



PROJECT EMBRACE

*Economic Micro Business Recovery Assistance
for the COVID-19 Epidemic*

A Proposal by the



BROC COMMUNITY ACTION

In Southwestern Vermont



May 2020





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Executive Summary

“Business ownership is a proven pathway out of poverty, helping to increase income, create wealth, and move people off public assistance.”*

*Source: The Vermont Department of Children and Families - Outcomes for 2018, Agency of Human Resources - Department for Children and Families

Vermont’s Micro Business Development Program: 30 Years Strong

Since 1988, the five Vermont Community Action Agencies (CAAs) have successfully led the Micro Business Development Program (MBDP) to enable low and moderate-income Vermonters to achieve and sustain the dream of entrepreneurship and economic self-sufficiency.

“Micro Businesses” -- those employing 5 or fewer employees including the owner – are a robust element of Vermont’s economy comprising more than 50% of Vermont’s small business community. Within Vermont’s micro business economy are the clients served by Vermont’s Community Action Partnership (VCAP). Our clients differ from the traditional start-up business owner; they may lack the education, financial backing from family and investors, or access to adequate business capital of other entrepreneurs. Our clients are low-income (80% of median income or lower) and benefit from individualized intensive counseling to turn their dream into a reality. Clients come to us with a strong and viable vision, but often lack savings or access to capital, due to limited banking relationships and poor or no credit history, making it difficult to launch a business. Due to a myriad of barriers, our entrepreneurs are often passed over by other small business counseling programs that are suited to better educated, better resourced individuals.

Thankfully, there’s a resource for them in the Vermont MBDP where our counselors not only help disadvantaged Vermonters realize their entrepreneur capabilities, but also connect them to resources within the Community Action network and partner agencies that help them reach their full potential including food, fuel, shelter, mental health counseling, and personal finance management classes and coaching.

COVID-19 – Devastating Impact on Vermont’s Micro Businesses

The MBDP clients were mostly left behind in the Great Recession recovery, and unfortunately, are again being missed in the COVID-19 stimulus efforts to date. The two major federal relief programs -- the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loans (EIDL) offer little to no relief to the CAA micro business community. The PPP is applicable to businesses that have employees, or to cover expenses such as rent and is not an option for our clients, who are often sole proprietorships who work out of their homes. While the EIDL is a start, it offers little more than \$1000 for single owner businesses, and for both programs, 2019 federal taxes with schedule C had to have been filed to apply.

As family-owned restaurants and main street shops (from hair stylists, to house cleaners, and air-BNB proprietors) have shuttered their doors due to COVID-19, micro businesses face grim forecasts. Since mid-March, our clients have been urgently reaching out to our counseling staff for help in navigating the relief programs, revising cashflows, and reimagining business plans. Our hope for a return to normal lies in a vaccine which is not anticipated for another 18 months which means our businesses need help now.



Project EMBRACE a Response to Micro Business Recovery

With over 10,600 micro businesses already established in Vermont, this sector of business is a critical growth engine for our economy and current recovery efforts.

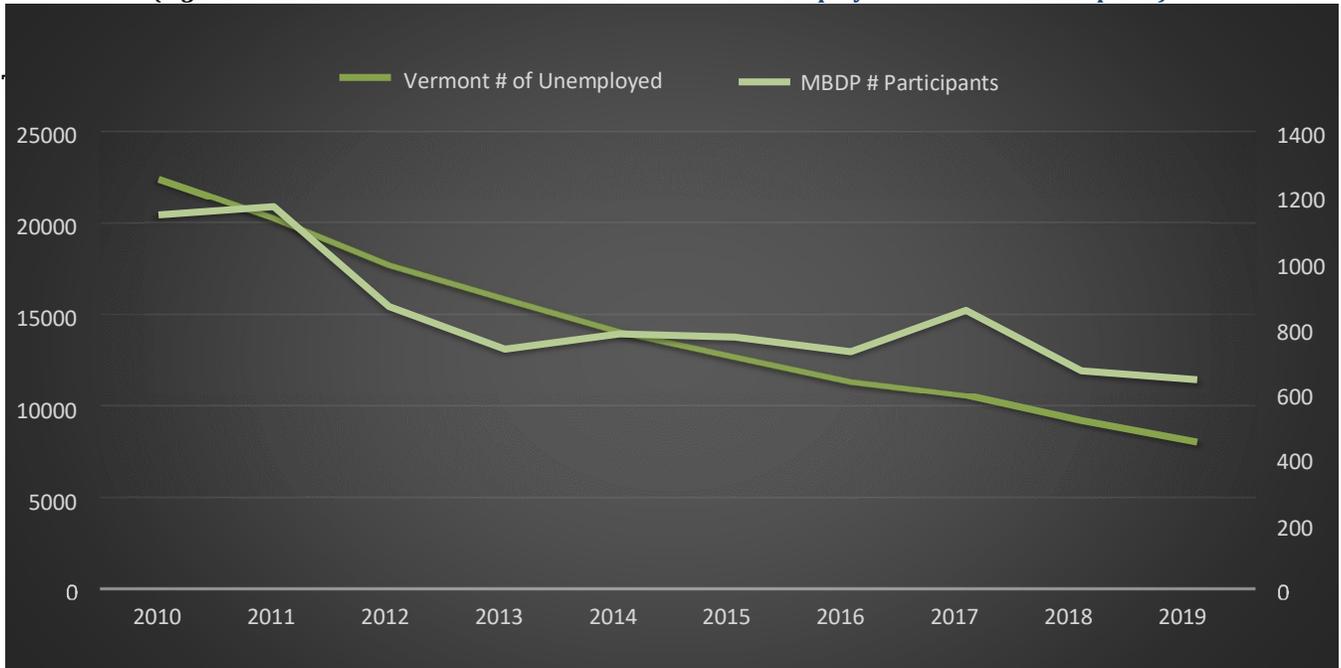
The following recommendations detail the statewide MBDP response to the COVID-19 economic crisis facing our most vulnerable Vermonters.

1. **Increase the capacity of the existing Micro Business Development Program (MBDP) by adding 5FTE staff statewide** – each of the 5 CAAs will hire one additional Business Counselor to meet the projected need of 1750 existing and new entrepreneurs who will seek our assistance.
2. **Hire a Statewide MBDP Program Coordinator** to oversee the 10 counselors and a newly envisioned MBDP digital Hub.
3. **Develop a centralized interactive online Micro Business Development Hub.** The online hub will increase efficiency by reducing duplication and centralizing all education and technical resources.
4. **Create a Direct Grant Program specifically to provide working capital to micro businesses in Vermont.** Two thousand dollars of the proposed \$2,500 grant becomes a deposit for a secured low-interest microloan through Community Capital of Vermont. The grant will allow for business startup, survival, sustainability, and expansion while also helping to improve the individual's credit score and personal financial stability. The remainder of the grant will be available to the grantee after meeting ongoing grant requirements and sustaining the business for one year.
5. **Estimate A 2:1 Return on Investment** that includes not just new jobs, and new and re-designed businesses in a post COVID recovery, but envisions a reduction of a need for crisis services with fewer of our most vulnerable Vermonters requiring maximum relief from public benefits like Reach Up, 3 Squares, rental assistance and utility assistance.



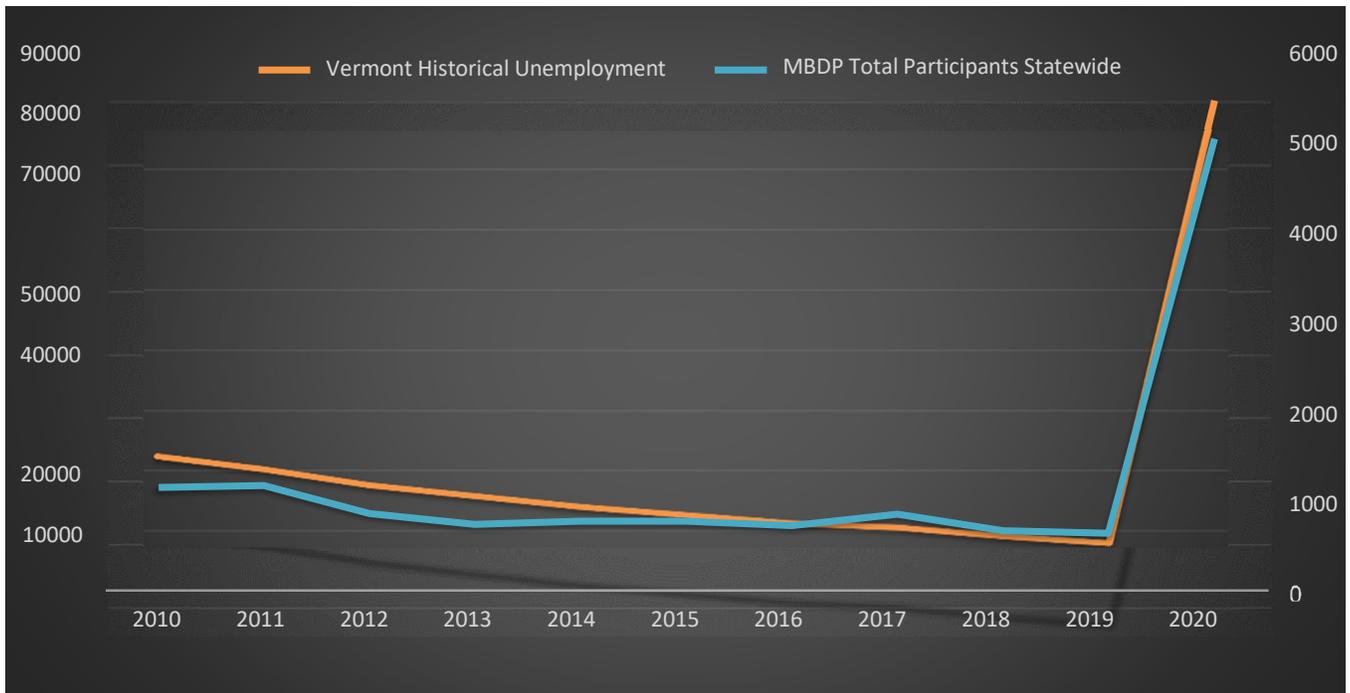
Needs Assessment

(Figure 1: Historic Correlation Between Vermont State Unemployment & MBDP Participants)



The data used to create (Figure 1) above is derived from *The U.S. Bureau of Labor Statistics* and *The Micro Business Development Program (State of Vermont)*.

(Figure 2: Current, Historical and Corresponding data related to Unemployment and MBDP)



These data suggest that we will see an unprecedented need for financial and business counseling in the coming year. A dramatic increase in the statewide Micro Business Program will both reduce demand for food, rent and utility assistance among low income and dislocated Vermont workers while providing stimulus to the broader economy.



Increased Demand for Microbusiness Support Requires:

Increased MBDP Staffing

Historically, economic recession and even depression have been followed by historic increases in business development. Figures 1 and 2 demonstrated that there is a strong correlation between unemployment trends and Vermont's micro business trends. The current unprecedented growth in unemployment must be countered with significant increase in micro business counselling and support in order to enhance economic stimulus coupled with reduced reliance on crisis supports.

Based on the correlation between unemployment and Micro Business Development over the last 10 years, *(as indicated by figures 1 and 2)*, the Statewide Micro Business Development team has determined that we must increase staffing levels to meet the projected increased need. The question is how large an increase that should be.

While the data points to an historical correlation percentage of **6.15%**, or **5017 projected participants**, because of the unprecedented nature of the COVID-19 pandemic and the uncertainties associated with it, we are cautious about staffing to that projection. Because of those uncertainties and the concern that the increased level of funding and staffing based on the correlation percentage is too large to be feasible both fiscally and organizationally, we are proposing a more modest staffing increase and added efficiency to the program to meet the projected overwhelming need of approximately **1,750** participants.

The increased staffing plan outlined in figure 3 would increase our capacity to a level that would allow us to efficiently grow the MBDP to meet the projected COVID-19-related need.

- **Based on the projected participants (1,750), a minimum of 5 additional Micro Business Counselors are needed throughout the state.**
- **One counselor would be added to each Community Action Agency, increasing the capacity of the MBDP statewide to meet the increased need.**
- **Additionally, 1 FTE would be dedicated to creating a Coordinator's role and maintaining the MBDP-HUB.**



A state-wide Approach during Covid-19 Pandemic requires a:

Micro Business Development HUB

As our society faces new challenges, it will be imperative that business owners develop technology skills necessary to be considered digitally literate (such as functions of the internet, software programs, and social media). Online learning helps to strengthen these skills.

The MBDP website will serve as an information portal for the five MBDPs housed within Vermont's CAA network. For MBDP staff, it will become the foundational source for online tools that will help to increase efficiency, decrease program costs, and enhance creative collaboration across the state.

For individuals who are seeking guidance with self-employment, the website will serve as a resource for educational opportunities, training, and business coaching. It will provide access to the collective talents and knowledge of our statewide business coaches who have, combined, more than 60 years of experience helping micro businesses.

The website will also provide direct links and information about other services we provide and have links to information on food banks, housing, health, financial capabilities, child development, and many more services. MBDP takes a holistic approach in providing comprehensive guidance to help build family stability and the website will be a vehicle to easily access vital information.

The website will include: a diversity of interactive educational content targeted to MBDP clients; a dedicated hub location for each CAA highlighting local MBDP offerings and contact information; and an educational resources center specifically tailored to Micro Businesses in Vermont. Online classes for MBDP participants statewide will increase educational efficiency and allow us to reach more of the 10,000+ Micro Businesses in the Vermont.

Our community partners and funders will also benefit from the website's features. It will provide an effective way to communicate data, share success stories, and highlight initiatives from around the state. The longevity of our program (MBDP was established in 1988) is based in great part on the relationships we have built with other for-profit and non-profit entities in our communities. Our economic impact across the state has been well-documented and having a website that serves as a portal for this key information will help enhance these relationships and spur new opportunities.

The one-time cost of designing and building the MBDP-HUB, estimated to be \$30,000, will be offset by the low continued operational cost and the thousands of Micro Businesses that will receive critical education and counseling within the coming year and beyond. Industry research and preliminary estimates have been conducted on the estimated design and construction cost of the MBDP- HUB.



Entrepreneurs require working capital Long-Term Success for Micro Businesses Requires a:

Direct Grant Program

Based on our 25 years of Vermont Matched Savings Program experience, Project EMBRACE proposes a \$2,500 grant, of which the first \$2,000 becomes a deposit for a secured low-interest microloan through Community Capital of Vermont. The loan would be used for start-up costs or expansion of an existing business. Each month, for 1 year, loan payments would be made automatically from the security deposit account directly to Community Capital. This ensures on-time payments to Community Capital, builds, and improves credit for the micro business client, and develops a banking relationship, a crucial component of long-term business success.

To be approved for the grant, Micro business entrepreneurs will be required to:

- 1. Write a business, marketing, or expansion plan with a two-year cash flow projection. At the end of year 1, the additional \$500 of the grant would be disseminated upon re-evaluation of year two cash-flow projections.**
- 2. Identify how the loan money will be used (employees, advertising, hardware, software, tradename registration, licenses, website development, etc.).**
- 3. Create a QuickBooks record-keeping account and submit quarterly profit & loss statements to their MBDP counselor. (We have received a quote from Elevated Admin for setting up and maintaining MBDP QuickBooks accounts). (Page 25)**
- 4. Review their credit with their business/financial counselor every 6 months or more often as needed.**
- 5. Meet monthly, or more often as needed, with their micro business counselor for support, encouragement, goal setting, and technical assistance.**



Client Grant/Loan Process Snapshot

1. Micro Business client completes a streamlined business plan, 2 years of cash flow projections, and application.

- a. Our goal is to create a streamlined and efficient business plan and application that would be used by all MBDPs statewide and Community Capital of Vermont. We would use one form to access the grant from MBDP and the loan from Community Capital. This would reduce the labor to process the grants/loans, reduce costs, and increase turnaround times for both organizations. Generally, it would be challenging for Community Capital of Vermont to process 35 loans per month, so this streamlined process is to our mutual benefit. We are currently in the early stages of addressing this with Community Capital of Vermont.
- b. This streamlined business plan would cover all the major components of a business plan but be structured to maximize the client's involvement. A traditional business plan can be overwhelming to many people, and often takes many months to complete. That traditional process will not work given the clients' needs, the timeline of this project and our monthly goals. To be able to create the projected number of business plans per month, we will create a business plan template that asks clients to answer questions that relate to each section of the plan. Ultimately, the completed business plan will function as the client's roadmap to how they will conduct and grow the business.

General business planning process:

- The MBDP Business Counselor will assist the client with the plan, review/evaluate their answers and help them determine how to proceed
 - The client will then update their plan based on conversations and feedback with the counselor
 - The client and counselor will then conduct a final review before the client submits the plan for grant funding.
- c. Educating clients around the business is a large part of the business counselor's role and the business plan helps to provide structure to that process. As a result, it is imperative the business plan template continues to support that process while also fulfilling its other practical functions such as acting as a tool to access funding.
 - d. We will prioritize an online business plan and application. We will make exceptions for clients and provide them with paper copies if they prefer. Survey Monkey is one online program that could allow us to conduct our process as mentioned above.



2. When the client is approved for the \$2,000 grant:
 - a. the funds will be deposited into a shared account with the client's name and corresponding CAA's name listed on it. This guarantees that no one can close the account without the other's signature and guarantees the money is there to pay the loan. The monthly Community Capital of Vermont (CCVT) loan payment will be made from this account by automatic withdrawal.
 - b. These funds will then be used to secure and pay for the CCVT loan to the client.
3. How the client will access the grant:
 - a. We will develop a contract for the specific purpose of releasing funds for business activity. The contract will include the item(s)/service(s) to be purchased along with the stated guidelines for use of the grant funds. The acknowledgement of the potential for prosecution under Vermont law for a misleading and fraudulent activity will be signed by the client.
 - b. Receipts for the item(s)/service(s) purchased with the funds need to be submitted to the local business counselor within 14 days of distribution of funds.
4. The loan payments are made through automatic withdrawal to CCVT for 12 months on time until the loan is paid in full.
 - a. This shows a positive credit history and results in improving the client's credit score.
 - b. The loan is paid and closed in the client's name.

Next Steps for clients after completing this process:

As a result of completing this process successfully clients will be able to:

1. Start their business, thereby creating at least a part-time income for their household
2. Stabilize or save their existing business and the income it produced for their household
3. Expand their products/services offered to improve and diversify their income streams
4. Hire a part-time person
5. Improve their business systems to operate more accurately and efficiently
6. Position themselves for additional funding to grow their business due to an improved credit score & history and an established relationship with a local lender
7. Reduce their reliance on public benefits
8. Pay taxes to the State of Vermont



These microloans would be available to participants in each of the VT CAA's MBDP programs collectively, up to 35 loans per month statewide, for a total of 420 loans over 12 months, beginning October 1, 2020.

1. Loans may work in partnership with existing COVID-19 Recovery loan programs currently active such as the SBA debt relief loan for existing and new microloans.
2. The maximum amount of the initial investment would be \$840,000, in addition to the interest on the loans at 8%, for a total of \$876,843.
3. If all the businesses continued for the second year and received an additional \$500, the second level of investment in year two would be \$210,000.
4. \$25 membership dues to a statewide credit union for 420 secured savings accounts: \$10,500.

Total Investment for the Direct Grant Program: \$1,097,343



MBDP / EMBRACE Financials

(Figure 3)

DIRECT COST	
Personal Services-Salaries and 36% Fringe Statewide MBDP Program Coordinator up to \$51,000 annual salary BROCC Business Counselor: up to \$47,000 Capstone Business Counselor: up to \$47,000 CVOEO Business Counselor: up to \$47,000 SEVCA Business Counselor: up to \$47,000 NEKCA Business Counselor: up to \$47,000	\$388,960
Website Development and content writing	\$30,000.00
Other: Travel, Supplies, marketing, Professional Development, Occupancy -	\$65,017.00
TOTAL DIRECT COST	\$483,977
INDIRECT COST	
General and Administrative The statewide MBDP Indirect Rate is 33% of salaries and is approved by its cognizant agency. (<i>US Department of Health and Human Services</i>)	\$94,380.00
TOTAL DIRECT AND INDIRECT COSTS	\$578,357.00
OTHER	
Grants to use toward secured loans, up to 420 loans for \$2000/loan plus 8% interest charged by lender for 12-month notes	\$876,843.00
Additional grants at end of the 12-month loan, up to 420 grants for \$500/grant	\$210,000.00
Membership fees toward a local credit union up to 420 new accounts \$25/account	\$10,500.00
TOTAL OTHER	\$1,097,343
TOTAL BUDGET	\$1,675,700

*A Complete detailed budget by line item can be found in Appendix (Page 23)



Projected Milestones

The historical data in (Figure 4), shows the comparison between 2010 and 2019 MBDP statewide milestone outcomes. The projected milestones are based on the historical data from the past 10 years and anticipated outcomes are based on the proposed investments and enhancements to the MBDP statewide.

MILESTONE	2010	2019	Projected Milestone
Total # of Participants Served	1145	641	1,750
New Participants	602	356	1,250
# Of Business Plans Completed	N.A	33	75
# of new business Start-ups	81	59	120
# of new business Expansions/Enhancements	75	122	200
# of Jobs Created by MBDP (FTE)	105.5	77	150
% of participants who started or expanded a business	8%	15%	12%
\$ of Capital Leveraged	\$1,046,181	\$565,657	\$1,500,000

(Figure 4)

- **Total # of Participants Served-** This milestone is all MBDP participants statewide for one fiscal year.
- **New Participants-** Total number of new participants in the MBDP in the stated fiscal year.
- **# OF Business Plans Completed-** Total number of business plans completed statewide in the stated fiscal year by MBDP.
- **# Of New Business Start-ups-** Total of actual new business start-ups statewide in the stated fiscal year by MBDP.
- **# Of New Business Expansions/Enhancements-** Total number of MBDP clients that expanded or enhanced their business in the stated fiscal year. Either expanding by developing new markets or hiring employees or enhancements like new equipment or marketing materials.
- **# Of Jobs Created by MBDP (FTE)-** The total number of jobs created in the stated fiscal year by all MBDP participants or businesses. Either self-employment or hiring employees.
- **% Of Participants Who Started or Expanded a Business-** The percentage of total participants in the MBDP that either started or expanded a business in the stated fiscal year.



Projected Financial Benefits & ROI

The chart represented in (Figure 5) utilized the projected milestone from (Figure 4) and known monetary value of each milestone to project the overall financial value of all positive outcomes. All data utilized based on 2010-2019 MBDP fiscal year.

(Figure 5)

MILESTONE Description	Projected Milestone (Figure #4)	Calculations	Value of Projected Outcomes
# Of New Business Start-ups	120	VT-Licensing Fee's (\$125 LLC per business) X 120 Business Start-ups = \$15,000 Minimum Projected Revenue Per Business \$5000 X 120 Business Start-ups = \$600,000	\$615,000
# Of New Business Expansions/Enhancements (\$500.00)	200	200 Business Expansions/Enhancements Multiplied by \$500.00=	\$100,000
# Of Jobs Created MBDP (FTE) Based on VT-Minimum Wage \$12.55/hr	100	(\$26,104) X (100 Jobs Created) =	\$2,610,400
Micro Businesses Awarded Grants \$2,500	420		\$1,050,000
\$ Of Capital Leveraged			\$500,000
	Total Projected Positive Outcomes	Total Cost of COVID-19 Recovery for Underserved Micro Businesses	Total Value of Projected Outcomes
TOTAL:	840	\$1,675,700.00	\$4,875,400



Total Cost Project E.M.B.R.A.C.E. + Current Budget for Statewide MBDP
\$1,675,700.00 (Project E.M.B.R.A.C.E.)
\$398,720.00 (Current budget for Statewide MBDP funded by State of Vermont O.E.O.)
\$2,074,420 (Total Combined)

\$4,875,400 (Positive Outcome Value) - \$2,074,420 (Total Investment Existing and Proposed)
(Total Projected ROI Back into Vermont Economy Based on Proposed Investment)
= \$2,800,980



Why this program expansion & why now?

Conclusion:

Out of devastation can emerge innovation and opportunity. Even before COVID-19, Vermont's economy had shifted towards Micro Business. Gone are the large manufacturing giants opening the door for local Micro businesses. In Vermont, over 50% of all businesses in the State are now microbusinesses (2016). With 10,671 microbusinesses already established, this sector of business is a critical growth engine to our economy and current recovery efforts. Across the country, an estimated 92% of businesses are considered microbusinesses.

Our vision is a sustainable path forward for our clients utilizing our years of expertise in starting and growing profitable microbusinesses in Vermont.

Project EMBRACE is an investment in Vermont's future for today's COVID-19 recovery and beyond into our new economic reality. Sustainable micro businesses can help raise individuals out of poverty breaking the generational poverty cycle. Entrepreneurship is the greatest wealth builder for the State, local economy and individual. EMBRACE the path forward and together we can innovate and build our own ladder to success. This proposal demonstrates the ability to leverage investment in the underserved to bring lasting prosperity to hundreds of Vermonters. It is time to launch Project E.M.B.R.A.C.E to seize the opportunity that is right here and now.



Appendices

Testimonials

2013 SBA Micro-Enterprise of The Year Award Winner!

“Simeon is a great counselor to work with, over the past 11 years and counting we have had many meetings on what has worked and not worked for my business. He helped plan the business and lots of unexpected curves thrown at me just before signing my loan. I hit the rock bottom of the recession in 2008 fall. Had I not had the guidance of Simeon; my business would not have survived at all.” **(Michael Micro Business Owner)**

“Many lower-income entrepreneurs don’t have the same opportunities as those with more money. The Micro Business Development Program allows us to gain skills so that we can implement business ideas and become more independent and, therefore, financially self-sufficient. Thank you for that!”
(Megan J. Humphrey, Sweet Basil Cards, Burlington, VT)

“Without the help of the micro business development program, I probably would have given up on my business because the logistics were complicated and overwhelming. I am most proud of continuing to work on my business and that I am able to enjoy the work I’m doing while making a small profit. I wouldn’t have been able to do it without the help of this program.”

(MBDP client, Burlington, VT)

“When I moved back to my hometown of Richmond, VT, in December of 2016, I was 28 years old, employed part-time at a non-profit, and struggling financially due to the combination of an unstable job, moving costs, a recent divorce, medical bills, and continuing challenges with injuries that impacted my ability to work a typical 40 hour (or more) per week schedule as I had in the past. In January 2017, I incorporated my business... Fast-forward to the end of 2018. In the year of working with the experienced, talented, and knowledgeable staff at CVOEO, net profits at my business increased by approximately 500%, and it is now showing slow and sustained growth.”
(Melanie Giangreco, Richmond, VT)



Website Features

Service-Related:

- **About Us:** MBDP overview of the program (mission statement/overview of services)
- **Local Assistance:** Each region has one page with local information about each program / Map with directions to offices/staff directory
- **Regional Initiatives:** Showcasing innovative projects
- **Statewide Initiatives:** Roll out of new programs/materials and marketing

Clients:

- **Tools for Success:** Templates for business plan/marketing plan, etc.
- **Learning Center:** Live Webinars / Prerecorded webinars / videos
- **Business Topics:** library of articles / topics
- **Resources / Information for COVID-19:** Updates to business regulations and requirements
- **Where to Obtain Financing Resource Page:** Listing of funding sources and types of funding

Financial Capabilities Learning Tools:

- **Tools for Success:** Templates for budgeting/credit repair, etc.
- **Learning Center:** Live Webinars / Prerecorded webinars / videos
- **Business Topics:** library of articles/topics

Funders:

- **Annual Report**
- **Data / Statistics**

Partners:

- **Links / Resources from statewide partners:**

Administrative:

- **Staff admin access for updates**
- **Calendar for webinars across the state** (functions to promote classes statewide, has one portal for registering for classes which track by county and a way to upload our own graphics and descriptions)
- **Portal for professional**

Development opportunities Impact:

(Business Highlights)



(Figure 3 Full Document)

<p>Personal Services- Statewide MBDP Program Coordinator up to \$51,000 annual salary BROCC Business Counselor: up to \$47,000 Capstone Business Counselor: up to \$47,000 CVOEO Business Counselor: up to \$47,000 SEVCA Business Counselor: up to \$47,000 NEKCA Business Counselor: up to \$47,000</p>	\$286,000
<p>Fringe Benefits – Fringe includes FICA (7.65%), unemployment insurance (1.27%), 401K retirement (2.61%), Taxable Benefits (0.98%), health insurance premiums (19.30%), Dental insurance (0.89%), life and disability insurance (0.35%), plan administration (0.22%), Employee Assistance Program (0.09%), Merit (1.44%) and Worker’s Compensation (1.21%). Fringe rate is 36% of salaries.</p>	\$102,960
Website Development and content writing	\$30,000.00
<p>Travel – Travel to be reimbursed at the prevailing Federal reimbursement rates and as adopted by the five CAAs in their personnel policies. Current Rate: \$.57.5/mile for an estimated 2160 miles. Program Coordinator quarterly site visits to collaborative partners, in round trip miles NEKCA in Newport (125 miles), SEVCA in Westminster (185 miles), BROCC in Rutland (135 miles), and CVOEO in Burlington (95 miles) for a total of 2160 miles.</p>	\$1,242.00
<p>Supplies – 6 computers \$9000 (\$1500/each), general office supplies including printer cartridges and flip charts \$2000 (\$400/agency), Zoom Licensing for remote access \$1080 (\$15/month per counselor and coordinator)</p>	\$12,080.00
<p>Other – Printing/copying: internal copying of reports, brochures, business cards, and miscellaneous correspondence, \$400</p> <p>-Postage: mailing materials such as reports, marketing materials, newsletters, and general correspondence. Most materials will be sent electronically. \$100</p> <p>-Telephone: for marketing and contact with clients and partners and conference calls with counselors quarterly. Attributable cost of 6 cell phone: \$3600 (\$600/cell phone/12 months)</p> <p>-Dues/Subscriptions: Association for Enterprise Opportunity and Micro Test annual membership \$300 and Credit Builders’ Alliance \$395.</p> <p>-Advertising/Recruitment: Advertising for training classes in local media and Vermont Business Magazines, and annual business dues to Front Porch Forum, Vermont’s leading on-line communication site for rural Vermont. \$3500 (\$700/agency)</p> <p>Staff Training and Professional Development: Sponsored training of the MBDP staff and other professionals in areas such as microenterprise taxes, credit building and repair, and marketing. \$500</p>	\$8,795.00
<p>Occupancy: Occupancy is calculated at 15% of salaries and includes heat, electricity, air conditioning, basic and local phone service, trash recycling services, cleaning, maintenance, etc.</p>	\$42,900.00
TOTAL DIRECT COST	\$489,977



(Figure 1-2 Data)

The below data of weekly unemployment insurance claims was used in (Figure 2) to determine the projected number of future MBDP clients. The data table was taken directly from the VT-DOL for the use in this document.

WEEKLY UNEMPLOYMENT INSURANCE CLAIMS SUMMARY
 Week of April 25, 2020

Claim Types	Benefit Programs	Current Data		Last Year	Change From:	
		4/25/2020	4/18/2020		4/27/2019	Last Week
Initial Claims ^{1/}	Regular UI	5,117	6,598	663	-1,481	4,455
	Federal EUC08 Tier I	0	0	0	0	0
	Federal EUC08 Tier II *	N/A	N/A	N/A	N/A	N/A
	Federal EUC08 Tier III *	N/A	N/A	N/A	N/A	N/A
	State Extended Benefits	0	0	0	0	0
Continued Claims	Regular UI	76,457	64,313	4,437	12,144	72,021
	Federal EUC08 Tier I	0	0	0	0	N/A
	Federal EUC08 Tier II	0	0	0	0	0
	Federal EUC08 Tier III	0	0	0	0	0
	State Extended Benefits	0	0	0	0	0
Totals	Regular UI	81,574	70,911	5,094	10,663	76,488
	Federal EUC08 Tier I	0	0	0	0	N/A
	Federal EUC08 Tier II	0	0	0	0	0
	Federal EUC08 Tier III	0	0	0	0	0
	State Extended Benefits	0	0	0	0	0
	Total All Programs	81,574	70,911	5,094	10,663	76,488

* Not tracked

The data table below was used to validate that over 50% of all business in Vermont are micro businesses of under 5 employees. Data taken from Employment sizes for the United States and States, NAICS Sectors:2016.

Number of Firms, Number of Establishments, Employment, and Annual Payroll by Small Enterprise Employment Sizes for the United States and States, NAICS Sectors: 2016

			ENTERPRISE EMPLOYMENT SIZE	NUMBER OF FIRMS	NUMBER OF ESTABLISHMENTS
Vermont	-	Total	01: Total	18,148	21,174
Vermont	-	Total	02: 0-4	10,616	10,627

Proposal for Bookkeeping



Dear Vermont Community Action Agencies,

I would like to formally thank you for considering Elevated Administrative Services, LLC for the bookkeeping portion of your proposal to expand the Micro Business Development Program.

It is such an honor to have been considered for this position. I have a lot of respect for the work the Vermont Community Action Agencies perform and have personally benefited from the Micro Business Development Program.

I look forward to bringing my experience, skills, and personal commitment to the program and to helping build a stronger micro business workforce here in Vermont.

My company's role will be to set up and maintain a financial bookkeeping system via QuickBooks for each new or expanding business receiving the EMBRACE. grant. I am a member of the National Association of Certified Bookkeepers and am certified through them in bookkeeping and QuickBooks. I also have my BS in Business Management from Saint Michael's College. I use QuickBooks Online and QuickBooks Accountant to manage my different clients.

Our custom service agreement will provide each new MBDP client with a discounted rate on basic bookkeeping services from Elevated Admin, LLC. These services will include:

- 1) Set up of their new QuickBooks account or clean up and optimization of their current QuickBooks account if they already have one.
- 2) Monthly maintenance, which includes categorizing and clearing transactions from the banking dashboard and reconciling the connected bank and credit card accounts.
- 3) End of month and quarterly financial reports for both the client and the overseeing community action agency showing their profit and loss, cash flow and balance sheet.

Currently, I am a single member LLC. I am aware that with the growth of the program, my client workload will grow exponentially, and I will hire additional qualified employees as needed in order to keep up with these demands.

I have included the following documents for your review:

- *Proposal - Micro Business Development Program - Elevated Admin, LLC*
- *Service Agreement - Micro Business Development Program - Elevated Admin, LLC*

Sincerely,

Heather DeRosia

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Proposal: Micro Business Development Program – EMBRACE Proposal

Overview:

Elevated Administrative Services, LLC will provide monthly bookkeeping services and financial reports to all new and expanding businesses receiving the EMBRACE grant.

Specifications:

The Micro Business Development Program service agreement will include the following:

- ❖ Introduction with tutorial and explanation of the work that will be done each month via Zoom screen share, telephone or alternative medium.

- ❖ Initial set-up of the client’s QuickBooks account
 - Connect bank and credit card accounts
 - Customize chart of accounts
 - Add vendors and customers
 - Set reminders and rules

- ❖ Monthly maintenance of the QuickBooks account
 - Categorize and clear transactions from banking dashboard
 - Reconcile bank and credit card accounts

- ❖ Monthly financial reports to client and overseeing MBDP counselor
 - Profit & Loss (Income Statement)
 - Cash Flow
 - Balance Sheet

Timeline:

Client introduction and initial account set up to be scheduled within 10 business days upon completion of the contract. Monthly services will continue as stated in the contract until either party provides a 30-day written notice of cancellation.

Service	H o u r s	Rate	Total
Introduction & Initial Set-Up	5-8	\$200 /flat	\$200/one-time fee
Monthly Maintenance (Ave. 1 hour per week)	4	\$20/ hr.	\$80/month

Our Responsibility

Project E.M.B.R.A.C.E is a joint effort of Vermont's Community Action Agencies. Our statewide partnership is united by our mission to provide access to the basic needs that are foundational to eliminating poverty. Our agencies are deeply rooted in Vermont communities, big and small, rural, and urban. The Vermonters we jointly serve are those most impacted by the economic crisis and are in dire need of secure and sustainable employment.

Executive Directors

Jan Demers

Executive Director

Champlain Valley Office of Economic Opportunity

Tom Donahue, CEO

BROC Community Action

Steve Geller, CEO

Southeastern Vermont Community Action

Sue Minter

Executive Director

Capstone Community Action

Jenna O'Farrell, CEO

Northeast Kingdom Community Action



Project E.M.B.R.A.C.E. Contributors

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