

CDBG Microenterprise Grant

MONTGOMERY COUNTY BUSINESS DEVELOPMENT CENTER



MONTGOMERY
COUNTY NY
BUSINESS DEVELOPMENT CENTER
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What is considered a Microenterprise Business?

- ▶ Commercial enterprise that has 5 or fewer employees
 - ▶ One or more of which the principal owns the enterprise at time of application.
 - ▶ This includes both part-time and full-time employees
- ▶ Is a private for-profit business entity
 - ▶ Corporation, partnership, or sole proprietorship that is legal, licensed and operating.
 - ▶ Nonprofit entities are not included.



General Requirements

- ▶ Individual grant request must be between \$5,000 and \$35,000
 - ▶ This request should be based on need and your full request may not be funded.
- ▶ Grants may not exceed 90% of the total project cost.
- ▶ A minimum amount of 10% owner equity contribution is required.
- ▶ Each microenterprise owner must complete an approved entrepreneurial assistance or small business training program prior to receiving funds.
- ▶ Must meet National Objective (LMI Persons)
 - ▶ Creating a minimum of one full-time equivalent job for persons from LMI families or made available to.
 - ▶ The beneficiary/entrepreneur receiving the grant qualifies as LMI themselves



Eligible Uses of Funds

- ▶ Inventory
- ▶ Procurement of machinery, furniture, fixtures and equipment
 - ▶ Computers, laptops, phones, and other electronic equipment must be accompanied by a written agreement from business owners verifying that they will ONLY be used for business purposes
 - ▶ Fixtures and equipment consist of moveable items that have no permanent connection to the structure of a building or utilities.
- ▶ Operating Capital
- ▶ Reimbursement of the cost to attend the required entrepreneurial training program



Ineligible Use of Funds

- ▶ The repayment of existing debt
- ▶ Construction, building or other improvements when Davis Bacon and related acts must be applied (prevailing wage)
- ▶ Reimbursement of costs incurred prior to grant award
- ▶ Political or religious activities
- ▶ Lobbying any governmental entity
- ▶ Advancement of funds
- ▶ Purchase and/or lease of a motor vehicle without prior consent



Entrepreneurial Training

- ▶ Must complete an entrepreneurial training class prior to incurring project costs and requesting grant funds.
- ▶ Includes:
 - ▶ Developing a business plan
 - ▶ Legal Issues
 - ▶ Taxes, recordkeeping, accounting
 - ▶ Financing
 - ▶ Marketing, advertising
 - ▶ Employee Issues
- ▶ Will be offered for free throughout the year for businesses in this program.



Previous Grant Examples

- ▶ Family Traditions Tree Farm (2019)
 - ▶ Special Events Project
 - ▶ Tables and chairs for renting and venue use
 - ▶ Trailer for rental deliveries
- ▶ Root 162 Farm & Processing (2018)
 - ▶ Poultry Processing Expansion Project
 - ▶ Packaging equipment
 - ▶ Giant walk-in cooler



What To Expect Next

- ▶ Pre-Screening forms due Friday May 21st
- ▶ County submits application for state grant (June)
- ▶ County is awarded grant (Summer 2021)
- ▶ Projects begin upon award
 - ▶ 2 years to complete
- ▶ Training dates TBD



Questions?

Contact Information

Phone: 518-853-8334

Vinnie Nicosia: vnicosia2@co.Montgomery.ny.us

Alex Kuttesch: akuttesch@co.Montgomery.ny.us



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