

# California Relief Grant Program

COVID-19  
SMALL BUSINESS TRAINING



This Program is funded by the State of California.



# AGENDA

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- 1 | About the Grant Program
- 2 | Eligibility Requirements
- 3 | Ineligible Businesses
- 4 | What Can the Funding be used for
- 5 | The Application
- 6 | Required Documents
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- 8 | Who to Contact for



NorCal SBDC Network

Central California SBDC Network

Los Angeles SBDC Network

Orange County Inland Empire SBDC Network

San Diego Imperial SBDC Network



# CAReliefGrant.com

**Round 1 Start Date: Wednesday, December 30<sup>th</sup> at 6:00am through Friday, January 8<sup>th</sup> at 11:59pm**



# ABOUT THE GRANT PROGRAM

- \$475 million of funding administered by the California Office of the Small Business Advocate will be distributed by Lendistry as the Intermediary, with certain third-parties designated by Lendistry to provide additional support (“Partners”).
- Anticipate issuing grants in the following two (2) rounds of distributions:
  - Round 1 – approximately \$237.5 million
  - Round 2 – approximately \$237.5 million
- The program is **not** on a “first come, first served” basis.
- The application portal for each round will open for applicants for a Open to active For-Profit businesses and Non-Profits
- Grants are available up to \$25,000 per eligible business
- Yearly Gross revenue must be at minimum \$1,000 and maximum \$2.5 million

## GRANT FUNDING STRUCTURE

ELIGIBLE BUSINESS GROSS REVENUE	GRANT AWARD AVAILABLE PER BUSINESS
Annual gross revenue \$1,000 to \$100,000	\$5,000 grant
Annual gross revenue greater than \$100,000 up to \$1,000,000	\$15,000 grant
Annual gross revenue greater than \$1,000,000 up to \$2,500,000	\$25,000 grant

# DEFINITION OF A SMALL BUSINESS AND NONPROFIT

## SMALL BUSINESSES

- “small businesses” means sole proprietors, independent contractors, 1099 workers, and/or registered “for-profit” business entities (e.g., C-corporations, S-corporations, limited liability companies, partnerships) that have yearly gross revenue of \$2.5 million or less based on most recent available tax return (2018 or 2019); must have minimum yearly gross revenue of \$1,000

## SMALL NONPROFITS

- “small nonprofits” means registered 501(c)(3) or 501(c)(6) nonprofit entities that have yearly gross revenue of \$2.5 million or less based on most recent available Form 990 (2018 or 2019); must have minimum yearly gross revenue of \$1,000; nonprofit entities types include corporation, limited liability company, trust, or unincorporated association

# ELIGIBILITY REQUIREMENTS

- Must meet the definition of an “eligible small business” (see Definitions and Other Information)
- Active businesses or nonprofits operating since at least June 1, 2019
- Business must be impacted by COVID-19 and the health and safety restrictions such as business interruptions or business closures incurred as a result of the COVID-19 pandemic
- Applicants will be required to certify eligibility, including that the grant will be used for the specific applicant and that such applicant is the business with the highest revenue
- Applicants with multiple business entities, franchises, locations, etc. are not eligible for multiple grants and are only allowed to apply once using their eligible small business with the highest revenue.
- Business must be able to provide organizing documents and an acceptable form of government-issued photo ID

## REVENUE VERIFICATION

Revenue determined based on IRS tax form definition of “Gross Sales” (less any returns and allowances) as reported on

- Line 1.c. on both the 1120 (corporate return) or 1120S (S-Corp return);
- Line 3 on IRS Schedule C for single member LLCs and sole proprietorships;
- Line 1.c on Form 1065, for partnerships;
- Line 1.c and Line 2 on Schedule F for farming businesses;
- Line 12 on Form 990 for non-profits. Schedule E is not eligible.

# INELIGIBLE BUSINESSES

- Businesses without a physical location in California
  - Nonprofit businesses not registered as a 501(c)(3) or 501(c)(6)
  - Government entities (other than Native American tribes)
  - Businesses primarily engaged in political or lobbying activities
  - Passive businesses, investment companies
  - Churches and other religious institutions
  - Financial businesses primarily engaged in the business of lending
  - “Affiliated” companies (as such term is defined in 13 C.F.R. § 121.103)
- Businesses engaged in any activity that is illegal under federal, state or local law
  - Businesses of a prurient sexual nature
  - Businesses engaged in any socially undesirable activity or activity that may be considered predatory
  - Businesses that restrict patronage for any reason other than capacity
  - Speculative businesses
  - Businesses of which any owner of greater than 10% of the equity interest in it (i) has within the prior three-years been convicted of or had a civil judgment rendered against such owner, or has had commenced any form of parole or probation



# USES OF FUNDS

## ELIGIBLE USE OF FUNDS

- Only those costs incurred due to the COVID-19 pandemic and the health and safety restrictions such as business interruptions or business closures incurred as a result of the COVID-19 pandemic. The following are the eligible uses of grant funds:
  - All employee expenses including payroll costs, health care benefits, paid sick, medical, or family leave, and insurance premiums
  - Working capital, overhead (including rent, utilities, mortgage principal and interest payments (excluding mortgage prepayments)), debt payments (principal and interest) incurred before March 1, 2020
  - Costs associated with re-opening business operations after being fully or partially closed due to state-mandated COVID-19 health and safety restrictions and business closures
  - Costs associated with complying with COVID-19 federal, state or local guidelines for reopening with required safety protocols, including but not limited to equipment, plexiglass barriers, outdoor dining, PPE supplies, testing, and employee training expenses
  - Any other COVID-19 related expenses not already covered (for the same period) through grants, forgivable loans or other relief through federal, state, county or city programs

## INELIGIBLE USES OF FUNDS

- Human resource expenses for the State share of Medicaid;
- Employee bonuses or severance pay;
- Taxes;
- Legal settlements;
- Personal expenses or other expenses unrelated to COVID-19 impacts;
- Expenses for repairs from damages already covered by insurance
- Reimbursement to donors for donated items or services.



# APPLICATION PROCESS

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# ABOUT THE APPLICATION

## OVERVIEW

### How many rounds are there?

There are two application rounds. We will review applications for eligibility and will start approving grant awards after the close of each application round.

### Do I need to apply in each round?

No. If you submitted a complete application during an application window, meet the eligibility requirements and are not awarded a grant in the first round, your application will be rolled over into the next round for consideration.

### What are the key dates for application submissions and funding for the California Relief Grant Program?

#### Round 1

- Application Opens: December 30, 2020 at 8:00 AM
- Application Closes: January 8, 2021 at 11:59 PM
- Start of Approval Notification: January 13, 2021

We will review applications for eligibility and will start approving grant awards after the close of each application round. Applicants who submitted their application and submitted all documentation in the first round do not need to reapply; qualified applications for eligible businesses will be rolled over into the next funding round for consideration.

# APPLICATION STAGES

## STAGE 1

### Application Requirements

Businesses will need to:

1. Complete a grant application (made available through an online portal by Lendistry);
2. Upload selected financial and organizational documents; and
3. Self-certify the accuracy of information by signing an Application Certification.

The following information is required from all applicants in Stage 1:

1. A copy of the signed certification form referenced above.
2. Most recent tax return filed (2019 or 2018) – provided in an electronic form for online upload, such as PDF/JPEG or other approved upload format.
3. An acceptable form of government-issued photo ID, provided in an electronic form for online upload, such as PDF/JPEG or other approved upload format.
4. Acceptable evidence of minimum gross annual revenue of no less than \$1,000 per year.

## STAGE 2

### Additional Requirements for Businesses Determined to be Eligible

Once selected for funding, applicants will be required to provide additional documentation as set forth below and re-certify to the accuracy of information provided.

The following information is required from all applicants in Stage 2:

1. Copy of official filing with the California Secretary of State (which must be active), if applicable or local municipality for your business such as one of the following, which must be provided in electronic format for upload, such as PDF/JPEG or other approved upload format:
  - Articles of Incorporation
  - Certificate of Organization
  - Fictitious Name of Registration
  - Government-issued Business License (sole proprietors without fictitious name)
2. For eligible nonprofit entity applicants, a copy of the entity's most recent IRS tax exemption letter.
3. Verification of bank account via electronic registration or other approved review process.



# HOW RECIPIENTS WILL BE DETERMINED

## GRANT RECIPIENTS WILL BE DETERMINED BASED ON:

1. Businesses located in areas impacted the most by the effects of COVID-19, based on COVID health and safety restrictions following California's Blueprint for a Safer Economy, local county status, and Regional Stay At Home orders available at: <https://covid19.ca.gov/safer-economy/>.
2. Businesses impacted the most financially based on gross revenue losses.
3. Certain impacted industries including retail, food and hospitality, health and wellness, and personal care (beauty/nail salons, spas, and barbershops).
4. "Underserved small business groups" meaning (I) women-owned, Minority/Person of Color-Owned, or veteran-owned businesses where at least 51% of the business is owned and run on a daily basis by said group(s), and (II) businesses located in Low-to-Moderate Income (LMI) and Rural communities.

# NOTIFICATION OF FUNDING

## WHEN WILL I FIND OUT IF I RECEIVED AN AWARD?

You will be notified directly by email if you are approved for an award, waitlisted or not selected. Lendistry intends to send approval notifications for the first round weekly starting on or around January 13, 2021. Please add Lendistry to your safe-sender list in your email and check your spam for email messages from Lendistry. Once notified of approval, your application will be subject to additional verification requirements before grant funds will be disbursed. It is also recommended that you allow Lendistry to send you messages via text (this will be requested during the application process).



# TIPS FOR APPLYING

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# TIP #1

## WEB BROWSER

Throughout the entire application process, please use **Google Chrome only**.

Using other web browsers, such as Internet Explorer, Firefox, Safari, and Bing, may disrupt your application process.

[Click Here to Download Google Chrome](#)



# TIP #2

## ACCEPTABLE EMAIL ADDRESSES

Please make sure you are using a valid email address when applying. You will receive updates and additional instructions at the email address you provide.

**IMPORTANT NOTE** - The following email addresses will not be accepted and recognized in our system:

1. Emails beginning with **info@**  
Example: info@mycompany.com
2. Emails ending with **@contact.com** or **@noreply.com**  
Example: example@contact.com  
Example: example@noreply.com

# TIP #3

## TIP #3: SCAN YOUR DOCUMENTS PROPERLY

All documentation must be provided in an electronic form for online upload, such as PDF/JPEG or other approved upload format. The electronic form must be clear, aligned straight, and contain no disruptive backgrounds.

If you do not have a scanner, we recommend using the following free mobile apps:

### **Genius Scan**

Apple | [Click Here to Download](#)

Android | [Click Here to Download](#)

### **Adobe Scan**

Apple | [Click Here to Download](#)

Android | [Click Here to Download](#)

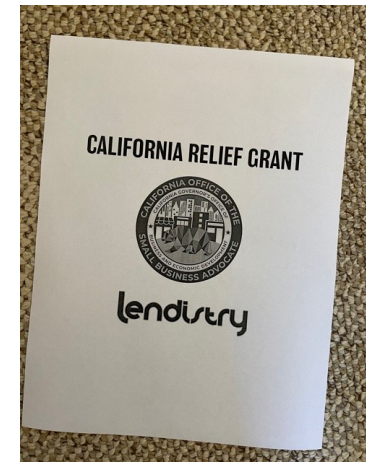
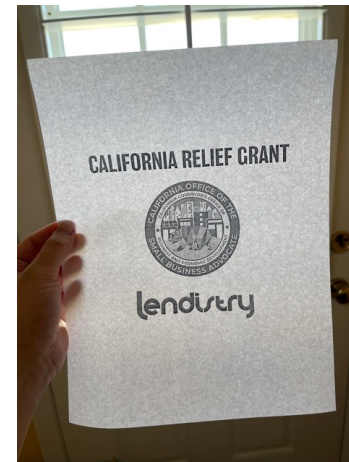
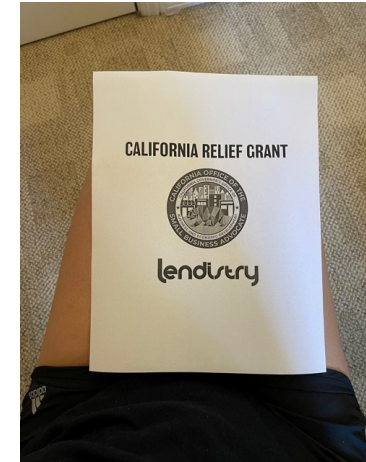
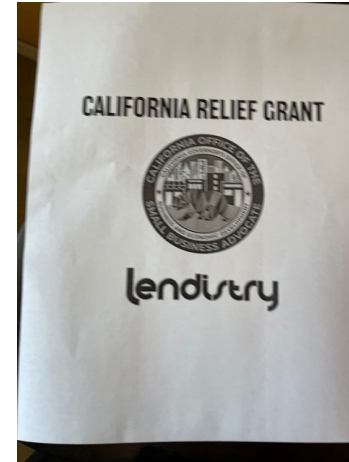
# ACCEPTABLE ELECTRONIC SUBMISSIONS

## ACCEPTABLE ELECTRONIC SUBMISSIONS



## UNUSABLE ELECTRONIC SUBMISSIONS

Unusable electronic submissions **will not be accepted** for your application.





# FAQ

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# FAQ

**Q:** WILL I BE NOTIFIED IF I AM NOT SELECTED?

**A:** You will be notified directly by email if you are approved for an award, waitlisted or not selected. Please add Lendistry to your safe-sender list in your email and check your spam for email messages from Lendistry.

# FAQ

**Q:** WHAT INFORMATION ARE YOU PULLING FROM MY BANK?

**A:** To ensure that the bank account you provided is valid and to prevent fraud, Lendistry verifies that the name on your bank account aligns with the business information provided in the application. Lendistry also verifies that the business bank account is active with transactions from the last 90-120 days. Lendistry and its partners will not have access to your bank login credentials, including username or password. Security is our utmost priority. The technology used to verify your bank account is owned and operated by VISA and applies its banking standards and security protocols.

# FAQ

**Q:** I HAVE A FRANCHISE BUSINESS WITH MULTIPLE LOCATIONS. CAN I APPLY FOR ASSISTANCE FOR EACH LOCATION?

**A:** No. Owners of multiple businesses, franchises, locations, etc. will be considered for only one grant and are required to apply for their business with the highest revenue. Applicants will need to certify that the application is being submitted on behalf of the applicant by the majority owner of the applicant and that the applicant is the owner's business with the highest revenue as a condition to receiving the grant.

# FAQ

**Q:** ARE FEDERAL PAYCHECK PROTECTION PROGRAM (PPP)/ OR ECONOMIC INJURY DISASTER LOAN (EIDL) RECIPIENTS ELIGIBLE TO APPLY, AND WILL THAT BE CONSIDERED IN ANY WAY IN THE PROCESS?

**A:** Yes, PPP and EIDL recipients may apply. However, funds cannot be used to cover the same expenses for the same period that the PPP/EIDL funds covered.

# FAQ

**Q:** ARE RECIPIENTS OF COUNTY/CITY BUSINESS RELIEF FUNDS ELIGIBLE TO APPLY, AND WILL THAT BE CONSIDERED IN ANY WAY IN THE PROCESS?

**A:** Yes, county/city relief recipients may apply. However, funds from this grant cannot be used to cover the same expenses that the county/city relief funds covered.

# FAQ

**Q:** DO I HAVE TO PAY TAXES ON THE GRANT PROCEEDS?

**A:** Yes. Prior to February 15, 2022, you will receive tax information related to the grant proceeds, which you will need report on your tax returns. Please consult with a tax professional for additional information.



# FAQ

**Q:** I DO NOT OWN A COMPUTER. HOW CAN I APPLY?

**A:** The grant application is mobile-friendly. However, we strongly recommend using Google Chrome on a computer for optimal experience.

# FAQ

**Q:** I LOST PHYSICAL VERIFICATION PAPERWORK. CAN I SEND A SCREENSHOT FROM THE SITE (I.E., SECRETARY OF STATE)?

**A:** No. Screenshots will not be accepted as a form of receipt. We recommend contacting the California Secretary of State (<https://www.sos.ca.gov/businessprograms/business-entities/service-options>) for information on how to obtain copies of certain documents.

# FAQ

**Q:** Do I need to provide receipts of my purchases (i.e. PPE)?

**A:** You do not need to provide receipts of purchase as part of the application process. However, we recommend that you retain all of your records related to the grant and the use of funds for at least three years.

# FAQ

**Q:** I AM UNDOCUMENTED. CAN I APPLY FOR A GRANT?

**A:** Yes. Non-US owners can apply for a grant but will be subject to ITIN verification through IRS Form CP565.

# FAQ

**Q:** MY BUSINESS IS INCORPORATED OUTSIDE OF CA, BUT I GENERATE THE MAJORITY OF MY BUSINESS REVENUE IN CA. AM I ELIGIBLE TO APPLY?

**A:** Eligible businesses must have a physical address and operate in California.

# FAQ

**Q:** ARE REAL ESTATE COMPANIES/BROKERS/SALES AGENTS ELIGIBLE GRANTEEES?

**A:** Real estate professionals who practice real estate as their operating business and file a Schedule C on their personal tax returns are eligible. Passive companies (including passive real estate companies) and investors who file a Schedule E on their personal tax returns are not eligible. Real estate businesses in which the majority (>51%) of their income is rental income are also not eligible.

# FAQ

**Q:** A GOVERNMENT-ISSUED PHOTO ID IS A REQUIRED DOCUMENT. IS A STATE ID ALLOWED INSTEAD OF A DRIVER'S LICENSE? OR WOULD OTHER FORMS OF PICTURE IDENTIFICATION BE ALLOWED?

**A:** Yes, any government issued Photo ID will be accepted. State ID or a passport would be other forms that are acceptable.



# FAQ

**Q:** DO I HAVE TO SUBMIT DOCUMENTATION TO VERIFY OWNERSHIP? DO MULTI-OWNER COMPANIES HAVE TO SUBMIT FOR ONE OWNER OR ALL?

**A:** An application must be submitted by the majority owner of the business. Applicants will need to certify that the application is being submitted on behalf of the applicant by the majority owner of the applicant as a condition to receiving the grant. Only one business owner can apply.

# FAQ

**Q:** ARE THE REVENUE THRESHOLDS FOR THE GRANT AMOUNTS BASED ON GROSS REVENUE?

**A:** Revenue is determined based on the IRS tax form definition of “Gross Sales” (less any returns and allowances) as reported on Line 1.c. on both the 1120 (corporate return) or 1120S (S-Corp return); on Line 3 on IRS Schedule C for single member LLCs and sole proprietorships; on Line 1.c. on Form 1065, for partnerships; on Line 1.c. and Line 2 on Form Schedule F for farming businesses; and Line 12 on Form 990 for non-profits. Schedule E is not eligible.

# FAQ

**Q:** I OWN MULTIPLE BUSINESSES. CAN I APPLY FOR EACH BUSINESS?

**A:** Owners of multiple businesses, franchises, locations, etc. will be considered for only one grant and are required to apply for their business with the highest revenue.

# FAQ

**Q:** IF MY BUSINESS IS A PARTNERSHIP OR HAS MULTIPLE OWNERS, AND SOME ARE LOW-WEALTH, AND OTHERS ARE NOT. WHAT IS THE % OF OWNERSHIP THAT MUST BE LOW WEALTH?

**A:** 51% of ownership to determine eligibility for Low-Wealth status and also to determine minority- or women- or veteran- ownership status.



# RECAP

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ELIGIBLE BUSINESS GROSS REVENUE	GRANT AWARD AVAILABLE PER BUSINESS
Annual gross revenue \$1,000 to \$100,000	<b>\$5,000</b> grant
Annual gross revenue greater than \$100,000 up to \$1,000,000	<b>\$15,000</b> grant
Annual gross revenue greater than \$1,000,000 up to \$2,500,000	<b>\$25,000</b> grant





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Los Angeles SBDC Network

Orange County Inland Empire SBDC Network

San Diego Imperial SBDC Network

# California Small Business Development Center Network Service Areas

Visit: [www.californiasbdc.org](http://www.californiasbdc.org)

## NORTHERN CALIFORNIA NETWORK NORCALSBDC.ORG (707) 826-3919

Alameda County SBDC - Oakland  
(510) 208-0410

Butte SBDC - Chico  
(530) 895-9017

Capital Region SBDC - Sacramento  
(916) 319-4268

Contra Costa SBDC - Pleasant Hill  
(925) 602-6840

Hispanic Satellite SBDC - San Jose  
(408) 385-9800

Marin SBDC - San Rafael  
(415) 755-1100

Mendocino SBDC - Fort Bragg  
(707) 964-7571

Napa - Sonoma SBDC - Napa  
(707) 256-7250

Napa Sonoma SBDC - Santa Rosa  
(707) 595-0060

North Coast SBDC - Eureka  
(707) 445- 9720

San Francisco SBDC - San Francisco  
(415) 937-7232

San Joaquin Delta SBDC - Stockton  
(209) 954-5089

San Mateo SBDC - San Mateo  
(650) 574-6402

Santa Cruz SBDC - Aptos  
(831) 479-6136

SBDC Finance Center - Sacramento  
(916) 479-9722

Shasta Cascade SBDC - Redding  
(530) 222-8323

Sierra SBDC - Truckee  
(530) 582-5022

Silicon Valley SBDC - San Jose  
(408) 385-9800

Siskiyou SBDC - Yreka  
(530) 842-1638

Solano SBDC - Fairfield  
(707) 646-1071

Tech Futures Group - Berkeley  
(415) 494-7232

## CENTRAL CALIFORNIA NETWORK SBDC.UCMERCED.EDU (559) 241-7406

The Alliance SBDC - Modesto  
(209) 422-6416

The Alliance SBDC - Merced  
(209) 386-1008

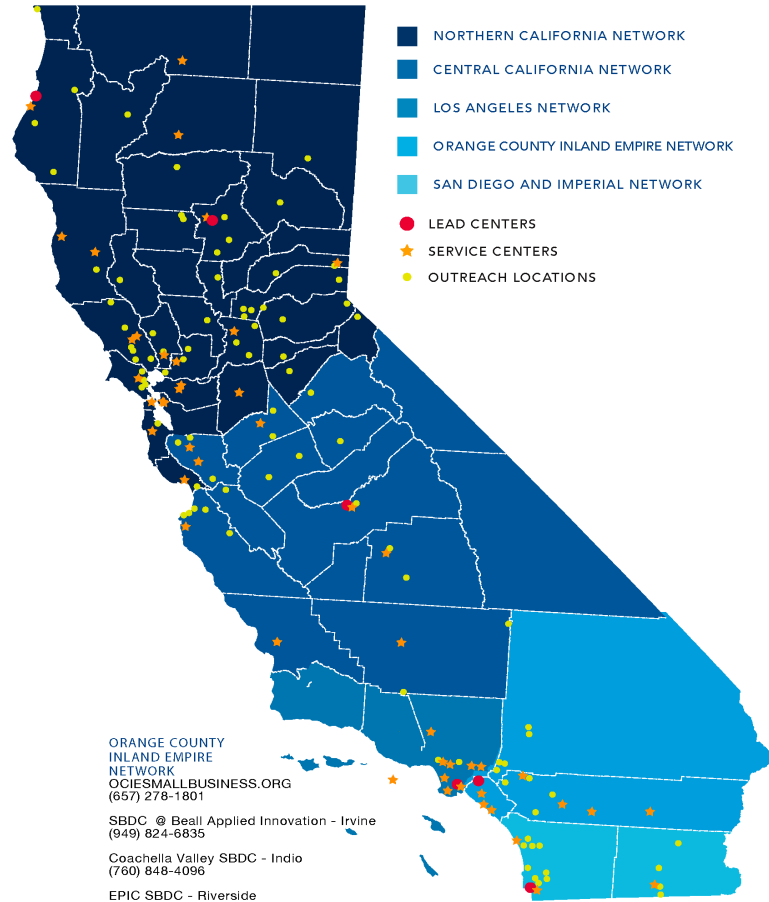
Cal Poly CIE - San Luis Obispo  
(805) 756-5171

CSU Bakersfield SBDC - Bakersfield  
(661) 861-7951

Cal Coastal SBDC - Salinas  
(831) 676-2022

Central Valley SBDC - Clovis  
(559) 324-6403

Fresno State SBDC - Tulare/Kings  
(559) 713-5128



- NORTHERN CALIFORNIA NETWORK
- CENTRAL CALIFORNIA NETWORK
- LOS ANGELES NETWORK
- ORANGE COUNTY INLAND EMPIRE NETWORK
- SAN DIEGO AND IMPERIAL NETWORK
- LEAD CENTERS
- ★ SERVICE CENTERS
- OUTREACH LOCATIONS

## ORANGE COUNTY INLAND EMPIRE NETWORK OCIESMALLBUSINESS.ORG (657) 278-1801

SBDC @ Beall Applied Innovation - Irvine  
(949) 824-6835

Coachella Valley SBDC - Indio  
(760) 848-4096

EPIC SBDC - Riverside  
(951) 955-8916

Inland Empire SBDC  
(951) 781-2345

LaunchPad SBDC - Aliso Viejo  
(949) 330-6565

Orange County SBDC - North/South/OCHCC  
(657) 278-1801

Orange County SBDC - Santa Ana  
(714) 564-5200

## LOS ANGELES NETWORK SMALLBIZLA.ORG (562) 938-5020

Bixel Exchange Emerging Technology Center at  
Los Angeles Area Chamber of Commerce  
(213) 580-7587

SBDC at College of the Canyons - Santa Clarita  
(661) 362-5900

SBDC at EDC-Ventura County - Camarillo  
(805) 384-1800

SBDC at El Camino College - Hawthorne  
(310) 973-3177

SBDC at Long Beach City College - Long Beach  
(562) 938-5100

SBDC at Pacific Coast Regional - Los Angeles  
(213) 674-2696

SBDC at Pasadena City College - Pasadena  
(626) 585-3106

SBDC at University of La Verne - La Verne  
(909) 448-1567

## SAN DIEGO AND IMPERIAL NETWORK SDIVSBDC.ORG (619) 482-6388

Imperial Valley SBDC - El Centro  
(760) 312-9800

North San Diego SBDC - Carlsbad  
(760) 795-8740

South San Diego SBDC - National City  
(619) 482-6391

University of San Diego  
Innovation SBDC - San Diego  
(619) 260-4547



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