

NEW GRANT FOR CONNECTICUT BUSINESSES STILL AFFECTED BY COVID

GOVERNOR CREATES NEW GRANT FOR CT BUSINESSES STILL AFFECTED BY COVID

Governor Ned Lamont today announced that he is creating the Connecticut CARES Small Business Grant Program to assist small businesses and nonprofits that have been impacted by the economic downturn caused by the global COVID-19 pandemic. The program will provide businesses and nonprofits in Connecticut that have fewer than twenty employees or a 2019 payroll of less than \$1.5 million with a one-time grant of \$5,000.

To fund the program, the governor is committing \$50 million from the state's Coronavirus Relief Fund, which utilizes federal CARES Act funding. The program will be administered by the Connecticut Department of Economic and Community Development (DECD). The grants can be used for payroll, rent, utilities, inventory, purchase of machinery or equipment, or costs associated with compliance of the ongoing Reopen Connecticut Business Sector Rules.

The governor is directing DECD to commit half of the funds to small businesses and nonprofits that are located in towns and cities designated as distressed municipalities.

DECD estimates it will begin accepting online applications the week of November 9, and all of the funds are anticipated to be disbursed by December 30. Information on eligibility requirements, upcoming webinars, and other aspects of the program will be published on the state's business portal at business.ct.gov.

Eligibility

- Businesses must have no more than 20 total FTEs in 2019 across all of their Connecticut locations, or have a total 2019 payroll of less than \$1.5 million (annualized). FTE and payroll include affiliated companies.
- Businesses must be able to demonstrate a 20% or more loss in revenue year to date as of September 30th, 2020 compared with the same period in 2019.
- Business must have been established by October 1, 2019 and still be active (as verified by DRS).
- Home-based businesses are eligible.
- Eligible entities: for-profit businesses that use any type of incorporation, as well as 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(7), and 501(c)(19) nonprofit organizations.
- The business must remain a viable business, be planning to reopen, and be planning to rehire any workers let go due to COVID as business conditions recover, and have a material financial need that cannot be overcome without the grant of emergency relief funds.
- Companies must be in good tax standing with DRS or current on a payment plan or consent to use a portion and/or all of their grant to remedy the delinquency.
- Sole proprietorships are eligible.

Eligibility Exclusions

- Businesses in which the majority of revenue is earned from the following activities: Liquor stores and alcohol distributors; adult businesses such as strip clubs; vape retailers; tobacco shops and smoking lounges; businesses having to do with gambling; gun stores and ranges; cash advance, check cashing, or pawn shops; bail bonds; collection agencies or services; and auction or bankruptcy or fire or "lost-our-lease" or "going-out-of-business" or similar sale.
- Business establishments that are 50% or more owned by another establishment such that the FTE count for the umbrella establishment (when counting the FTEs of all subsidiaries in which the umbrella establishment has 50%+ stakes) is more than 500. For example, this would include non-franchised outlets of major national food and retail chains.
- Businesses and not-for-profit entities may not participate in this program if they received another assistance grant from State of Connecticut CRF funds.

Eligible Activities & Uses

GRANTS CAN BE USED FOR:

- Payroll
- Rent/Mortgage
- Utilities
- Inventory
- Purchase of Machinery and/or Equipment
- Cost associated to ensure compliance with CT Reopen Business Sector Rules

FUNDING PRIORITIES

- \$25 million to businesses/nonprofits located in the state's distressed municipalities
- \$25 million to businesses/nonprofits located outside of the state's distressed municipalities
- Applicants will only be allowed a single grant regardless of multiple locations
- All funds will be disbursed to approved applicants by December 30, 2020