

***Please give more explanation of which entities and businesses are eligible to apply.***

All forms of business entities (sole proprietorships, partnerships, limited liability companies, and corporations) are eligible to apply as long as they meet the eligibility criteria stated on the “Grant Eligibility” information sheet. Self-employed individuals and individuals who work for a company and are paid on a commission-only basis are encouraged to apply. Grants may be awarded to small businesses that meet the eligibility criteria, but grants will not be awarded to individual persons for use unrelated to a business.

***The Grant Eligibility information sheet says that “individuals” are not eligible to apply. Does that mean that I cannot apply on behalf of my business for which I am the sole proprietor?***

You can apply for a grant on behalf of a business you own as the sole proprietor. Grants may be awarded to small businesses that meet the eligibility criteria, but grants will not be awarded to individual persons for use unrelated to a business.

***I own the franchise to operate in Washington County several restaurants of a particular chain, and the total number of employees I have in Washington County is less than 30. However, I would have more than 30 if you include those who work for me in restaurants of the same chain that I own the franchise for and operate outside of Washington County. Does that disqualify me?***

No. As long as the number of employees you have in Washington County is less than 30, your business is eligible for a grant.

***I own the franchise to operate in Washington County several restaurants of a particular chain. Can I submit one application per restaurant?***

If all of the restaurants are the same chain, submit only one application for all of the locations in Washington County. Be sure to explain in your application how many locations you own and operate in Washington County.

***Explain what is meant on the Grant Eligibility information sheet by saying that the listed items are “ineligible categories”.***

It means that grants will not be awarded to fund any of the entities, items, or activities that are listed under the “ineligible categories” heading.

***What is meant by “tax payments” as an ineligible category?***

Grants will not be awarded for an application that identifies the purpose to be for payment of any type of taxes.

***In Section IV of the application, am I limited to only the types of impacts listed with check boxes?***

A: No. You can describe other types of losses on the blank after the word, “Other”, and in the blank space provided on page 3.

***In Section IV, the application asks for the number of employees as of the certification date, but that period of time is not representative of how many people my business employs over the course of a year due to varying seasonal demands.***

At the bottom of the box that asks for employee numbers, please explain how many people your business typically employs and how the pandemic has affected your business’ employment capabilities. You also can give more explanation on page three of the application.

***Section V asks for income and expense statements for last year, current year, and budget for forthcoming year, but I only started my business this year. What do I do?***

Please explain why you do not have the specific documentation requested, and provide financial information that will help the selection committee understand what you need to recover from financial losses and keep your business in operation. The selection committee needs enough reliable documentation to justify awarding your business a grant and to defend the award in the event the County is audited.

***Section V asks for income and expense statements for last year, current year, and budget for forthcoming year, but I do not have those types of records. What do I do?***

Please explain why you do not have the specific documentation requested, and provide financial information that will help the selection committee understand what you need to recover from financial losses and keep your business in operation. The selection committee needs enough reliable documentation to justify awarding your business a grant and to defend the award in the event the County is audited.

***Section VI asks for new or innovative ideas that I plan to implement, but I have already implemented many new things. Can I list the things I have already done?***

Yes, please describe how you have adapted your business and/or how you plan to adapt your business to new demands caused by the COVID-19 pandemic.

***Is the grant money taxable?***

The grant award may be taxable, but the County cannot give tax advice. Please consult with your tax accountant.

***I am concerned with the possibility of an audit if I am awarded grant funds.***

While the County considers it unlikely that an audit will be required, the County needs grant recipients to be aware of the possibility. Just like your certification on this application, the County had to certify that the grant money would be used in a manner that complies with the federal law and that the County may be audited to confirm that it did so. Therefore, in the event the County is audited, the County must be able to follow-up with grant award recipients to confirm that grant funds were used in the manner intended by the federal law. Grant recipients should maintain adequate records to demonstrate that the grant award was used for the purposes described on the grant application. Those records would be the subject of an audit if one were requested. Federal guidance requires that grant records must be kept for at least five years after receipt of the grant.

***Please explain what information from my application can be protected from public disclosure under the Virginia Freedom of Information Act.***

The County is required by law to comply with the Virginia Freedom of Information Act. It requires that all records in the County's custody are subject to public disclosure, if requested, except records that fall into specific exceptions stated in the law. The law provides an exception from disclosure requirements for "*Proprietary information, voluntarily provided by private business pursuant to a promise of confidentiality from a public body, used by the public body for business, trade, and tourism development or retention.*" VFOIA does not define "proprietary information," but it defines "trade secret", which is the essentially the same as "proprietary information." Trade secret is defined to mean "*information, including but not limited to, a formula, pattern, compilation, program, device, method, technique, or process, that: 1. Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its*

*disclosure or use, and 2. Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.”* The County will apply the “proprietary information” exception when the information for which it is requested is a “trade secret”. The County would only have to disclose the documents if the County’s claim of the exception is challenged and a court orders disclosure. Your completed IRS Form W-9 with your taxpayer identification number will not be disclosed to the public because it is protected from disclosure by the Virginia Protection of Social Security Numbers Act.

***I am confused by the sample budget compared to the application questions about financial records. The years of financial records being requested seem inconsistent. Please explain what years of financial information are required and, also, if my business does not routinely prepare a budget and does not submit a 2021 budget with the application, will that impact the potential grant to be received?***

Yes, there is an inconsistency. The intent was that we want to give the Selection Committee sufficient information to gauge the financial impact on your business in the form of a comparison of your usual financial revenue and expenses with the actual revenue and expenses as impacted by the pandemic. Therefore, we requested your budget (i.e., revenue/expense reports) for 2019, 2020, and 2021. To clarify, the request was intended to be for 2019 (actual), 2020 (planned), March 2020-current date (actual), and 2021 (planned). We understand that not all small businesses plan and monitor their revenues and expenses in the same way; therefore, the form of budget provided is only a sample. It should have included a column for your 2021 planned budget in addition to the other columns. You may use the sample form, or you may provide the information using a budget form with line items that are significant to your business instead of those in the sample. In lieu of a budget, you may provide an income/expense or profit/loss statement for 2019 and 2020 if that is a form you routinely use. In response to your second question: if you do not have a planned budget for 2021, please explain that is the case and why. We encourage you to provide as much financial information as you can to inform the Selection Committee. Please provide narrative as needed to clarify the financial information you provide. Finally, please note that we have requested budget information for 2021, but all funds received from the Small Business Relief Grant must be spent in the current calendar year, before December 30, 2020.

***My incorporated business has one employee on its payroll. The business pays the employee a salary from which employment taxes (e.g. FICA, FUTA) and income taxes (not self-employment tax or corporate income tax) are withdrawn and remitted to the IRS, as evidenced by business tax returns filed, i.e. IRS Form 941. The salary is not linked to the profits of the business. The employee is also the President of the corporation and the lone shareholder. He will report self-employment income/loss from the business. So, the instructions say not to include the owner of the business as an employee. But then the instructions also state that for purposes of this application an employee is defined in a way that would include our employee as described above. Since we have only one employee and since that employee is affected by the covid-19 emergency, should I report him as an employee or not?***

Yes, please report this person as an employee, and you can also include the description you have provided in your question for additional clarification.

***Please clarify whether hair salons that rent space to individual stylists are eligible to receive a grant.***

The owner of the hair salon is eligible, and each of the stylists who has an arrangement with the salon owner to use space for operation of their own hair styling business/sole proprietorship is eligible. That would also be the case for any business that is structured similarly.

***I have three businesses, but I operate all three under my social security number. Can I submit three applications?***

The Selection Committee will make only one award per taxpayer identification number (which includes both social security numbers and employer identification numbers).

***I obtained my business license and officially opened my business in June, 2020. Is my business eligible for a grant?***

No. The rules require for the first round of applications that the business must have been established since at least March 1, 2020, as a business located in Washington County, Virginia, including the towns located in the County. Subsequent application rounds may change this eligibility criteria, so watch for notice of subsequent rounds to see if it changes.

***My business experienced loss of revenue due to the COVID-19 shut-down, and I would like to apply for grant funding to make up for that loss. If I am awarded a grant for loss of revenue, can I spend it on expenses unrelated to the COVID-19 pandemic?***

Yes. Guidance from the U.S. Treasury dated April 22, 2020, states that the CARES Act grant funds may be used for reimbursement to small businesses for the costs of business interruption caused by required closures. If you are awarded a grant to reimburse your business for costs of business interruption caused by a required closure, you can use the grant for purposes related to your business but not related to COVID-19 as long as the expense for such use does not qualify for some other funding source, such as insurance proceeds.

***The eligibility criteria require that an applicant must be current in payment of taxes. I am a sole proprietor of a business, and my business is current with payment of all of its taxes. However, I am behind on payment of my property tax both for my land and my personal cars. Am I eligible for a grant award?***

No. You must be up-to-date in your tax payments not only for your business property but also for your property, both real property (land) and personal property (cars, etc.), that you own separately from the business. This rule applies whether you are a sole proprietor, sole member of an LLC, or sole member of an S-corporation.