



# Montgomery County Microenterprise Grant Program (MCMGP) Application

The Montgomery County Microenterprise Grant Program (MCMGP) was made possible through a grant from the New York State Office for Housing and Community Renewal.

## MISSION STATEMENT

The Montgomery County Microenterprise Grant Program (MCMGP) will provide grants to eligible entrepreneurs and business owners that want to establish or expand an existing business located within Montgomery County. Special attention shall be given to assisting businesses owned/ operated by or employing a significant number of persons of low and moderate income, minority and women owned businesses, and businesses owned or operated by Returning Veterans. The Montgomery County Microenterprise Grant Program (MCMGP) will be administered by the Montgomery County Business Development Center (MCBDC).

## ELIGIBILITY CRITERIA

- A. Applicants may be sole proprietors, partnerships, or corporations. Applicants must be new or existing commercial enterprises with **five or fewer employees**, one or more of which must be the principal(s) and own the enterprise at the time of application.
- B. Applicants' planned or existing business operations must **be located within the boundaries of Montgomery County**.
- C. All applicants, independent of existing skills and experiences, **must complete the mandatory Entrepreneurial Training Workshop** which will take place on January 10<sup>th</sup>, January 17<sup>th</sup>, January 31<sup>st</sup>, February 7<sup>th</sup>, from 6pm- 9pm at 34 West Fulton Street, Gloversville. It is important to note that you must complete all the classes. They will also be offered via Zoom with the exception of the last class, which will be in person to obtain the completion certificate. Award of grant funding is contingent on the successful completion of this program.
- D. Applicants must be able to fulfill the **10% owner cash equity** contribution for the proposed project as further defined below under Amounts and Terms.
- E. Preference will be given to projects that maximize "leverage" by taking advantage of other grant and loan programs within the County.
- F. Preference will be given to projects/ businesses that offer internships, job-shadowing, or apprenticeship opportunities.
- G. Preference will be given to projects/ businesses resulting in job creation, as well as Veteran Owned and MWBE businesses.
- H. Businesses receiving funding **must create at least one new job** offered to or made available to\*\* persons from low-to-moderate-income (LMI) families\*\*\* **OR be owned by a person defined as LMI**. If owned by more than one individual, a majority of owners must qualify. (See National Objectives/ LMI Limits for definitions).

### National Objectives/LMI Limits

A portion (51%) of CDBG program funds must benefit persons defined as low-or-moderate-income based on federal "HUD" standards, equivalent to 80% of the HUD Area Median Family Income (AMFI). HUD defines the AMFI for Montgomery County as \$59,000 in 2021. In order to qualify as LMI, persons must have combined family incomes below the following limits based on household size (i.e. # of persons):

### Montgomery County, NY

<b>Family Size:</b>	1 Person:	2 Persons:	3 Persons:	4 Persons:	5 Persons:	6 Persons:
<b>Income Limit:</b>	\$38,850	\$44,400	\$49,950	\$55,500	\$59,950	\$64,400

The above are guidelines for eligibility. Final acceptance or rejection of an application is at the discretion of the MCAMP Review Committee.

### **Notes:**

\*\* -- "Available to" LMI persons means the position must be advertised fairly and require no special skills or educational levels beyond a high school education.

\*\*\*-- Family income limits are for year prior to employment; there is no cap on salary for jobs created.

## APPLICATION REVIEW PROCESS

- A. All applicants must use the attached application form and format for MCAMP applications and provide all information and documentation as identified therein.
- B. All applications should be submitted to:

**Montgomery County Business Development Center  
9 Park Street  
Fonda, New York 12068**

- C. The deadline for all applications is January 4<sup>th</sup>, 2022. Applications received or postmarked after this date will not be considered for the program's first round. A second round will only be conducted if the available grant funds are not fully awarded during the first round.
- D. The staff of the MCBDC will review all applications for MCMGP funds to determine eligibility and completeness, and submit accepted applications to the MCMGP Review Committee with recommendation whether to approve or deny the assistance request.
- E. The MCMGP Review Committee will meet to evaluate all submitted applications and to decide on the assistance requests. Decisions on assistance requests will be made after submissions of a complete application. *The Committee must take into consideration the requirements set forth by the New York State Office for Housing and Community Renewal during the selection process. The Montgomery County Microenterprise Grant Program is required to meet the needs of the overall contract and program goals.*
- F. Applicants will be informed in writing of the decision of the MCMGP Review Committee.
- G. The MCMGP Review Committee will review all complete applications based on the following rating criteria (100 total points):

### **Scoring Criteria (100 total possible points)**

- 0-15 Project costs reasonable and justified
- 0-10 Business Contribution/Owner Equity (must be at least 10% of project costs)
- 0-10 Owner qualifications, background, and financial standing
- 10 Job creation (jobs must be created within the two year State grant contract period\*)
- 5 Business will allow collaboration with other local businesses
- 5 Businesses or projects offer internships, job-shadowing, or apprenticeship opportunities
- 5 Business is a Start-up (50% of funds dedicated to start-ups)
- 5 Minority or Women Owned Business Status
- 5 Returning Veteran Status
- 0-10 Completeness of Business Plan and Project Proposal
- 0-10 Spin-off effect to other businesses
- 0-5 Project leverages other funding resources
- 0-5 Identified market need/demand potential (long-term sustainability and development potential)

**Notes:** \* -- The two year State grant contract period is 9/9/2021 – 9/8/2023

## USE OF PROGRAM FUNDS

- A. MCMGP funds must be justified and be used directly by the applicant to purchase capital goods, including machinery, furniture, fixtures, and equipment; and/or to provide working capital to support operations.
- B. MCMGP funds may **NOT** be used to purchase real estate, repay existing debt, undertake building façade or building interior renovations, or to make any investments or payments that are outside the scope of the business. (Applicants are encouraged to contact MCBDC to determine the eligibility of proposed expenses.)
- C. Applicants must provide bids or quotes as part of their application for any proposed goods and services that will be purchased with grant funds.

## AMOUNTS AND TERMS

- A. For each grant awarded, at least one full-time-equivalent\* (FTE) job must be created for a low-to-moderate income (LMI) person, or the business owner must be considered LMI themselves.
- B. A minimum of 50% of grant funds will be awarded to start-up businesses. Start-up is defined as an enterprise that has been in business fewer than six months at the time of application.
- C. The MCAMP Review Committee will have the sole authority to set the grant amount based on the needs of the applicant and availability of funds. Grant funds will range from \$5,000 to \$35,000.
- D. The minimum grant amount will be \$5,000. Businesses will be eligible for up to \$30,000 of additional funding (up to \$35,000 total) for creating one new full-time-equivalent\* (FTE) job. (If more than one FTE is created at least 51% must be LMI) Businesses establishing or expanding an agricultural business geared towards the recreational production of craft beverages, or business that will allow collaboration with other agricultural producers/farmers may be given special consideration in relation to overall community goals at the discretion of the MCAMP Review Committee.
- E. New jobs must start within the two year State grant contract period (9/9/2021 – 9/8/2023).
- F. The MCMGP Review Committee may award up to 90% of total project costs. Cash equity participation from the applicant is required at a minimum rate of 10% and combinations with other funding sources (commercial lenders and/or non-traditional programs) are anticipated. *For example, if your total project cost is \$10,000, the grant request cannot exceed \$9,000 and business owners must contribute at least \$1,000 of their own finances.*
- G. The mandatory entrepreneurial training workshop will serve at no cost to the business
- H. All grant funding is provided on a reimbursable basis with a maximum of two payment requests permitted per grant award.
- I. Applicants' principal place of business must remain in existence and be located within the boundaries of Montgomery County and cannot change ownership throughout the term of the MCMGP grant agreement (two years) or the grant recipient may be subject to full or partial repayment of the grant funding awarded.
- J. Applicants must create the amount of jobs agreed to throughout the state grant contract period (9/9/2021 – 9/8/2023) or the grant recipient(s) will be subject to the full or partial repayment of the grant funding awarded based on the recapture schedule.
- K. Businesses that cease to exist, relocate to an area outside of Montgomery County, or do not meet their job creation numbers during the state grant contract period (9/9/2021 – 9/8/2023) may be required to repay grant funding based on the established recapture schedule.

### **Recapture Schedule:**

- Default before or within first year of required monitoring - 100% recapture
- Default within second year of required monitoring - 50% recapture
- Default after two year monitoring period - No recapture

**Notes:** \* -- A Full-time-equivalent (FTE) job is any combination of two or more part-time jobs that, when combined together, constitute the equivalent of a job of at least 40 hours per week.

## SPECIAL CONSIDERATIONS

- A. MCMGP is intended as a financial assistance tool for applicants with few personal assets, little or no usable collateral, and credit ratings below those that commercial lenders would consider acceptable for financing decision. Where they exist, these issues will be considered by the MCMGP Review Committee; but they are not, by themselves, factors in support or against an application.
- B. Applications will be evaluated on the merits of the case as stated in the business plan and through interviews with the principal(s).
- C. The Montgomery County Microenterprise Grant Program is required to meet the needs of the overall State contract and program goals. The MCMGP Review Committee must take into consideration the requirements set forth by the New York State Office for Housing and Community Renewal as well as Montgomery County's overarching needs and goals during the selection process.





**Job Creation**

Is job creation included in your project proposal? \_\_Y \_\_N

(\*If yes, please include number of jobs and job descriptions. \*If no, please refer to LMI Owner Eligibility section on following page.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**LMI Owner Eligibility**

If project does not include job creation, please complete information below to determine eligibility

Annual Gross Family Income: \_\_\_\_\_ # In Household: \_\_\_\_\_ Single Parent: \_\_Y \_\_N

(Please provide a Personal Financial Statement and/or tax returns for the past two years for both business and personal income)

Have you or anyone directly connected with your business ever declared bankruptcy? \_\_Y \_\_N

(If yes, please provide a written explanation)

**Business Start-Up/ Expansion Request**

Estimated cost of project: \$ \_\_\_\_\_

Grant Request: \$ \_\_\_\_\_

Do you have quotations/estimates for expenses to be paid with grant amount?

\_\_ Yes (please attach to application) \_\_ No (when will they be available?) \_\_\_\_\_

Anticipated Project Start Date: \_\_\_\_\_

Anticipated Expansion Completion/Business Opening Date: \_\_\_\_\_

**Source of Funds**

Project Element	Estimated Total Cost	Owner Equity	Other Sources	Request Grant Funds
Working Capital				
Furniture/Fixtures				
Equipment/ Machinery				
Inventory/ Supplies				
Other _____				
Other _____				
<b>Total</b>				

**Total grant amount may not exceed \$25,000; grant may not exceed 90% of total project costs.**

**Application Checklist** (please check each box and attach materials)

- Complete and signed application
- Business Plan (if available)
- Copy of Certificate of Incorporation, DBA certificate, partnership filing, or joint venture agreement
- Signed Letter of Agreement
- Credit Release Form
- Personal Financial Statement and/or tax returns for the past two years – signed copies (business and personal)
- Documentation to support use of funds and amount requested (quotes, cost estimates, sales brochure)
- Any other documents you feel would help this application (marketing materials, references, etc.)

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_