



Microenterprise Grant Program Guidelines

The City of Hagerstown is currently accepting grant applications from for-profit microenterprise businesses for its CDBG-funded Microenterprise Grant Program. This program provides reimbursement for eligible business-related expenses. These funds will be distributed on a rolling basis until all program funds have been disbursed.

Program Objective and Goals

In the 2021-2025 CDBG Consolidated Plan, the city identified the need to improve and expand employment opportunities for low-to-moderate income persons in the City of Hagerstown. The Microenterprise Grant Program was developed to address this opportunity for growth as well as to assist with the following goals:

- Support and encourage new job creation, job retention, and employment and job training services for low-and-moderate income residents;
- Plan and promote the revitalization of vacant commercial spaces; and,
- Support business and commercial growth through business stabilization and/or business expansion.

Business Eligibility Criteria

A business owner/business may qualify for the Microenterprise Grant Program if they meet the following eligibility criteria:

****If business has more than one owner, all owners must submit required documentation.****

- Business must be located in the corporate boundaries of the City of Hagerstown;
 - Businesses that qualify as a “roving” business (i.e. a mobile business that travels from client to client without a particular location) must document that at least two-thirds of their business occurs in the corporate boundaries of the City of Hagerstown;
 - ‘Roving’ businesses must have been in operation for at least six (6) months at the time of application to provide sufficient history of service locations.
- Business must have five (5) or fewer total employees including the owner(s) to qualify as a Microenterprise. For the purposes of this program there is no distinction between a part-time and a full-time employee in the headcount for the business. Independent contractors who perform routine services expected of the business will be considered employees;
- Business must be a private, for-profit business;

- Business and owner(s) must be in good standing with the City and State of Maryland;
- Business and owner(s) must be in compliance with all applicable City of Hagerstown regulations including the Land Management Code; and,
- Business must be established and operating for at least 12 months at time of application.
 - Businesses that do not meet the above timeframe may still apply for funding, however, the applicant is required to submit a business plan and provide documentation of a consultation with a business counseling service (Small Business Development Council, SCORE, etc.) in addition to all other application requirements.
- Businesses that restrict access by minors (under age 18), rental/property investment, or cannabis-based businesses are ineligible for this program.

Priority will be given to first-time applicants, and previous awardees must wait a period of three (3) years if wishing to reapply. Repeat applicants will be reviewed on a case-by-case basis with not more than two grants to be awarded per household.

If a household owns more than one business that qualifies based on the above criteria, only one business will be eligible to receive grant funding.

In addition to the above criteria for eligibility the business owner(s) must also meet income eligibility qualifications as established by the U.S. Department of Housing and Urban Development (HUD).

An eligible applicant must have a household income that is either at or below the following income levels:

<u>Number of Persons in Household</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
<u>Maximum Income</u>	<u>\$52,500</u>	<u>\$60,000</u>	<u>\$67,500</u>	<u>\$74,950</u>	<u>\$80,950</u>	<u>\$86,950</u>	<u>\$92,950</u>	<u>\$98,950</u>

Income eligibility is determined through the review of income documents listed on page 4. All documentation must be submitted at the time of the application to be considered complete and moved forward for review.

Eligible Uses of Funding

The minimum grant amount for this program is \$2,500 and the maximum request is \$5,000. No private match required.

Grant funding may be used for the following purposes:

- Acquisition of business equipment
- Purchase of inventory
- Necessary fixed assets (machinery, IT equipment, vehicles)
- Professional services including marketing and business promotion
- Technological infrastructure and upgrades

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- Entrepreneurial and business training
 - Operational expenses including payroll, rent/mortgage, non-City utilities (for commercial locations)

Grant funding may not be used for the following purposes:

- Real property improvements or rehabilitation
- Political activities
- Sectarian activities
- Utilities, rent/mortgage for residential or home-based business occupancies
- Repayment of existing debt (loans, credit cards, etc.)
- Reimbursement of costs incurred prior to grant approval

Funding Process

Applicants must not have already made purchases for eligible projects/services in advance of the grant application submission. Funding will be distributed following the below schedule:

- Applicant submits completed application, supporting documentation, W-9 form, and vendor form.
- City staff will inform applicant of approval or denial via email. If approved, applicant will receive grant award letter advising that the applicant can move forward with purchase of eligible products or services in the application.
- Applicant will submit receipts and/or proof of expenses paid for reimbursement by City who will then disburse funding. Please allow 2-3 weeks for check processing.
- Awardees will have 180 days from the approval date to submit all eligible receipts.

*Please note that this is a reimbursement grant program. Funds are disbursed after approved receipts are submitted.

Application Submission

The application form and **all items on the application checklist must be submitted at the time of application**. Only eligible projects with completed applications will be reviewed for funding.

Applications can be mailed or dropped off at:

City of Hagerstown
Department of Housing & Community Development
ATTN: Rachel Paul
14 N. Potomac Street, Suite 200A
Hagerstown, MD 21740

Applications can also be emailed to rpaul@hagerstownmd.org

Additional Questions

Any questions or concerns about the Microenterprise Grant program or this application can be directed to Rachel Paul, Planning & Outreach Coordinator, at rpaul@hagerstownmd.org or 301-739-8577 ext. 820.