



State of Rhode Island  
Office of Housing and Community Development

## COVID-19 Microenterprise Stabilization Program (MicroE) Eligibility Information Sheet

Participating cities and towns, with support from the R. I. Office of Housing and Community Development (OHCD) and the U.S. Department of Housing and Urban Development (HUD), are administering a program to provide working capital **grants** of \$5,000 to qualifying small business **microenterprises** adversely impacted by COVID-19.

**What's a microenterprise? Is my business a microenterprise?** Under this program, a microenterprise is defined as a commercial enterprise that has **five or fewer employees**, one or more of whom owns the enterprise. If your business has more than five employees, including you, your business does not qualify for this program. Other small business programs are available to assist you.

**Is my business eligible?** Businesses must meet the following updated eligibility criteria:

1. Be a microenterprise, as defined above
2. Be owned by low- or moderate-income person(s) ( $\leq 80\%$  of the Area Median Income, based on family size)
3. Be a for-profit entity (sole proprietorships, partnerships, corporations, or LLCs)
4. Have a physical establishment in the city/town of application
5. Provide goods or services to multiple clients or customers
6. Be in good standing with the state and city/town
  - a. Be current on all taxes due through 3/1/2020
  - b. Active and valid state licenses/registrations, if applicable
  - c. Not a party to litigation involving the state or city/town
7. Be able to document a loss of income of at least \$1,000 due to COVID-19
8. *Have been established in 2019 or earlier*
9. Have annual gross revenues greater than \$25,000, as documented on 2018 or 2019 tax returns
10. Not be listed under the excluded business types, as amended (see below)

June 2020 Update: Businesses with one owner/employee only may apply. Businesses that received EIDL and/or PPP funds may apply, as long as the adverse impacts on the business exceed other assistance by at least \$5,000. Businesses opened in 2019 that meet all other eligibility criteria may apply.

**How do I apply?** Contact your municipal planning office for application materials. Information on participating communities and contact persons for this and other programs is available at <https://commerceri.com/emergency-grants-and-funding/>. Not all cities/towns are eligible to participate. If assistance is not available through your city/town, you may be eligible for assistance from LISC, CommerceRI, or the SBA.

**How much assistance is my business eligible to receive? Do I have to pay it back?** As long as funds are available, microenterprises may apply for \$5,000 grants. Funds will be disbursed via a single lump-sum payment to approved, eligible microenterprises. These are grants, so there is no repayment.

**What can MicroE funds be used for?** Funds may be used for working capital to cover business costs, such as rent, staffing, and utilities. Microenterprise Stabilization Program funds may not be used for major equipment purchases, purchase of real property, construction activities, business expansion, or lobbying.

**What business types are excluded?** The following business types are excluded from participating in this program:

- cannabis-related businesses;
- real estate rentals/sales businesses;
- home-based businesses with no employees;
- businesses owned by persons under age 18;
- businesses that are franchises or chains;
- liquor stores;
- weapons/firearms dealers;
- lobbyists;
- persons operating as independent consultants/contractors and providing services to a single entity;
- home-based businesses that are restricted to patrons below the age of 18;

Microenterprises owned by students age 18+ are generally ineligible, unless the student owner is the sole means of financial support for other family members

The State of Rhode Island reserves the right to exclude business types/sectors not currently listed for any one or more of the following reasons:

- a) the adverse impact of COVID-19 on the sector is limited relative to other sectors;
- b) difficulty in determining the eligibility of applicants in the sector;
- c) cases of credible evidence of fraudulent applications from sector businesses; and
- d) greater availability of other sources of funds/access to credit for the sector relative to other sectors.

At the time a new exclusion is identified, such exclusion would apply to any applications in process, but not those with a fully executed grant award.

**What other COVID-19 business assistance programs are available?** LISC, CommerceRI, and the SBA are, or will soon be, operating business assistance programs.

<https://commerceri.com/emergency-grants-and-funding/>  
<https://www.lisc.org/covid-19/verizon-small-business-recovery-fund/>  
<https://covid19relief.sba.gov/#/>

**May I apply for multiple programs?** Check the requirements for each program, as they may differ. Generally, as long as you fully disclose other assistance received and requested, you may apply for multiple programs. The amount of assistance available to you may be reduced due to other assistance received. Some programs may require you to apply to another program first.

## **MicroE Program FAQs**

### **What if I don't have a DUNS number or an EIN number for my business?**

They are not needed to apply. If you receive an award, you will need to have both for federal reporting purposes. For profit businesses can register for a DUNS number through the Online DUNS Request Portal. This is a free service. You should also create an account in the System for Award Management (SAM). This is also a free service.

### **Is an email address required to apply?**

Yes, due to the temporary closure of many municipal buildings to the public, an email address is required for us to communicate with you. Free wi-fi hotspots are available in some library parking lots and other locations.

### **My business income is mostly "under the table" or not reported on my taxes. May I apply?**

No, you should not apply. Your unreported income may be tax fraud, and we are required to report credible instances of fraud.

### **My business is seasonal, and I can't show losses of \$1,000 now, but I expect to have more lost income in the coming months. What should I do?**

When you can show COVID-19 related losses of \$1,000 or more, you may apply for MicroE assistance. In the interim, CommerceRI and the SBA may have programs that can assist you. As of late March, it appears Congress will be providing supplemental assistance specifically for small businesses.

### **I received a tentative approval notice from my city/town. What happens next?**

You should apply for a free DUNS number and a free EIN number, if you don't already have them. The City/Town has forwarded your application to the State and requested funds on your behalf. Upon State approval, the City/Town will send you a grant agreement to sign and return. Funds should be released to you within days of receipt of the signed grant agreement.

### **Do I have to file my 2019 federal tax return before applying?**

You must provide a federal tax return that reflects a full year of business operations. Therefore, if your business was established in calendar year 2018, you will need to file your 2019 federal tax return before you apply.

### **Do I have to submit the state sales taxes I collected in February 2020 to be eligible for assistance?**

Yes.

### **My business is new. Is it eligible?**

Your business must have been established prior to 1/1/2019 to be eligible for MicroE assistance.

### **I have six employees. I don't want to lay anyone off, but if I do, will I qualify for this program?**

No. In the application, you must show that your business was a qualifying microenterprise as of the pay period ending 3/7/2020. Terminating employees will not qualify your business for this program.

### **Why do I have to provide my personal financial information?**

This MicroE program is funded with federal Community Development Block Grant funds. To qualify for a grant, all program requirements, including income eligibility, must be fully documented.

### **Will my personal and business information be shared or disclosed?**

Yes, your personal and business information will be shared with the R.I. Office of Housing and Community Development. Your application and supporting materials may also be shared with other federal, state, and local agencies to verify eligibility, determine the amount of assistance. Your application, supporting materials and award amount may be shared with other federal, state, local, and third parties (e.g. CommerceRI, LISC, SBA) providing COVID-19 assistance to comply with subsidy layering and/or duplication of benefit requirements.

The City/Town or OHCD may be required to release applicants' information, with exempt information redacted, in response to a request under the R.I. Access to Public Records Act (R.I. Gen. Laws §38-2-1 et seq.) or the U.S. Freedom of Information Act (FOIA).

Please refer to the *MicroE Consent and Release Form* and the *MicroE Certification Form* for additional information.

### **What if my business license/registration has lapsed or expired?**

Before you apply, contact the appropriate state agency and take the required steps to make sure your business license/registration is active and valid.

### **Are there any requirements after I receive the grant funds?**

Other than spending the money on eligible uses, you only need to complete brief update reports at the end of each quarter for one year after receipt of MicroE funds.

### **What do you mean by attach “receipts” or “documentation of revenue” to show COVID losses?**

You need to attach documentation of revenue for the period in 2020 (example March 1 – May 30) and the same periods in 2018 and 2019, such as a detailed summary record from your point of sale software, Quickbooks report, or the equivalent.

A tradução do documento está disponível mediante solicitação

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