FREQUENTLY ASKED QUESTIONS

The McAllen COVID-19 Fund has a total of $1,000,000 dollars to assist small businesses located within City of McAllen limits. The fund has two programs: The first part of the COVID-19 Fund is the Small Business Grant, which will have $300,000 in funds that will be awarded in $5,000 and $10,000 grants. Small Business Grant applications will be received strictly online through grant.mcallen.org. The second part is the Zero Interest Loan, which will be awarded through LiftFund and will have a budget of $700,000 to assist small businesses. To learn more about the Zero Interest Loan, please visit www.liftfund.com.

The McAllen COVID-19 Small Business Grant Fund can be used for:

- Launching online presence and sales
- PPE and sanitation supplies and equipment
- Short-term Marketing Campaign
- Limited interior modification for health and safety purposes
- Delayed rent/mortgage payment for business property
- Delayed utility payment for business property
- Replenishing Inventory

Who qualifies?

To be eligible for the McAllen COVID-19 Small Business Grant Fund, applicant businesses must comply with the following:

- Small businesses must be based within McAllen, Texas city limits
- Must be active businesses that were established at least 12 months prior to March 1, 2020
- Businesses with more than one physical location may apply for the grant program for one location only.
- The business must have experienced a loss of revenue due to Public Health Orders enacted for COVID-19.

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FREQUENTLY ASKED QUESTIONS

Who does not qualify?

- Franchisors
- Real Estate Developers/Investors
- Governmental/taxing agencies/departments
- Hobby businesses as defined by federal law
- Multi-level marketing concerns
- Gambling Concerns, including casinos, racing operations or other activities whose purpose involves gambling
- Lobbying organizations and political organizations subject to Internal Revenue Code 527
- Sexually Oriented Businesses (live performances, product sales, items or materials)
- Businesses primarily engaged in lending, investments, or to an otherwise eligible business engaged in financing or factoring.
- Pawn Shops
- An individual who employs household employees such as nannies or housekeepers
- A business where a 20% or more equity owner is incarcerated, on probation, on parole; presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; or has been convicted of a felony within the last five years
- Concerns engaged in illegal activities under federal, state, or local laws
- A business that is otherwise prohibited by federal or Texas law
- A business that is ineligible or precluded to receive federal or State of Texas funding due to federal laws (including but not limited to the CARES Act) or Texas laws
- Home-based businesses
- Non-profit organizations

How much do you qualify for?

If your business generated $350,000 or less as reported in your last business income tax report, then the business is eligible for a grant of $5,000.

If your business generated $350,001 or more as reported in your last business income tax report, then the business is eligible for a grant of $10,000.
FREQUENTLY ASKED QUESTIONS

How do I apply?

Applications will be received strictly online through http://grant.mcallen.org/. Please be prepared to submit the following documentation:

- Texas Secretary of State file number
- State of Texas Tax ID number
- Doing Business As (DBA) documentation
- Employer Identification or Social Security Number (if Sole Proprietorship)
- 2018 or 2019 tax return that has been filed depending on the structure of the business (Form 1065 for Partnership, Form 1120-S for an S-Corporation, 1120 for a C-Corporation, Form Schedule C for a Sole Proprietor/Single Member, LLC)
- A signed statement that the grant request is necessary due to the conditions of COVID-19
- An agreement to an audit by the City of McAllen of the use of grant funds received
- An agreement to a claw-back provision if funds are used for ineligible purposes

When can I start applying?

Applications will be accepted between June 1, 2020 and June 30, 2020. The forms must be received electronically by June 30, 2020, and applications will be reviewed on a first-come, first-served basis, providing they comply with the guidelines. Depending on the program’s demand, funds may be exhausted before the grant deadline, in which case the program will be closed ahead of the scheduled end date. The grant awards will be directly announced to each qualifying business during the period of 15 days after their submission of the application. Grants will not be paid directly to the business. Grant funds will be strictly used in a third-party pay way, meaning that the grantee will request a payment to the McAllen Chamber of Commerce and a check will be made for the qualifying products or services.

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Monday, June 1, 2020</th>
<th>Monday, June 15, 2020</th>
<th>Saturday, June 20, 2020</th>
<th>Friday, July 10, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Open application</td>
<td>Notifications of acceptance or decline start being sent</td>
<td>Awardees can start making payment requests</td>
<td>First payments will be sent</td>
</tr>
</tbody>
</table>

3. grant.mcallen.org