



WE LOVE LUFKIN SMALL BUSINESS GRANT PROGRAM

Frequently Asked Questions

GRANT ELIGIBILITY

- **Are there credit score requirements for this grant?**

No. This grant does not take the credit score of the business owner into account before awarding the funds.

- **I'm not currently registered to do business with the State of Texas. Am I eligible?**

No. All businesses must submit documentation with their application showing that they are a registered business. This can be in the form of one of the following documents:

Secretary of State Texas File number.

Employer Identification Number.

DBA

2018 or 2019 tax return (Return only, schedules not required.)

Individual Taxpayer Identification Number or Certificate of Filing.

Businesses will also be required to submit a completed W-9 form, proof of employment (such as a W-3 form, a 941 form, or other document showing payroll expenses, employer insurance expenses, or employer retirement expenses for the first quarter of 2020 (prior to the COVID-19 emergency declaration on March 20, 2020) as well as the most current version of this document. Businesses should prepare their Profit & Loss (P&L) statement for 2019, and a P&L statement that covers March 2020 and later, to demonstrate loss of profit due to COVID-19. If you're a sole proprietor, you will be required to submit a 2018 or 2019 Schedule C.

All documentation is required for approval. If documentation is not provided with your application, you could be denied funding

- **Where can I get my Secretary of State Texas File number?**

Your file number can be found on the [Texas Comptroller website](#).

- **I'm self-employed. Am I eligible?**

Yes. *We Love Lufkin* grants are available to self-employed individuals, independent contractors and sole proprietorships, in addition to small businesses and nonprofits serving the business community. Sole proprietors will need to provide a Schedule C tax form for either 2018 or 2019.

- **I just started my business. Am I eligible?**

In order to be eligible for a *We Love Lufkin* grant, your business must have been operating as of September 1, 2019.

- **I operate my business out of my home. Am I eligible?**

Possibly. Small businesses with less than 5 employees that operate out of the home are eligible for a grant. For larger businesses, funding priority will be given to for-profit businesses that operate out of a physical brick-and-mortar location within the City of Lufkin.

- **My business received funds from the Paycheck Protection Program (PPP) or an Economic Injury Disaster Loan (EIDL). Am I still eligible for these funds?**

Yes, however, priority will be given to businesses that have not received funding through these programs.

- **Do existing debts disqualify me from applying?**

No. Existing debt does not disqualify you from applying for a *We Love Lufkin* grant.

- **I'm the business owner, but I'm not a documented U.S. citizen. Am I eligible for this grant?**

No. The CARES Act, which funds the *We Love Lufkin* grant program, only allows immigrants with Social Security Numbers to receive payments.

- **My business is a nonprofit, but its mission is not specific to the business community –such as a museum, or a church. Am I eligible for these funds?**

No, funding is only for nonprofit organizations directly serving the business community.

APPLICATION PROCESS

- **I'm not sure how to demonstrate a reduction in sales/revenue or employment. What documents do I need for this?**

Businesses should prepare their Profit & Loss (P&L) statement for 2019, and a P&L statement that covers March 2020 and later, to demonstrate loss of profit due to COVID-19.

All documentation is required for approval. If documentation is not provided with your application, you could be denied funding.

- **How much funding can I receive for my business?**

Level I businesses with less than 5 employees (including owner) are eligible for a grant of \$5,000.

Level II businesses (with 6-20 employees) are eligible for a grant of \$7,500.

Level III businesses (with 21-40 employees) are eligible for a grant of \$10,000.

Level IV businesses (with 41-50 employees) are eligible for a grant of \$15,000.

** Employment numbers must be as of March 20, 2020. Does not include contractors.*

- **I had to lay off employees as a result of COVID-19. Are these levels dependent on how many employees I have now? Or how many I had at the beginning of COVID-19?**

This grant is based on the number of full-time employees (not including contractors) employed as of March 20, 2020, when Lufkin's first emergency declaration took effect.

- **What if some of my employees are technically contractors? Do they still count toward the funds I'll receive?**

No. Contractors do not count as employees for purposes of this grant.

- **What does it mean for a business to be minority-owned?**

It means that at least 51% of the business is owned, managed, and operated by a minority or group of minorities (e.g., Black Americans; Hispanic Americans; Native Americans; Asian Pacific Americans; or Subcontinent Asian Americans).

- **How do I verify minority ownership of my business?**

There are several possible ways:

1. Demonstrate registration on the Texas Certification Directory of the Texas Small Business Association;
2. Demonstrate HUB certification in the State of Texas; or
3. Submit documents that provide evidence of the applicant's race or ethnicity, that the applicant is conducting the business as described, and owns, manages and controls the business.

- **Do I need to go through my bank or another financial institution to receive these funds?**

No. Applications will be processed by processed with the help of members of the Hotel/Motel Occupancy Tax (HOT) Board.

- **What may these funds be used for?**

Grant funds may be used to reimburse the costs of business interruption due to COVID-19 as a result of required closures, voluntary closures to promote social distancing, or decreased customer demand. Examples of these costs include:

Working capital.

Machinery and equipment.

Payroll expenses.

Health care benefits.

Contract labor.

Supplier payments.

Rent, lease or mortgage payment for real property used for business purposes. (Ex. A storefront or warehouse. Does not include personal residence.)

Rent, lease or purchase payment for business property (Ex. delivery vehicle, food truck, kitchen equipment, technology, payment, and communications systems/equipment.)

Utility payments for business properties. (Not including personal residence.)

Cost of critical business operations. (Ex. raw materials, marketing expenses, etc.)

Personal Protective Equipment (PPE), sanitation supplies and equipment.

- **Do I need to document/report how I use these funds?**

Yes. Business owners who receive this grant may be audited in the future and are required to document how the funds are used.

- **My business started feeling the effects of COVID-19 before March 19, 2020. Will that loss of sales/revenue be counted?**

No. The grant only covers the impact from the date that Lufkin's first emergency declaration took effect on March 20, 2020.

- **Are printed/mailed forms being accepted?**
- Mail-in applications are not being accepted at this time.
- **Where can I go for help with my application?**

You may contact April Holcomb at Lufkin City Hall by calling 936-633-0251. She will assist business owners with their applications.

- **How soon will I hear back? How quickly will I receive my funds?**

Grant applications will close Monday, July 20. Those who are not eligible for the grant should hear back by the end of July. All funds are expected to be distributed by the end of July.