

PROGRAM OVERVIEW

Sacramento County has designated \$7.5 million for a Small Business & Nonprofit Grant Program (Program), funded with a portion of the County's American Rescue Plan Act allocation. The intent of this Program is to provide grants to eligible small business and nonprofit organizations that have experienced direct financial impacts due to the COVID-19 pandemic and the related health and safety restrictions. Eligible applicants may qualify for grants of \$10,000 in one-time financial assistance.

For additional information or assistance regarding the grant and eligibility requirements, please visit the Program website at www.sac4smallbiz.org.

ELIGIBILITY

A small business or nonprofit organization (business) is required to satisfy all of the following criteria to be eligible to receive a grant:

1. Operates from a commercial location within the *unincorporated* Sacramento County. [Check your address.](#)
2. In operation as of March 1, 2020, is open at the date of grant application submission, and intends to remain open.
3. Active business license issued by Sacramento County on or before March 1, 2020.
4. Independently owned and operated.
5. Employed between 1 and 25 full-time equivalent employees as of March 1, 2020 and at the date of grant application submission.
6. Earned between \$1,000 and \$2.5 million in annual gross revenue on 2020 tax return.
7. Experienced financial impacts as a result of the COVID-19 pandemic and the related health and safety restrictions.
- 8a. **For Nonprofits Only:** Must have a tax-exempt status under Section 501(c)(3) of the IRS Code and be in a valid secretary of state status and provide the majority of their services to Sacramento County residents.
- 8b. **For Small Businesses Only:** Small Business means; sole proprietors, and/or a registered "for-profit" business entity (e.g., C-corporations, S-corporations, limited liability company, partnership).

INELIGIBLE BUSINESSES

The following businesses are not eligible to apply for the Program:

1. Round 1 recipient of the Small Business & Nonprofit Grant Program.
2. Home-based businesses (*except* those with a State of California license open to the public for normal business operations. IE: licensed childcare centers).
3. Nonprofit organizations not registered as a 501(c)(3).
4. Government entities or elected official offices.

5. Businesses primarily engaged in political or lobbying activities (regardless of whether such entities qualify as a 501(c)(3)).
6. Churches and other religious institutions (regardless of whether such entities qualify as a 501(c)(3)).
7. Passive businesses, investment companies, and investors who file a Schedule E on their personal tax returns. These include rental properties or any business in which the owner does not actively participate.
8. Real estate agents and independent brokers.
9. Financial businesses primarily engaged in lending, such as banks, finance companies, and factoring companies.
10. Pyramid sale distribution plans and multi-level marketing businesses.
11. Businesses deriving more than one-third of gross annual revenue from legal gambling activities.
12. Speculative businesses (examples: crypto currency, intra-day trading in shares, gambling, etc.)
13. Liquor stores, smoke shops, massage parlors, check cashing.
14. Businesses that restrict patronage for any reason other than capacity.
15. Businesses engaged in any illegal activity under California and/or federal law.
16. Businesses of a prurient sexual nature, including businesses which present live performances of a prurient sexual nature and businesses which derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
17. Businesses with an owner who is incarcerated, on probation, on parole, or has been indicted for a felony or a crime of moral turpitude.
18. Businesses with a 20% or greater ownership interest with: tax liens without a repayment plan in place; planning to file for bankruptcy or currently involved in bankruptcy proceedings; or current or pending legal claims or lawsuits.
19. Multiple business entities, locations, etc. are not eligible for multiple grants and are only allowed to apply once.
20. Businesses and 501(c)(3) charitable arms of a business that have already received an ARPA grant from the County.

USE OF FUNDS

Grants funds for this Program may be used to reimburse the business for costs related to the negative impacts of COVID-19. Expenses must be documented and have been incurred between March 19, 2020 and the date of the grant application. The following expenses are eligible:

- General business operations
- Payroll expenses
- Utilities (e.g., commercial electric or gas bills, internet, etc.)
- Supplier payments
- Commercial rent or mortgage payments for business

- Repairs and expenses related to theft/vandalism/property damage
- Outdoor improvements
- Personal Protective Equipment (PPE) and/or sanitation supplies and equipment
- Costs of compliance with county, state, or federal requirements or recommendations
- Technical assistance, counseling, or other services to assist with business planning

There are clear limitations to the use of ARPA funds. Grant funds for this Program may not be used for:

- Personal uses
- Costs already covered by a previous grant
- Costs or uses to carry on propaganda, influence legislation, political campaigns or elections
- Damages covered by insurance
- Reimbursement to donors for donated items or services
- Workforce bonuses or severance pay
- Legal settlements or judgments
- Property Taxes
- Deposits into pension funds or reserve accounts
- Additional use that is deemed ineligible by the U.S. Treasury

APPLICATION PROCESS

Applications will be accepted between November 1, 2022 at 8:00am through December 15, 2022 at 5:00pm PST.

Required Documentation: For an application to be considered for this Program, the following documents must be submitted:

1. Government-issued photo ID
2. Active business license or certificate issued by Sacramento County. If your current business license shows an issue date of March 2, 2020 or later, we ask that you provide a copy of your previous Sacramento County business, in addition to your current license.
3. 2020 Tax Return (examples of acceptable tax documentation: Schedule C, Form 1065 & Schedule K-1, Form 1120, Form 1120-S, Form 990, etc.)
4. Completed Payee Data Record Form
5. Signed Applicant Certification/Agreement

Review: Applications will be reviewed by staff for completeness and eligibility through January 2023.

Selection: Grant selection will be performed through a randomized selection process if the program receives more eligible applications than funding available.

Grant Distribution: Grant funds will be disbursed by check through the County payment management system.