

AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

Economic Recovery Bridge Grants

Guidance for Applicants

The purpose of this document is to provide guidance to the Executive Branch, the Legislature, Agency and Department Partners, and Grant Applicants to the Economic Recovery Bridge Grants as established via Act 9, and per the American Recovery Plan Act.

On April 17, 2021, H.315 was enacted as Act 9 (The Act). The Act appropriated \$10 million of funds from the American Recovery Plan Act (ARPA) to the Agency of Commerce and Community Development (ACCD) to issue grants to eligible Vermont businesses and non-profits that suffered a tax loss in 2020 and require immediate State aid. The legislative intent of the Economic Recovery Bridge Grants program is to provide priority funding to businesses that have not received prior State or Federal financial assistance. To the extent that funds remain available, the program is also intended to provide funding to businesses that have suffered a tax loss even after receiving State or federal aid.

APPLICATION PROCESS

Applicants will input their required information into the online application portal provided by the Agency of Commerce and Community Development and submit the application, along with all required documents. Reviewers from the Agency of Commerce and Community Development, and other partners, will review all applications based on the priority criteria described below cross-checking data fields and verifying the required documentation to either approve, deny, or return the application for more information and/or correction.

ELIGIBILITY CRITERIA

Eligible businesses must meet all of the below criteria in order to access Economic Recovery Bridge Grant Funds. The business:

1. Must be domiciled, or have its primary place of business in Vermont; AND
2. Is organized and operated:
 - a. On a for-profit basis, including a sole proprietor, parentship, LLC, business corporation, cooperative, or mutual benefit enterprise; OR
 - b. On a non-profit or low-profit basis, including a mutual benefit corporation, public benefit corporation, and a low-profit limited liability company; AND
3. Is open at the time of the application; OR
 - a. Is closed at the time of application due to the COVID-19 public health emergency but has plans to re-open; AND
4. Is in compliance with current State health and safety protocols established by the *Vermont Forward Re-Opening Plan*¹; AND
5. Can demonstrate that the business experienced a net loss in 2020, greater than any net loss reported in 2019, via submitted federal tax returns; AND

¹ <https://www.vermont.gov/vermont-forward#gsc.tab=0>

6. Is in good standing with the Vermont Department of Labor (if applicable, to be confirmed by reviewers); AND
7. Is in good standing with the Vermont Secretary of State (if applicable, to be confirmed by reviewers); AND
8. Is in good standing with the Vermont Department of Taxes; AND
9. Is not currently in Chapter 7 bankruptcy;

Eligible businesses will be required to provide the following information in their grant applications:

- Federal Employer Identification Number (FEIN) or Social Security Number (sole proprietors only);
- The North American Industrial Classification System (NAICS) code for the applying company;
- Monthly P&Ls for the period from March 2020 through April 2021, which are used as the basis for calculating net income;
- Information about any compensation or assistance² an applying business has received or applied for from:
 - the Federal Paycheck Protection Program (PPP) loans in 2020 or 2021 and the amounts forgiven;
 - Economic Injury Disaster Loan (EIDL) advances (grants);
 - any other direct federal or state grant funds for economic damages incurred as a result of COVID-19 in 2020 and 2021;
- State and Federal Tax Returns for 2019 and 2020;
- Uploads of one month of invoices for the following fixed monthly expenses:
 - Commercial mortgage or rent;
 - Business insurance;
 - Electricity;
 - Heat;
 - Water;
 - Sewer service;
 - Telecommunications services (phone service including landline and cellular and business-related cable service); and
 - Internet service.

Businesses closed at the time of application must provide the following:

- An attestation (*provided in the application*) that the applicant will use grant funds for resuming business operations and economic recovery;
- For those businesses not currently operating, a brief, written description (*provided in the application*) of its good-faith plan to reopen.

² Assistance amounts will be used to calculate the adjusted net income, which must still reflect a net loss in order to qualify for an award.

APPLICATION PRIORITY CRITERIA

The Agency of Commerce and Community Development will utilize the below standards for prioritizing received grant applications:

Within the first 30 days of grants being accepted **first priority grant awards will be issued to applicants who meet all of the below criteria:**

- The business has not received, **and does not have a pending application for**³, any State or Federal financial assistance in 2020 or 2021 (*this includes, but is not limited to*):
 - Paycheck Protection Program loans and Grants;
 - Economic Injury Disaster Loans and Grants;
 - Any other direct financial assistance provided by Coronavirus Relief Funding or ARPA Funding including:
 - Vermont Economic Recovery Grant;
 - Sole Proprietor Stabilization Program Grant;
 - Healthcare Provider Grants;
 - Restaurant Revitalization Grants Funding;
 - Shuttered Venue Grants;
 - Vermont Agricultural Grants;
- The business suffered a net-loss in 2020, as shown on a federal tax return.

After the 30-day initial grant application window, the Agency of Commerce and Community Development will continue to give first priority grant awards per the criteria above. However, **after the initial 30-day window**, the Agency of Commerce and Community Development shall utilize the below second tier priority criteria to grant awards to businesses who suffered a 2020 net tax loss, and still can demonstrate a net loss after adding back the amounts of non-taxable assistance received in 2020 and 2021. This includes:

- Non-taxable State or Federal financial assistance (*includes, Paycheck Protection Program forgiven loans, Economic Injury Disaster Grants, and any other non-taxable direct financial assistance provided by Coronavirus Relief or ARPA Funding*);

³ Applicants who have applied, and have pending applications, for Shuttered Venue Grants and Restaurant Revitalization Grants will not be prioritized in the first 30-days.

GRANT AWARD FORMULA

The amount of the grant will be calculated as: Three times the sum of fixed monthly expenses as evidenced by the uploaded invoices. The eligible business's fixed monthly expenses include *(as determined by the uploaded invoices)*:

- Commercial mortgage or rent;
- Insurance, electricity;
- Heat, water;
- Sewer service;
- Telecommunications Service; and
- Internet service.

However, grant awards shall not exceed the lesser of:

- The applicant's remaining net loss after the addition of non-taxable prior assistance; **OR**
- \$150,000⁴:

AUDIT PROCEDURES AND COMPLIANCE

All grants awarded by the Agency of Commerce and Community Development are subject to standard audit provisions as established by the guidelines set forth in this document.

Grantees must maintain all records pertaining to the use and expenditure of their award. Records include any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the grantee in the performance of this agreement. Records produced or acquired in a machine-readable electronic format shall be maintained in that format.

The records described shall be made available at reasonable times during the period of the award and for five years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the five-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

Each applicant must attest, under penalty of perjury, that all information provided on all application forms and uploaded documents is true and accurate. The State of Vermont will rely on this certification as a material representation in making this grant award. Further, applicants must attest to understanding that intentional misrepresentation of information is

⁴ The Agency has authority to reduce the amount of any grant pursuant to these guidelines, and based on the amount of any COVID-19 related direct financial assistance that a business may have received from State or Federal sources.

fraud and may subject the application disqualification from receiving further benefits, administrative penalties, and criminal prosecution.

RECAPTURE PROCEDURES

The Agency of Commerce and Community Development is authorized by law to recapture an award; 1) if a recipient is found to be ineligible for the award; 2) has been overpaid with an award; 3) or is found to have used an award for activities other than supporting the applicant business.

GRANT APPLICATION TIMELINE

The Agency of Commerce and Community Development shall open the window for first priority grant applications within 45 days from the date of this notice. Second priority applications will be considered and reviewed after the initial 30-day window for priority applications.