

**CORTLAND COUNTY**  
**PRELIMINARY MICROENTERPRISE PROGRAM GUIDELINES**

**MICROENTERPRISE DEFINITION:** A microenterprise is a business that includes five or fewer persons, including the business owner(s). The total number of individuals includes full and part-time employees without regard to the number of hours each employee works.

**PROGRAM PURPOSE:** The Microenterprise Program (the “Program”) will provide financial assistance to new or expanding small businesses that will increase economic opportunity for low-to-moderate income owners (LMI) and/or create jobs for low-to-moderate income persons.

**LOCATION OF PROGRAM:** The business must be located in Cortland County, and the location must be zoned appropriately for the proposed business use.

**ELIGIBILITY AND GENERAL INFORMATION:**

1. At the time of application an existing business must have no more than five (5) individuals, including the owner(s.) This includes both part-time and full-time employees without regard to the total number of hours worked by any employee, i.e. total head count;
2. Either the owner(s) must be low-to-moderate in income based on family size and gross annual income; or the project must result in the creation of jobs, the majority of which are available to low-to-moderate income persons. Low-to-moderate income limits are provided in the chart below;
3. The business owner(s)’ and the business’s County payments including, but not limited to taxes, water and sewer, must be current;
4. If funds are awarded to the County, applicants will need a business plan. Assistance in creating a business plan can be provided;
5. If grant funds are awarded to you, you will be required to attend classroom training approved by the State funding source. The training is generally a three-day obligation;
6. Business owners awarded funds are required to provide a minimum of 10% cash equity of the total project cost. The equity must be in owner’s cash and cannot result in the incurrence of debt (i.e. a loan); and
7. Other requirements will be provided in Program Guidelines to be provided to all applicants, if the funding is awarded to the County.

**ELIGIBLE USES OF FUNDS: Microenterprise funds can be used**

1. to purchase capital equipment and fixtures including, but not limited to, manufacturing, processing, or display equipment; computer hardware; office furniture, display fixtures, or other equipment/fixtures that support the business activities of the applicant;
2. for working capital;
3. to purchase inventory;
4. to purchase software that is specifically related to the business activity of the applicant;
5. for other uses, not specifically noted, but deemed appropriate by the County and approved by the State.

**INELIGIBLE USES OF FUNDS: Microenterprise funds cannot be used**

1. to refinance existing debt or to pay interest as a result of interim financing;
2. for activity(ies) that will result in the loss of a job or jobs or the reduction of hours for any existing employee;
3. for the purchase or leasing of motor vehicles;
4. for construction, renovations and building repairs or to purchase equipment and supplies the require a certain level of labor to install;
5. for illegal activities or activities that are inconsistent with or will detract from the County’s character, that are reasonably objectionable to the County; or do not comply with local zoning regulations or other municipal plans;
6. for religious, political, lobbying and/or governmental activities;
7. to fund *not-for-profit* applicants; and
8. for costs incurred prior to approval of grant award by the County to the recipient.

**FINANCIAL ASSISTANCE:**

1. The proposed assistance per project is \$5,000 to \$35,000. The award will be determined by the County’s Review Committee based on a review of the application and supporting documentation;
2. Assistance is in the form of a “deferred loan” that does not require repayment but is subject to recapture if the business closes or relocates outside the County within five (5) years of the date of project completion. The amount of funds recaptured is reduced over time, and is determined based on the amount of time the business operated in the County;
3. A minimum of 10% of the total project cost must be provided as owner’s equity. Equity must be in the form of cash, not loan funds;
4. If the project cost exceeds the maximum amount of assistance provided by the County, the owner is responsible for providing the balance. The balance of the project cost must be documented prior to approval.

**TRAINING:** The State funding source, the New York State Office of Community Renewal (OCR), requires all participating business owners to complete a training course approved by the OCR. The training can be completed after award of funds. Cost is paid for by the recipient.

**DISBURSEMENT OF FUNDS (Reimbursement process):** This is a reimbursement program. Documentation of purchases made and paid for must be provided before the request for the reimbursement funds is submitted to NYS OCR. Each business is allowed a maximum of two reimbursement requests to the State. In no case will assistance be paid in advance of purchases.

**OTHER TERMS AND CONDITIONS:**

1. The microenterprise owner agrees to repay any grant funds in full or in part if the business ceases operation or moves outside the County prior to the end of the five-year regulatory period;
2. A Grant Agreement between the County and the microenterprise owner(s) will be executed prior to the disbursement of any funds. This Agreement will detail the terms and conditions of the funding;
3. Job creation will be verified and monitored pursuant to a process established by the NYS OCR;
4. The microenterprise is required to comply with all local, State, and national laws, regulations, or requirements that would normally and routinely apply to such businesses, and as may be required of recipients of State and/or federal funding;
5. Any of the above may be subject to change if the grant is awarded to the County.

**LOW-TO-MODERATE INCOME LIMITS FOR CORTLAND COUNTY (LMI) - APRIL 2020**

| <b>FAMILY SIZE</b>         | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>6</b> | <b>7</b> | <b>8</b> |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>GROSS ANNUAL INCOME</b> | \$40,500 | \$46,300 | \$52,100 | \$57,850 | \$62,500 | \$67,150 | \$71,750 | \$76,400 |

\*The Applicant/Business Owner or employees will be considered LMI if the family’s **gross annual** income does not exceed the maximum income for the family size noted above. **For example,** a family of two adults and three children is a five-person family. The income below the number “5”, \$62,500 is the maximum income that family can earn on an annual basis and be eligible. If the family’s gross annual income is less than \$62,500 they are considered an LMI family. If the family’s gross annual income is greater than \$62,500, they are not LMI but can participate by creating an LMI job.

Family is defined as those persons in a household that are related by marriage, birth or adoption. Family and household are not the same thing. Please ask if you have questions. We can help you determine if you are LMI.

Gross income is from all sources for any employed persons in the family over the age of 18.