a person that meets the low-to-moderate income test, they may not have to create jobs. If the owner(s) is/are not low-to-moderate in income, they will be required to create at least one full-time, permanent job. Jobs that require 37.5 to 40 hours a week are considered full-time jobs. The jobs or jobs must be available to low-to-moderate income persons pursuant to a program definition.
4. All County payments including, but not limited to taxes and water and sewer charges, **must be current** for the business as well as the business owner(s) (i.e. taxes and fees on personal residence if in the County, etc).
5. **All new businesses must have a current business plan.** Existing businesses should revise their current business plan to incorporate the microenterprise program.
6. Typically, all existing businesses must demonstrate the use of microenterprise funds will allow for an expansion of the business that will result in increased profitability.

MICROENTERPRISE PRIORITIES:

The County has prioritized assistance based on established economic and community development goals. These preferences are implemented via the project scoring system detailed in Attachment 3.

ELIGIBLE USES OF FUNDS:

1. Funds can be used to purchase machinery, equipment, furniture and fixtures including, but not limited to, manufacturing, processing, or display equipment; computer hardware; office furniture, display fixtures, or other equipment/fixtures that directly support the business activities of the applicant. All machinery, equipment, furniture, and fixtures acquired with County funds shall be stored and used at the business's primary County location and will be secured by the County via a UCC filing.
2. Funds can be used to acquire real property.
3. Funds can be used for working capital purposes. The specific use(s) of working capital must be detailed in the microenterprise application for assistance and in any commitment or agreements/documents provided by the County. In general, working capital will only be considered for new businesses or expansion of an

existing business's services, capabilities, or employment. The County reserves the right to file a UCC lien on the business and its assets.

4. Funds can be used for the purchase of inventory. The general type and amount of inventory must be detailed in the microenterprise application for assistance and in any commitment or agreements/documents provided by the County. The County reserves the right to file a UCC lien on the business and its assets.
5. Software that is specifically related to the business activity of the applicant may be purchased under the Microenterprise Program. The County reserves the right to file a UCC lien on the business and its assets.
6. Other uses, not specifically noted above, deemed appropriate by the County, and considered eligible after State review, will be considered.

INELIGIBLE USES OF FUNDS:

1. The refinancing of existing debt and payment of interest as a result of interim financing;
2. Any activity(ies) that will result in the loss of a job or jobs or the reduction of hours for any existing employee;
3. Purchase or lease of motor vehicles ;
4. Construction, building renovations and/or improvements and other types of construction or labor-related activities that trigger Davis Bacon prevailing wage rate requirements;
5. Any illegal activities; activities that are inconsistent with or will detract from the character of the County; activities that are reasonably objectionable to the County or do not comply with local zoning regulations, other municipal plans, or are not in keeping with the historic character of the County's historic districts
6. Religious or political activities;
7. Lobbying and/or governmental activities;
8. Use of funds by a not-for-profit;
9. Costs incurred prior to approval of grant award to the business.

FINANCIAL ASSISTANCE:

1. The total amount of assistance available per project is \$5,000 to \$35,000. The amount to be provided per project will be determined by the County's MAP Review Committee based on a review of the application and supporting documentation. The County's Legislature must provide final approval to those applicants that are recommended for award by the MAP Review Committee.

2. All assistance is in the form of a deferred payment loan (DPL), A DPL is similar to a grant in that there is no monthly repayment required for the funds provided. However, all or a portion of the DPL is subject to recapture if the business closes or relocates outside the County within five (5) years of the date of the agreement. The amount of funds recaptured is determined by the terms of the agreement and is generally based on the amount of time the business operated in the County and the amount of funds provided.
3. The County can fund up to 90% of a project's cost up to a maximum of \$35,000 per project. A minimum of 10 % of the total project cost, plus any cost in excess of the \$35,000 maximum.
4. This is a reimbursement program, that is, the State disburses funds based on PAID receipts. Recipients should be aware that they have to purchase the items to be paid for with Micro funds up front with credit cards, cash or a line of credit and then be reimbursed after submission of a PAID receipt to the State funding source. If your project is approved, please discuss this process with Thoma Development to ensure you have the ability and adequate cash flow to undertake the project based on reimbursement of purchases. A maximum of two disbursement requests will be submitted to the State for each awarded project.

EQUITY CONTRIBUTION:

As noted above, grantees must provide a minimum of 10% equity to the project. Applicants must provide documentation of availability of equity at the time the application is submitted for review. The 10% equity contribution must be in the form of owner's cash and cannot be associated with debt of any kind.

JUSTIFICATION FOR AND LIMITATION OF FUNDING:

The amount of funding awarded to the County for this Program is limited. It is likely that there will be significantly more requests than there is money. Therefore, applicants should carefully justify in narrative form the need for **each item** for which funds are requested and show how it relates and/or will impact the success of the project, and/or how elimination of the item will impact on the success of the project.

Since funding is limited it is likely that some projects may be awarded some, but not all of the funding requested. Accordingly, your application should list each item requested for the project in order of priority.

SMALL BUSINESS TRAINING:

Training is a required part of the Microenterprise Program. New York State Homes and Community Renewal (HCR) requires all participating business owners to complete a Business Ownership or Entrepreneurial training course that is approved by the NYS Homes and Community Renewal. The applicant must provide proof of successful completion of

such training. No funds will be disbursed without proof of completion of training. If a Program participant has already completed one of the approved training programs, completion must have been within 24 months of Microenterprise approval. The County's Program Administrator will provide specific information to each applicant with respect to the State-approved training programs.

DISBURSEMENT OF FUNDS:

County microenterprise funds will be disbursed based on a mutually agreed upon schedule between the County and the applicant following the approval of the owner's microenterprise application, but not more than two disbursements are permitted per project. Documentation of costs must be provided prior to disbursement of funds. The type of documentation required will be based on the expense to be paid for; i.e. equipment/working capital/inventory/repairs, etc. The equity contribution must be documented prior to complete disbursement of all Microenterprise funds.

TAX CONSEQUENCES:

The County has requested an opinion from the State whether award of funds to a business/individual under this Program will or will not trigger tax consequences to the participant. The State, in turn, has requested an opinion from the U.S. Department of Housing and Urban Development (HUD), which provides funding to the State for this purpose. As of the time this package was printed HUD and/or the State has/have not provided an opinion or any information that may assist you with this issue. The County cannot and does not render any opinion or make any representation with respect to whether the funds provided hereunder are considered taxable income. To determine the tax consequences of receiving funds under the Microenterprise Program, applicants/participants should contact a tax specialist or their own accountant.

OTHER TERMS AND CONDITIONS:

- 1) An Agreement between the County and the microenterprise owner(s) will be executed prior to the disbursement of any funds. This Agreement will detail the terms and conditions of the funding, which will include, but not be limited to the items listed below.
- 2) The Microenterprise owner will be responsible to repay the County, in full or in part, if the business ceases operation, is sold or moves outside Cortland County prior to the end of the five-year regulatory period. The amount to be repaid will depend on the length of time the business was in existence after disbursement of the funds. No repayment will be required if the business meets the five-year regulatory period.
- 3) All low-to-moderate income jobs to be created through this Program will be verified pursuant to a process established by the New York State Office of Community Renewal (OCR). The process requires the completion and submission of certain forms and reports to which the Microenterprise owner must agree. The employment monitoring will continue until such time as the jobs obligation is met.

- 4) All funded businesses must carry sufficient insurance on the contents of their businesses to cover, at a minimum, the total amount provided by the County under this Program. If the business has other loan obligations outstanding, the insurance should be adequate to cover all other obligations, in addition to the County's, at a minimum. The County will be listed as loss payee on the business's policy and a certificate of insurance will be required to document coverage. The Microenterprise must also carry liability insurance.
- 5) The Microenterprise is required to comply with all local, State, and federal laws, regulations or requirements that would normally and routinely apply to such businesses, and as may be required of recipients of State and/or federal funding.
- 6) The Microenterprise will hold harmless the County and its agents, as well as the State and its agents by signing the Deferred Payment Loan Agreement.
- 7) The Microenterprise applicant/participant must document a need for MAP assistance. The County must make a determination that assistance it is both necessary and appropriate to provide the assistance. Microenterprise funding should be the funding of last resort.
- 8) The County has the right to amend these guidelines at any time in order to conform to State requirements or requests/suggestions, or to adjust for clerical errors or errors of omission. Applicants or potential applicants that have requested a program package will be notified of any changes or amendments, if in the County's opinion said changes will impact on the applicant's submissions or project design.

Attachments:

1. Income limits for Cortland County as determined by the US Department of Housing and Urban Development
2. Determining "low-to-moderate income" jobs
3. Project Scoring and Funding Priorities
4. Obtaining a DUNs number for your business
5. Application
6. Submission requirements
7. Approved Business Owner or Microenterprise Training Programs

ATTACHMENT #1
LOW-TO-MODERATE INCOME LIMITS FOR CORTLAND COUNTY/2018

FAMILY SIZE	MAXIMUM INCOME LIMIT
1	\$38,400
2	\$43,850
3	\$49,350
4	\$54,800
5	\$59,200
6	\$63,600
7	\$68,000
8	\$72,350

The Applicant/Business Owner(s) or the employees will be considered low-to-moderate in income if the family's **gross annual** income does not exceed the maximum income noted for that family size. For example, if a family has two adults and three children (total five persons) the income opposite the number "5", which is \$59,200, is the maximum income that family can earn on an annual basis. If the family's gross, annual income is less than \$59,200 they are considered a "low-to-moderate" income family. If the family's gross annual income is greater than \$59,200, they do not meet the low-to-moderate income test. Family is defined as those persons in a household that are related by marriage, birth or adoption.

A Microenterprise with two or more owners will qualify under the low-to-moderate income criteria if, and only if, all owners meet the low-to-moderate income criteria. If one or more of the owners are not low-to-moderate in income, then the Microenterprise must qualify under the criteria to create jobs that are low-to-moderate in income.

ATTACHMENT #2
DETERMINING LOW-TO-MODERATE INCOME JOBS

To be eligible for funding under the County's Microenterprise Program, the project must meet the low-to-moderate income benefit test in one of two ways; either (1) the business owner(s) must be low-to-moderate in income, or (2) the jobs to be created must be filled by or available to low-to-moderate income persons. If the business owner is low-to-moderate in income, this section can be ignored.

If a business owner (or all owners) is/are not low-to-moderate in income, their project must result in the creation of jobs, 51% of which are considered low-to-moderate income jobs. In addition, the business owner must provide first consideration for the jobs to be created to those persons who are low-to-moderate in income. Jobs may be claimed to be available to low-to-moderate income persons when both the following conditions are met:

- 1) The jobs **do not** require special skills that can only be acquired with substantial (i.e. one year or more) training or work experience, and/or education beyond high school is not a prerequisite to fill such jobs, unless the business agrees to hire and train unqualified persons; **and**
- 2) Actions are taken by the business owner to insure that low-to-moderate income persons receive "first consideration" when hiring for such jobs.

Principles involved in providing "first consideration" are as follows:

- 1) The business owner must use a hiring process that under normal circumstances would result in at least 51% of those interviewed meeting the low-to-moderate income status test;
- 2) The business owner must consider a sufficient number of low-to-moderate income job applicants to give reasonable opportunity to fill the position with a low-to-moderate income person;
- 3) The business owner must give consideration to the distance from the residence of a low-to-moderate income job applicant and the availability of transportation to the job site in order for the job applicant to be considered a serious applicant for the job.

The County is required to monitor job creation activities to determine if the jobs to be created are filled by persons low-to-moderate in income, or meet the first consideration test. To meet this obligation, the County is required and, therefore, the business owner agrees to follow a plan approved by the NYS OCR. Information on and the forms for completion included in the plan will be provided at a later date.

ATTACHMENT #3 SCORING AND PRIORITIES

Depending on the level of program demand, all projects will be ranked for funding according to the following scoring system:

Measure

1. Timely submission of complete application for funding
2. The creation of jobs
3. The Microenterprise owner is low-to-moderate in income
4. The Microenterprise owner is a State-certified Minority-owned or Women-owned Business Enterprise (M/WBE)
5. Overall feasibility of the project *
6. Applicant has a Business Plan with adequate detail to ensure success
7. Your business has not received or had access to previous or current grant funds in your municipality
8. The project is a true start-up
9. Applicant has completed or is currently enrolled in a State accepted training program for the Microenterprise Program
10. The business owner is a veteran

*The committee will review all projects to determine the financial feasibility of a project and what other feasibility issues may exist. This will be a comparative measure of all projects in the eligibility pool. The long-term feasibility of the microenterprise will be assessed under these scoring criteria.

ATTACHMENT #4 OBTAINING A DUNS NUMBER FOR YOUR BUSINESS

The funds for which you are applying were awarded to the County of Cortland from the NYS Office For Community Renewal (OCR) as part of the federal Community Development Block Grant Program (CDBG). In keeping with federal regulations, the OCR **requires** that recipients of CDBG funds secure a DUNS number. If awarded funding, we cannot disburse funds until you obtain a DUNS number. If you are an existing business and already have a DUNS number at your current location, you do not need to obtain another one.

DUNS stands for Data Universal Numbering System. A DUNS is a unique nine-digit identification number provided by Dun and Bradstreet (D&B). All Microenterprise Program participants **must** have a DUNS number. This requirement is part of the Patriot Act and the federal government's determination that there is a need for improved statistical reporting for businesses that receive federal funds, such as the Microenterprise funds. There is no cost to obtain a DUNS number. It can be obtained via internet or by phone. (See below).

DUNS numbers are site-specific. Therefore, if your business has more than one location, you may have more than one DUNS number. If you are not sure if you have a DUNS number or if you have misplaced the number you can search the website. If it is determined that you do not have a DUNS number, you will be requested to enter certain information about your business and will be assigned a number, free of charge. Enter this number on the application (Attachment 5) in the area requested and keep it in a safe place for future reference.

You can request a DUNS number online at the following web address: <http://fedgov.dnb.com/webform/displayHomePage.do> (when you get to the home page, click on "Begin the D-U-N-S Search/Request Process" option located on the left hand side of the home page). It can take as long as 30 days to receive the DUNS. However, most applicants have gotten the number in as few as 2-3 days.

You can also request a number by phone at 1-866-705-5711. Generally, this is quicker than requesting via the internet. Have the following information available:

- Legal Name
- Tradestyle, Doing Business As (DBA), or other name by which your organization is commonly recognized
- Physical Address, County, State and Zip Code
- Mailing Address (if separate)
- Telephone Number
- Contact Name
- SIC Code (Line of Business)
- Number of Employees at your location

- Headquarters name and address (if there is a reporting relationship to a parent corporate entity)
- Is this a home-based business?

**ATTACHMENT #5
PROJECT APPLICATION**

COMPLETE THE FOLLOWING APPLICATION AND SUBMIT IT WITH THE INFORMATION REQUIRED IN ATTACHMENT #6. APPLICATIONS THAT ARE MISSING REQUIRED DOCUMENTATION CANNOT BE SCORED, RANKED OR ACTED UPON. PLEASE RETAIN ALL OTHER PARTS OF THE GUIDELINES, WITH THE EXCEPTION OF THE APPLICATION, FOR FUTURE REFERENCE.

**PLEASE RETURN COMPLETED APPLICATION BY SEPTEMBER 4, 2018 TO:
laura@thomadevelopment.com**

**2018 CORTLAND COUNTY MICROENTERPRISE PROGRAM
PROJECT APPLICATION**

I. PERSONAL INFORMATION: (TO BE COMPLETED BY ALL APPLICANTS - CORPORATIONS, LLCs, PARTNERSHIPS OR BUSINESSES WITH MORE THAN ONE OWNER SHOULD ATTACH A SEPARATE SHEET WITH THE NAME, SOCIAL SECURITY NUMBER, AND TITLE OF ALL OFFICERS, LLC MEMBERS, PARTNERS OR OWNERS)

Name: _____

Social Security #: _____

Mailing Address: _____

Email Address: _____

Business Name: _____

Property Address: _____

Business Phone #: _____ Cell Phone #: _____

DUNS # (REQUIRED - See Attachment #4): _____

II. BUSINESS INFORMATION (Please Check Appropriate Box And Answer Any Questions Below Box Checked).

Specify Business Type:

- Corporation –Complete and submit Sections I and II for each officer
Specify position: _____
Date and State incorporated: _____
- Partnership – Complete and submit Sections I and II for each partner
Number of Partners: _____
Specify percent of ownership interest: _____
Date on which business began operations: _____
- LLC
Name of LLC: _____
Number of Members: _____
Name of Managing Member: _____
Date on which business began operations: _____
- Sole Proprietorship
 DBA: Name _____
 Other: Specify _____

III. LOW-TO-MODERATE INCOME QUALIFYING CRITERIA: CHECK ONE

- Applicant/Business Owner is low-to-moderate in income (proceed to Part IV)
- Project will result in creation of new low-to-moderate income jobs; specify number of new FTE jobs _____; complete appropriate chart below in Part III

IV. JOBS INFORMATION: NEW OR EXISTING BUSINESSES

- EXISTING BUSINESS:** Check here if project involves an existing business and list ONLY those jobs currently at the business. Indicate the number of full-time jobs by position below (full-time jobs are 37.5 hours or more); indicate the number of part-time jobs by position below and the number of hours worked for each part-time position entered;

County will determine the total number of full-time equivalents, which must be five or less to qualify for Microenterprise assistance:

Summary of Existing Jobs:

Position	# Full-time jobs	# Part-time jobs	Total part-time hours worked	Wages
For office use only Total FTEs				

NEW BUSINESS AND/OR NEW JOBS: Check here if project involves the creation of a new business OR if an existing business is going to create new jobs. Indicate the number of full-time jobs to be created by position below (full-time jobs are 37.5 hours or more); Indicate the number of part-time jobs to be created by position below and the number of hours to be worked for each part-time job to be created:

Summary of New Jobs to-be-Created:

Position	# Full-time jobs	# Part-time jobs	Total part-time hours worked	Wages
For office use only Total FTEs				

V. PROJECT COST

Total Cost of Project: \$ _____ (Total project cost must be documented by vendor quotes or similar as requested in Attachment 6)

Amount of Project Cost Requested from County (Limited to 90% of total up to a maximum of \$35,000 per project: \$ _____

Amount of Project to be provided by owner (Must be a minimum of 10% of total project and include cost of project in excess of \$35,000 maximum, even if that amount exceeds the minimum 10% contribution: \$ _____

Indicate in what form and from where the owner's contribution will be provided. Applicant must document availability of owner's contribution with documentation required under Attachment 6.

Form of contribution: _____

Source of contribution: _____

VI. PROJECT NARRATIVE

On a separate sheet(s) of paper, provide a *detailed* description of the proposed Microenterprise Project. The narrative should include a description of the project, a line-by-line budget with each component listed whether County funds will be used for that particular component/item or owner's funds. The cost of each component/item must be backed up with a vendor's quote as required under Attachment 6. Please refer back to the Section titled "JUSTIFICATION FOR AND LIMITATION OF FUNDING" on page four and justify how/why each component is important to the success of the project, or lack of each component/item will impact on the success of the project.

VII. TRAINING - MUST BE COMPLETED BY AT LEAST ONE OF THE OWNERS

The State of New York has provided funding for specific training under the Microenterprise Program for owners ONLY. These funds were provided with the assumption that small businesses often lack the time and funds for training and many small business owners start a business without adequate understanding of the many components involved in operating a small business. ALL successful owners will be required to complete approved training before funds can be accessed, if the project is awarded funding. Applicants may initiate training prior to submission of their application at their own expense.

Please indicate whether you have previously completed a small business training program or are currently enrolled in a small business training program.

Training: Have you completed a small business training program within the past 24 months? Yes No

Are you currently enrolled in a small business training program?

If so please provide a copy of the certificate showing completion of course and date.

Did you pay for this training? Yes No If yes, how much? _____

VIII. CONFLICT OF INTEREST DISCLOSURE - PROVIDE ONE FOR EACH OFFICER, LLC MEMBER, PARTNER OR OWNER (COPY AS NECESSARY)

Under certain circumstances, an applicant for State or federal funding may have a “conflict of interest” and may need a waiver in order to participate in a program. For example, a conflict of interest may be present if the applicant is related to an employee, officer, or elected official of Cortland County. There are other cases where a conflict of interest may also be present. Please answer the questions below to help us make that determination. If a conflict does exist, the County will request a waiver on your behalf, if necessary and appropriate. Waivers are reviewed and granted by the NYS OCR.

DISCLOSURE

Please place an “X” in the appropriate box for all questions listed below so that we may make a determination of whether any conflicts may be applicable to your project. Answer for all applicants if there is more than one applicant.

- 1. Are you now, or have you ever been an employee, agent, consultant, an officer or an elected official of the County? YES NO

If yes, please provide details in the space below question #3.

- 2. Are you related to an employee, an agent, or an elected or appointed official of the County, or a consultant working for the County? YES NO

If so please indicate to whom you are related and the relationship on the space provide below question #3.

- 3. Do you have a business connection to any of the people listed in #1? YES NO

If yes, please note the relationship below.

IX. CERTIFICATION/AUTHORIZATIONS/SIGNATURE(S)

By signing below, I/we certify that all information, which has been or will be furnished in support of this application, is given for the purpose of obtaining funds under Cortland County's Microenterprise Program. I/we further certify that all information submitted has been examined and approved by me/us and is true, correct, and complete. I/we understand that this information will be used to assess my/our proposed project and that additional information may be needed in order to rate and rank the project in accordance with funding criteria. I/we agree to abide by all requirements set forth or to be set forth in connection with said Program.

In addition, I/we understand that falsification of any item contained herein or fraudulent misrepresentation of my/our business and its processes could result in criminal and/or civil penalties applicable under or pursuant to local, state, and federal laws. Further, I/we agree that verification of any information contained herein, or to be provided in support of this loan request, may be obtained by whatever means the County or its agent determines if appropriate, and a formal credit check may be undertaken by any source deemed appropriate by the County. (All corporate officers, LLC Members, Partners or business owners must sign and date below).

Last, I understand that although my business may meet the technical definition of a Microenterprise, the State may, in its opinion, not agree that my business or the project meets the intent of its Microenterprise Program and can direct the County to exclude the project or business from participation. I certify that I and/or my business will not pursue any legal recourse as a result.

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

(CONTINUE ON TO ATTACHMENT 6)

**ATTACHMENT #6
SUBMISSION REQUIREMENTS**

A. FOR THOSE QUALIFYING AS A LOW-TO-MODERATE INCOME OWNER:

The following information is required **ONLY** for those Applicants/Business Owners that qualify for Microenterprise funds as a member of a low-to-moderate income family. Family in this context is defined as all persons that reside in the same household that are **related** by birth, marriage or adoption.

1. Completed and signed family income verification form (included at the end of this Attachment);
2. Complete federal income tax returns for the past three years (business and personal); If you have been self-employed or held income property make sure the returns include the Schedules C and E.
3. Documentation of current wages for all employed family members of Applicant's family such as most recent pay stubs (including Applicant if paid as an employee of the business);
4. Documentation of any other form of income such as Social Security, SSI, SSD, pension, rental properties, interest earned on any assets, etc.
5. Copies of birth certificates for all family members of Applicant's family;
6. Personal bank statements (both checking and savings) for the last two months.

B. THE FOLLOWING INFORMATION IS REQUIRED FROM ALL APPLICANTS INCLUDING THOSE QUALIFYING AS A LOW-TO-MODERATE INCOME OWNER (IN ADDITION TO THE INFORMATION REQUESTED ABOVE):

1. Documentation of source of all others funds required to complete the project if total project exceeds \$35,000 maximum;
2. Documentation of source of owner's 10% cash equity in project;
3. Cash flow projections (Income and expenses) for three years; year one should be provided on a monthly basis; years two and three can be by year;
4. Vendor and/or contractor quotes for all components of the project;

5. Proof of site control for project (i.e. deed, long-term lease, executed purchase option, etc.);
6. For projects that involve job creation, provide list of jobs to be created; include number of jobs, timetable for hiring, salaries or wages for jobs and description of jobs with hours;
7. List of all properties owned by the Applicant/Business in the Cortland County;
8. For existing businesses: copy of last two quarters NYS-45 (Quarterly Combined Withholding, Wage Reporting, And Unemployment Return) or NYS- 45-ATT (Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return – Attachment); these forms are needed to document that you are qualified as a Microenterprise (5 or fewer employees including the owner(s));
9. Resume(s) of Applicant/Business Owner(s)/partners/corporate officers/ LLC Members; resumes should include (at a minimum) education and employment histories;
10. Current financial statements of applicant business (within last two months), to include: balance sheet and income and expense statements;
11. Complete copies of the last three federal income tax returns filed. Both personal and business tax statements are required if appropriate. Partnerships also shall provide personal income tax statements for all partners and corporations shall provide personal income tax returns from all corporate officers;
12. List of credit references to include banks and suppliers. The applicant should note that credit references will be verified. Also a full credit report may be requested from an appropriate source.
13. Letter(s) from lenders or other acceptable documentation to prove that you have sought funding for this project or that you do not have access to traditional sources of financing and the Microenterprise funds are necessary for the project to occur.

(FAMILY INCOME VERIFICATION FORM PROVIDED BELOW FOR LOW-TO-MODERATE
INCOME OWNERS COMPLETION AND SUBMISSION)

**CORTLAND COUNTY
FAMILY INCOME VERIFICATION FORM
Effective June 2018 (For LMI Owners)**

The following information is required from the New York State Office of Community Renewal (OCR) that either provided the funds for the job you are applying for or the assistance for your business. Information will be used to determine applicability of the person's status as a member of a low-to-moderate income family and for statistical purposes only. All information is required to be kept confidential by the State and the County will not release this information to anyone.

Name: _____

Address: _____

Check all that apply to your household: Female Headed Household
 Elderly person(s)
 Disabled person(s)

INSTRUCTIONS: (1) Determine your family size by counting yourself and each family member who *currently* resides with you in the same housing unit. A family member is a person who is related to you by birth, marriage, or adoption only. (2) Circle the appropriate family size below. (3) Total the income from all sources received during the last calendar year (January through December) by yourself and each member of your family who *currently* resides with you. Income includes wages, salaries, tips, business income, interest, dividends, the taxable portion of pensions and annuities, IRA distributions, rents, royalties, partnership income, unemployment compensation, and social security; less alimony paid and un-reimbursed employee business expenses calculated consistent with IRS Form 2106. (4) On the same line for the number of family members you circled, place a check next to the income range that represents your family's total gross income for the year. **EXAMPLE:** You are a family of four people and the total income of the four family members is \$29,250 per year. You will circle the number "4" in the far left-hand column and across from the number 4, you will place a check next to the income range "\$25,101 - \$34,250" since \$29,250 falls within that range. Please contact your employer if you need further guidance.

Family
Size (circle)

My Family Income is (check one)

1	<input type="checkbox"/> < \$14,400	<input type="checkbox"/> \$14,401 - 24,000	<input type="checkbox"/> \$24,001 - 38,400	<input type="checkbox"/> > \$38,400
2	<input type="checkbox"/> < \$16,460	<input type="checkbox"/> \$16,461 - 27,400	<input type="checkbox"/> \$27,401 - 43,850	<input type="checkbox"/> > \$43,850
3	<input type="checkbox"/> < \$20,780	<input type="checkbox"/> \$20,781 - 30,850	<input type="checkbox"/> \$30,851 - 49,350	<input type="checkbox"/> > \$49,350
4	<input type="checkbox"/> < \$25,100	<input type="checkbox"/> \$25,101 - 34,250	<input type="checkbox"/> \$34,251 - 54,800	<input type="checkbox"/> > \$54,800
5	<input type="checkbox"/> < \$29,420	<input type="checkbox"/> \$29,421 - 37,000	<input type="checkbox"/> \$37,001 - 59,200	<input type="checkbox"/> > \$59,200
6	<input type="checkbox"/> < \$33,740	<input type="checkbox"/> \$33,741 - 39,750	<input type="checkbox"/> \$39,751 - 63,600	<input type="checkbox"/> > \$63,600
7	<input type="checkbox"/> < \$38,060	<input type="checkbox"/> \$38,061 - 42,500	<input type="checkbox"/> \$42,501 - 68,000	<input type="checkbox"/> > \$68,000
8	<input type="checkbox"/> < \$42,380	<input type="checkbox"/> \$42,381 - 45,250	<input type="checkbox"/> \$45,251 - 72,350	<input type="checkbox"/> > \$72,350

Are you currently unemployed? YES NO

Racial Group (Check one): White Black/African American Asian American Indian/Alaskan Native Native Hawaiian/Other Pacific Islander American Indian/Alaskan Native and White Asian and White Black/African American and White American Indian/Alaskan Native & Black/African American Other Multi-Racial

Hispanic (HUD has designated Hispanic as an Ethnic Group. If you check this ethnic origin, please also check one of the racial groups above)

The information provided herein will be confidential and will only be used to provide statistical data required under the Community Development Block Grant program. It is subject to verification pursuant to the rules and regulations of the New York State Office of Community Renewal or other State administrative entity for the Small Cities Program, and the U.S. Department of Housing and Urban Development.

I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, THE INFORMATION PROVIDED HEREIN IS TRUE, CORRECT, AND COMPLETE.

Signature: _____

Date: _____

