

## **Philadelphia COVID-19 Small Business Relief Fund**

### **Frequently Asked Questions (FAQ)**

- 1. When will I be able to submit my application?**
  - a. The application launched on March 23, 2020.
  
- 2. When will I find out if I was awarded?**
  - a. The committee will review applications on a weekly basis. Applicants should anticipate a decision within ten business days of submission, though this could be longer depending on volume.
  
- 3. I was approved. How long until I get my award?**
  - a. Bank information will be collected in the application in order to expedite payment once approved. After a business is approved, submits all required paperwork, and signs an agreement, it will take 1-2 business days for funds to be received by the business via wire transfer.
  
- 4. If I'm denied this round, can I apply again later?**
  - a. Unfortunately, no. However, all applications will be kept on file in case additional funding is made available at a later date.
  
- 5. Can I be awarded more than once?**
  - a. This is a one-time award.
  
- 6. My business was deemed non-essential and was ordered to close. Am I still eligible for a grant/loan?**
  - a. Yes, both businesses deemed essential and non-essential under the City's order(s) are eligible to apply. The program will prioritize applications from businesses in industries that have been most negatively impacted.
  
- 7. My business has annual revenue of just over \$5 million. If I am ineligible for this, what resources exist?**
  - a. Businesses with annual revenue over \$5 million will be considered for existing PIDC loan products and directed to other programs they may be eligible for, such as the [SBA program](#), for example.
  
- 8. I am able to operate my business, but I've had to reduce staff due to a slowdown in traffic. Do I have to hire staff back if I get this money?**
  - a. The program gives priority to businesses who demonstrate, to the best of their ability, prioritizing retaining employees as long as possible with award funds. However, it is not a requirement.

**9. If I receive this funding will I still be able to apply for other funding at the state and federal level?**

- a. Yes, you may only submit one application per business for the City program, but we encourage you to seek out additional state, federal, and other resources as applicable. A list of business resources impacted by COVID-19 [can be found here](#).

**10. If I apply for Federal SBA funding can I still receive City funding?**

- a. Yes. We encourage you to pursue all applicable supports. We understand that the barriers for SBA loans are high and the process is long. Even some businesses that are potentially eligible for SBA might not be able to hold on long enough for the SBA approval process. For this reason, the review team will consider the eligibility of businesses for receiving other sources of funds, as well as cash flow needs, to inform decisions for these situations.

**11. I own multiple businesses. Can I apply for assistance more than once?**

- a. If you have multiple businesses that are separate legal entities in Philadelphia you may submit multiple applications.

**12. My business has multiple locations. Can I apply more than once?**

- a. No, if you have a single business entity that has more than one location in Philadelphia, you may only submit one application to the fund for that entity.

**13. Do I need to be a Philadelphia resident?**

- a. No, but your business must be physically located within the City limits of Philadelphia, Pennsylvania.

**14. Are there any businesses that are not eligible to receive assistance?**

- a. Most tax compliant businesses with less than \$5 million in annual revenue in Philadelphia are eligible to apply for assistance. The following business entities are **ineligible**:
  - i. Businesses that are not physically based within the City of Philadelphia
  - ii. Businesses that are in active default (not on a payment plan) with taxes or fees owed to the City of Philadelphia
  - iii. Churches and other religious institutions
  - iv. Financial businesses primarily engaged in the business of lending, such as banks, finance companies, and factors
  - v. Real estate development or rental property businesses
  - vi. Life insurance companies
  - vii. Private clubs and businesses which limit the number of memberships for reasons other than capacity
  - viii. Government-owned entities or elected official offices

- ix. Businesses primarily engaged in political or lobbying activities
- x. Businesses engaged in any illegal activity

**15. If I am an individual who files taxes as an independent contractor or sole proprietor (schedule C and 1099s to the IRS), am I still eligible as a business?**

- a. The program will be open to sole proprietors and independent contractors; however priority will be given to those who are located in zip codes with high poverty and/or those that sustain multiple sub-contractors during a normal business cycle (pre-COVID-19 levels). At this time the Ride Share and Home Sharing economy (Uber, Lyft, Airbnb, etc.) will not be prioritized.

**16. If my business has subcontractors (that file 1099, rather than a W2), should they be counted in the number of employees?**

- a. No. However, they should be referenced in the narrative sections as applicable:
  - i. “Please describe the current impact of COVID-19 on your business.”
  - ii. “How will you use these funds to help your business or retain staff?”

**17. If my business is new and does not yet have tax return documents, can I still apply?**

- a. Please submit an attachment that documents your business’ revenue to be considered. Suggestions include an interim financial statement or a simple Profit and Loss statement that shows expenses and sales.

**18. My business is a nonprofit. Can I still apply?**

- a. A nonprofit that engages in for-profit activity and files Business Income and Receipts Tax (BIRT) with the City of Philadelphia can apply. You will need to identify the industry that your nonprofit operates in and explain how COVID-19 has impacted your revenue.
  - i. Please check C-Corp where the application asks you to select your business structure
  - ii. Note that nonprofits that provide social services may be eligible to receive assistance through the [PHL COVID-19 Fund](#).

**19. Can someone help me complete the application?**

- a. The City’s Business Services Team is available at 215-683-2100 or [business@phila.gov](mailto:business@phila.gov).

## **APPLICANT TECHNICAL FAQ**

**20. I keep pressing submit and my application will not go through.**

- a. Scroll to the top of the application page and look for an error message. This should tell you what fields in the application you may have missed.

**21. What is an ACH form and why do I need to do it?**

- a. ACH stands for automated clearing house. We provide the form for the applicants to complete with bank information. If awarded, this form will allow the funds to be deposited into the recipient's bank account. Given current circumstances with many City offices closed or working remotely, there will be no paper checks distributed.

**22. I don't have a scanner. How can I get my tax returns and other documents into the application?**

- a. In the attachment section of the application we have added a few smartphone applications that allow you to take a photo of your documents and create a PDF. If you take a picture, be sure that the full tax return is easy to read (The photo is not blurry and includes the full text). We prefer you send a PDF, but the application accepts all types of documents.

**23. It says that my files are too large?**

- a. All files should not exceed 14MB (megabytes), which is approximately 1,000 PDF pages depending on quality. We recommend you save files in PDF format with 150 DPI quality or lower. TIP: You can compress your PDF size using this free online tool: <https://smallpdf.com/compress-pdf>.

**24. Are you accepting paper applications?**

- a. Not at this time. All nonessential City offices are closed, so we are processing applications remotely.

**25. If I need to come back to my application with more information, will my work be saved?**

- a. Yes, at the bottom of the application you can select "Save and Resume Later." This will save your answers to the application questions. NOTE: It will not save any documents that you have already uploaded.

**26. What is a BIRT number and how can I find mine?**

- a. BIRT stands for the "Business Income Receipt Tax" and each business has an Account Number. (The BIRT was formerly called Business Privilege Tax or BPT.)
- b. Look at your City Tax Return for BIRT or Net Profits—paper or online or payment coupon.

**27. My business is a corporation applying for a loan. Why am I being asked to fill out a consent form for a personal credit inquiry.**

- a. If you are applying for a loan (your business revenue is between \$3 million and \$5 million), we will be doing a soft pull on the personal credit for any owner of the

business with over 20 percent ownership. This is for data reporting purposes only. There is **no** minimum credit score for this program.

### **ADDITIONAL FAQ:**

**28. How much money will be distributed in total as part of the COVID-19 Small Business Relief Fund? How much in grants? How much in loans?**

- a. The fund is being launched with approximately \$9.25 million to be distributed, with the vast majority of the funding going towards grants. There is a possibility of additional funds coming from the private sector as well.

**29. How is this Fund being funded? How much is the City putting in? How much is coming from PIDC?**

- a. The fund is launching with approximately \$9.25 million. Of this, the City is contributing \$7 million dollars. PIDC is contributing \$2 million. The Daniel B. and Florence E. Green Foundation is contributing a \$250,000 donation. Of the \$7 million in City funds, \$2 million will come from the pending transfer ordinance that is being considered by City Council on Thursday, March 26, 2020. The remaining \$5 million will come out of a previous \$10 million transfer ordinance to the Economic Stimulus Fund for a previously planned grant program around creating quality jobs.

**30. How many businesses do you expect to distribute funds to?**

- a. This will depend on the award amounts and how many of each type of assistance is distributed. Generally, we anticipate at least 500 businesses will receive funding with the vast majority of the awards going to small businesses (those with annual revenue below \$500,000).

**31. If businesses are ordered to stay closed for longer than the initial two-week order, is there a plan to help businesses even more?**

- a. We hope to raise additional dollars to leverage the initial fund and will continue to disburse funds until they are exhausted. We'll also look to the state and federal government to approve programs to support small businesses more extensively.

**32. Will the funds be distributed even if the order prohibiting inessential businesses from operating remains in effect for weeks or months?**

- a. Yes, they will. We will do everything in our capacity to help businesses stay open and preserve jobs for as long as we can and hope that state and federal programs will augment our efforts.

**33. How long will the application period be open?**

- a. The application period will be open until the funds are exhausted. Already, demand for the program has been significant.

**34. How will award decisions be made?**

- a. Priority will be given to businesses that demonstrate a loss of 50 percent or more of annual revenue, a plan for recovery, and a commitment to retaining their employees as long as possible.

**35. Will preference be given for businesses that have been previously affected by public works projects (PWD or PGW)?**

- a. The review committee will take into account businesses that have suffered losses from public works projects in the last 12 months, though the priority for this program is businesses impacted by the COVID-19 pandemic.

**36. What mechanisms will be in place to ensure that funds granted to small businesses are passed on to employees?**

- a. The grant agreement will include language about conditions that the business must meet, such as compliance with labor laws, tax compliance, abiding by best faith efforts, and reporting on results of receiving the funds. Spot audits will likely be implemented and claw back mechanisms are being explored in the case of bad actors.

**37. What about a business with an existing PIDC loan? Will they be eligible for this financing? Will their current debt service be on hold?**

- a. Those with existing loans are also eligible for this relief.

**38. Are applications awarded on a first come first serve basis?**

- a. No. Applications will be received on a rolling basis and reviewed through a discretionary process. Applications will be scored based on established criteria and either approved or denied. Applications will be reviewed and processed until funds are exhausted.

**39. Who will review applications?**

- a. Applications are being reviewed by a trained team of diverse Commerce and PIDC staff members. Spanish and Mandarin applications will be reviewed by bilingual reviewers.

**40. Will the applicants who apply in Mandarin or Spanish get follow-up communication and award letters in their language?**

- a. We will provide language access as needed, and when possible, we will contact applicants in the language they applied in. We have bilingual staff assisting with these applicants as needed.

**41. Besides Mandarin and Spanish, is information about this program available in other languages?**

- a. Yes. We have staff that speak French and Arabic and also have partner organizations that have volunteered to assist with other languages.

**42. Will these applications be subject to Right-to-Know requests? Particularly the income and expense portion of the application?**

- a. Personal financial information and personal identifiable information are exempt from disclosure under the Right-to-Know Law (RTKL). As defined in the RTKL, personal financial information includes: an individual's personal credit, charge, or debit card information; bank account information; bank, credit, or financial statements; account or PIN numbers; and other information relating to an individual's personal finances. The RTKL exempts personal identifiable information from disclosure: all or part of a person's Social Security number; driver's license number; personal financial information; home, cellular, or personal telephone numbers; personal email addresses; employee number or other confidential personal identification number. The City will redact such information from responses to Right-to-Know requests that it receives.

**NOTE:**

*The City of Philadelphia and PIDC created the COVID-19 Small Business Relief Fund to provide relief in the fastest, fairest and most efficient way possible. Businesses across the city and nation have been severely impacted, but please understand that this program will not have the funding available to help every single business in Philadelphia.*

*This is an unprecedented challenge and we will continue doing everything possible to identify and advocate for additional resources through federal, state, and other sources.*