

CDBG-CV MICROENTERPRISE (ME) GRANT PROGRAM

FAQs 10/15/2021

General Grant-Related Questions

Q: How long is the program period in the grant agreements?

A: The grant agreements are for 18 months but given the simplicity and emergency nature of this program we expect most funds to be drawn down within a few months.

Q: What are the restrictions on how long businesses can use the grant funds, or how many months of expenses can they use the money for?

A: Expenditures must be completed within the term of the Program Assistance Agreement, which cannot exceed the term of the Grant Agreement between DHCD and the City/Town. However, given the urgent nature to assist local businesses, we expect these funds to be expended within a few months.

Q: What required program documents are needed between the business and the City? Are there requirements on language that needs to be in the contract between the City and the business?

A: You must execute a Program Assistance Agreement between the business and the City/Town. Refer to Microenterprise training presentation under Program Assistance Agreement for details. The business must also complete the Duplication of Benefits certification.

Q: Can we cut a check to businesses before receipts are received?

A: Yes, provided you have a mechanism in your Program Assistance Agreement with the business specifying follow-up expectations, reporting, documentation, etc.

Q: Do we need to complete a debarment check to see if a business is prohibited from doing business with government?

A: No. Debarment checks are not required, but the businesses must be “in good standing” with the municipality. (See NOFA language)

Q: Is there a requirement to ask for race/ethnicity or other personal information?

A: Information on race, ethnicity, and income are required.

Q: Are there any requirements from DHCD regarding the business selection process in terms of who decides and how businesses are decided?

A: Selection can be first come/first served, such as upon completed application, or you may have your own selection process based on local priorities and criteria. The selection process you use

must be predetermined, followed, documented and transparent. Refer to Microenterprise training presentation under Program Design Considerations for more detail.

Q: What are DHCD's benchmarks for success?

A: We will consider the program successful if the funds are used to assist a maximal number of microenterprises with overcoming economic losses incurred during the Covid-19 pandemic in the most effective, efficient and expedient means possible and with minimal complications and no compliance issues. DHCD also requires weekly progress reports tracking progress.

Q: What are the key dates to be aware of when spending the grant funds?

A:

- Grant funds may be committed only after the date of your environmental clearance.
- Incurred costs by the business may be considered for program assistance after March 10, 2020, the date of the Governor's declaration of the Covid-19 emergency.
- Drawdowns may be submitted for individual grants after the date of execution of the Program Assistance Agreement.
 - * **Effective 2/15/2021, DHCD will allow grantees to submit drawdowns based on the local approval of the business, but before a formal execution of the program assistance agreement.**
- Documentation of expenses must be submitted by the business to the community as defined by the Program Assistance Agreement, which may range from up-front submissions to 30-45 days following disbursement of funds by the business, as practical and feasible.
- All funds grant funds must be expended within the term of the grant agreement.

Q: The NOFA stated that the business had to be currently in operation and established prior to 1/1/2019, given that our community still has uncommitted funds, could that date be modified to 7/1/2019?

A: **Effective 3/10/2021 DHCD will allow businesses that were established before 3/10/2020, the date of the Governor's declaration of the Covid-19 emergency, to be assisted, so long as they meet all other parameters of the NOFA.**

Q: Are grants made to businesses under this program taxable income?

A: DHCD cannot offer tax advice. Based on the information obtained by a grantee from MA DOR and the information below from HUD which contains relevant information, it appears that HUD and IRS guidance indicates it is likely these grants are considered taxable income. Grantees may therefore be required to issue Form 1099-G to grant recipients.



MJ Adams.pdf

Question to HUD:

Hello, we are doing micro-enterprise and small business grants with our CDBG-CV funding and we are unsure how businesses need to report the grants for tax purposes.

Answer:

Hello Miranda:

Thank you for your question.

HUD has not issued specific guidance as to whether assistance provided to businesses using CDBG-CV funds is considered taxable income. However, the IRS [CARES Act Coronavirus Relief Fund frequently asked questions](#) webpage states that business assistance grants provided by a local government through the Coronavirus Relief Fund are taxable and notes that "[t]he receipt of a government grant by a business generally is not excluded from the business's gross income under the [Internal Revenue] Code and therefore is taxable."

Because tax consequences may vary in different situations, individuals and businesses receiving CDBG-CV assistance should contact a tax professional for advice concerning their particular circumstances.

Please note: this response has been provided based on the current requirements and guidance available. Notices or other HUD issued guidance in the future may change the current requirements. Also, the response in this email is specific to the question you submitted and may not apply to similar questions. Therefore, please use discretion in providing the response to others, as the answer may not apply.

Additional information can be found on [HUD's COVID-19 Resources page](#) and on the [CDBG COVID-19 Resources page](#).

Q: We are finding that we have applicants whose losses far exceed the maximum CDBG-CV grant amount of \$10,000. For example, we have a Limousine Company who has lost more than \$100,000 between 2019 and 2020. Another company that received a \$10,000 grant actually had \$49,000 in documented losses not covered by any other source. Would DHCD consider increasing the maximum grant award to eligible businesses?

A: The microenterprise program design occurred in the Spring of 2020. Since then, microenterprise assistance has been available from other entities, some offering a higher limit per business. Some local CDBG CV grantees believe the higher grant amount offered by other entities took potential applicants away, although the impact is unknown.

Effective April 27, 2021 DHCD increases the maximum level of assistance from a \$10k to \$25k per business. This change is consistent with the MGCC program, could benefit businesses that were more severely impacted by the pandemic, and perhaps may generate more interest at the local level and allow the funds to be expended more quickly. Businesses that already qualified for up to \$10k in assistance could receive additional assistance based on documentation of losses totaling \$25K.

If grantees have committed their microenterprise fund allocations, but believe that businesses could benefit from this policy change if more funding was available, please email Patricia.Roushanaei@mass.gov. Accordingly, DHCD is waiving the maximum \$400,000 per community award to accommodate increased awards to grantees that can demonstrate the need for additional funds.

Q: I have several businesses in town that would find additional funds useful as they continue to struggle during the ongoing pandemic but have already reached the \$25,000 maximum amount. Has DHCD considered increasing the limit?

A: Effective 10/19/2021, CDBG-CV Grantees operating existing micro-enterprise programs will be allowed to obtain DHCD's authorization for micro-enterprise assistance grants to exceed the \$25,000 threshold, on a case-by-case basis, based on the following criteria.

1. The grantee must have demonstrated substantial progress in the implementation of their micro enterprise program to applicants under the existing \$25,000 limit.
2. All required quarterly and monthly reports must have been submitted to DHCD.
3. Local staff capacity has demonstrated adequate capacity and are able to continue to operate and monitor the program.
4. The business has provided all required documentation to the local program, and local staff has reviewed and approved this information. This documentation includes but is not limited to:
 - a. National objective compliance based on ownership by LMI persons.
 - b. Duplication of benefits certification.
 - c. Applicant/Beneficiary data and progress reports must be reported to DHCD on a quarterly basis.
 - d. Proposed eligible use of funds. (Microenterprise Assistance Program funds ***may not be used*** for major equipment purchases, purchase of real property, construction activities, business expansion, or lobbying)
 - e. Microenterprise status verification.
 - f. Be a for-profit entity (sole proprietorships, partnerships, corporations, or LLCs).
 - g. Have a physical establishment in the city/town of application or in at least one of the regional participant city/towns.
 - h. Provide goods or services to multiple clients or customers.
 - i. Business must be currently in operation and have been established prior to 3/10/2020.
 - j. Be in good standing with the state and city/town:
 - k. Be current on all taxes, active and valid state licenses/registrations, if applicable; and not be party to litigation involving the state or municipality.
 - l. Be able to document a loss of income equal to or greater than requested assistance due to COVID-19.

It is not the intent of this waiver process to be used by grantees to market the program to new applicants; but, rather to address *isolated* cases and serve the needs of businesses who continue to have unmet need, and for local programs that have substantially met the needs of applicants under the \$25,000 limit.

Municipalities must request a Single Case Waiver to award funds that exceed the \$25,000 limit. Please email your program representative and Patricia.Roushanaei@mass.gov to discuss this option and to request a single case waiver form. This form attests that the local program files and

documentation demonstrate need and compliance with all applicable federal and state requirements as specified in the CDBG-CV NOFA and any subsequent CDBG-CV MICROENTERPRISE (ME) GRANT PROGRAM FAQs as posted on [Community Development Block Grant \(CDBG\) | Mass.gov](#).

Q: Our grant will be completed by 12/31/2021. What is the close-out process?

A: Below is a link to the steps needed to complete the close-out of the grant. DHCD requests that this process be **initiated asap**, as the Department will reallocate any unused funds to other activities to help the Commonwealth communities prepare for, respond to or prevent the effects of COVID 19. <https://www.mass.gov/doc/grantee-close-out-procedures/download>

Q: We wish to extend the grant beyond 12/31/2021 because we need more time to complete our program, what is that process?

A: There are two processes that need to be completed.

1. If you have indicated that an extension is needed, an amendment to the Commonwealth's Standard Contract is required. DHCD's contracting staff will send out a contract package to extend the grant beyond the current 12/31/2021 end date. Please have these documents completed at the local level asap and return to DHCD. Once the documents have been returned and reviewed by DHCD, they will be executed.
2. After the contract is executed, the community must request an extension via Intelligrants to extend the grant beyond 12/31/2021.

Income Documentation

Q: Which tax returns should be used?

A: For income verification and documentation the most recent of 2020, 2019, or 2018 personal tax returns may be used. It may be beneficial to use newer (quarterly) business tax returns, if available, to verify business losses.

Q: A business owner's 1040 was filed as Married Filing Jointly and indicates an income exceeding LMI based on household size. The owner states that her spouse did not live with her and provided no support. Without her spouse's income the household income is LMI. Is there alternative documentation that might be accepted to verify the owner's income as LMI?

A: Although there are several methods of income documentation the IRS 1040 is the key document used to verify income of various sources. Unfortunately, in this instance there is not an acceptable alternative.

Q: A business owner resides in a single-family home, which she owns, and her adult daughter and daughter's boyfriend live with her. The owner says that the daughter and her boyfriend are tenants and pay her rent and share living expenses. The three residents file taxes separately. The business owner appears to be LMI on her Form 1040, but when adding the income of all three

adults she is not. There is no rental agreement and no record of rental payments or receipts. Can the business owner qualify as LMI?

A: Although the three residents may be considered a family, under the HUD definition of family in 24 CFR Part 5 it is possible that the unrelated adult (daughter's boyfriend) may not identify as a family member. If the unrelated adult is considered a tenant and not considered a family member, and there is no other documentation of the tenancy (i.e., rental payments or receipts, rent reported on taxes), then the applicant and unrelated adult (tenant) may sign affidavits to document the status of boyfriend as a tenant. However, if the unrelated adult is considered a tenant, rental payments to the homeowner/applicant must be documented with her income qualification.

Q: When are unemployment benefits counted towards family or business income? How does Duplication of Benefits work if unemployment was received?

A: For determining family income and LMI eligibility: If unemployment benefits are paid to an individual they are [generally](#) reported as income on IRS Form 1040. If that Form 1040 is used to qualify the business owner as LMI, then the unemployment benefits [would generally be added to their income, but there are some exceptions. As detailed in HUD Guidance Regular Unemployment Insurance \(UI\) payments, Pandemic Unemployment Assistance \(PUA\) and Pandemic Emergency Unemployment Compensation \(PUEC\) are counted as annual income, but Federal Pandemic Unemployment Compensation \(FPUC\) is excluded from income.](#) On the other hand, if a business owner is qualified as being LMI based on 2019 family income and unemployment benefits were paid during 2020, then those benefits are not included for the purposes of determining the owner's LMI eligibility since you would be relying on the 2019 1040.

For determining business losses: The CARES Act extended unemployment benefits to compensate some small business owners for lost wages. As discussed above unemployment benefits may or may not be applied when determining family LMI eligibility. However, if a business shows a qualifying loss, is eligible for grant assistance and its owner received unemployment benefits, those benefits may be considered as an offset to the owner's losses regardless of whether the benefits were included in the owner's family income calculation. *If the business will use grant funds for payroll or repayment of lost wages, then the Duplication of Benefits certification requires that unemployment benefits paid must offset that amount. However, grant funds may be used for payroll or lost wages that exceed unemployment benefits paid in the same period.*

Grant funds may also be used to pay any other grant eligible expenses. Duplication of Benefits applies in the same way to the wages or payroll of other non-owner employees of the business.

Q: In determining income eligibility, do we count the income of adult children living at home or college students?

A: The income of adult children (over 18) who reside with their parents is generally counted, with a few exceptions. If the adult child (including students) was under 18 for more than half the year, then their income may be excluded. If the adult child is a full-time student, income over \$480 may be excluded. "Full-time student" refers to their status at the conclusion of the year

used for determining income eligibility if using FY 2018 or 2019 tax returns; or their present status if current income is being documented, i.e., if an adult student became full-time before the end of the tax year or is presently full-time (if documenting current income) they would be considered full-time student status. If they had previously been full-time and then reduced to part-time status before the end of the tax year or are presently part-time (if documenting current income), then they cannot be considered full-time and all income would be counted. “Year” in this context refers to the tax year used for determining income eligibility.

Q: Is income documentation based on gross income or adjusted gross income (AGI)?

A: This program follows income documentation procedures outlined in 24 CFR Part 5, which references the documentation of gross family income. However, recent [updated HUD Guidance allows AGI to be used as documentation of gross family income](#). Adjusted Gross Income (AGI) is reported on line 8b, after Total Income.

General ME Application Questions

Q: Can IRS 941 form be used to verify number of employees?

A: The number of employees receiving wages, etc. are reported on Form 941 and filed quarterly, making this a useful tool for verifying persons employed. However, be aware that the NOFA requires that for qualifying as a microenterprise the number of employees must be counted on the date of application.

Q: What is the required documentation that businesses will need to provide to us before they receive a grant?

A: Refer to Microenterprise training presentation under LMI Limited Clientele and Source Documentation and Minimum Standards.

Q: What is required for proof of minority, veteran or women owned business?

A: This information is self-reported with the application.

Q: Is a DUNS number required from each business?

A: Yes. If a business does not have a DUNS number one may be obtained at [this link](#) and must be reported.

Q: For the requirement that businesses must have 5 or fewer employees, does this include all part-time staff and contract staff? E.g., Can businesses add up part-time staff to equal a FTE position?

A: The requirement is that a microenterprise (at the time of application) include no more than five (5) employees, including owner(s). Employees are persons, not full-time equivalent positions. There is no adjustment for full or part-time status.

Q: Are workers who receive 1099s considered employees?

A: Understanding that contractors are not technically employees, many small businesses do utilize this arrangement for various reasons. Microenterprises by definition are 5 or fewer employees including the owner(s). For the purposes of determining microenterprise eligibility, contract workers who receive 1099s are counted as employees.

Q: We have a hair salon owner who has applied. She rents chairs out and issues 1099s to individual stylists. Her only direct employee is a receptionist. In this instance are the individual stylists considered employees?

A: For the purposes of this program yes, they would be counted as employees. (See above question.)

Q: In the question above, could one of the stylists who rents a chair be eligible?

A: Theoretically (but not likely) she could be eligible as an independent contractor if she meets family income requirements, has more than one customer AND meets all other ME parameters specified in the NOFA.

Microenterprise Eligibility

Q: Can an owner of two businesses qualify for two grants?

A: Each business may qualify individually if it meets all Microenterprise Parameters listed in the Microenterprise training presentation, NOFA, etc. However, if the owner is being qualified as LMI, all sources of income, including from both businesses, would be counted.

Q: It is understood that a business must be located in a participating city or town (or regional application community), but must the owner also reside in a participating community?

A: There is no state or federal requirement that the owner reside in a participating community. However, if the local community requires residency in its program design, then that requirement must be followed. Also be aware that if the owner will be qualified as LMI the LMI data must be used for the community where the owner resides.

Q: Can non-profits be assisted with this program?

A: Although the definition of ME in the HCD Act allows assistance to non-profits, the NOFA for this program limits assistance to for-profit MEs.

Q: Does the requirement to be current on taxes disqualify a business with a negotiated repayment plan for paying delinquent local taxes?

A: No, provided it can be documented that the business is meeting the terms of its repayment plan.

Q: Does the prohibition of assistance to businesses that are chains disqualify franchises?

A: Not necessarily. A chain implies corporate ownership of multiple locations, where a franchise is locally owned, typically as an LLC. However, this definition may become cloudy in a situation where a franchisee might own multiple franchises in various locations.

Q: Does the prohibition of assistance to liquor stores include stores that are licensed to sell beer and wine, such as some convenience stores?

A: The prohibition of liquor stores, as the term is commonly used in Massachusetts was not intended to include food and convenience stores licensed to sell beer and wine.

Q: If a ME shows it was not profitable before the pandemic is it eligible for these grant funds?

A: There is not a specific program requirement about profitability, but program guidance is intentionally flexible on how to determine a loss. If the ME's losses in the current period exceed the previous year that might indicate losses during the period of the pandemic. Some considerations: Does the local program require profitability for participation? Is profitability a measure of "good standing" locally? Are losses related to an issue affecting good standing (e.g., liabilities from unpaid taxes, fines, or judgements)? If the local program has a competitive application with established review criteria, how does the application rank among others? How long has the ME been unprofitable? It is common for MEs to be unprofitable in early years of operation.

Q: Is an Airbnb an allowed business type? Is it considered a real estate/rental business or a hospitality business?

A: In this program Airbnb property owners are considered foremost in the business of real estate rentals, with a primary interest in generating short term rental income from vacation properties.

Q: We have a General Contractor applying who qualifies, however he also bids on housing rehab projects. Does this present a conflict of interest?

A: It sounds like there's a potential for appearance of conflict of interest. If so, he should probably file a disclosure. Check with Counsel for specifics. Also keep in mind that if he issues 1099s to other workers/tradesmen they'd be considered employees for determining ME eligibility in this program.

Documenting Business Losses

Q: How does a ME document losses of income?

A: Qualified ME businesses must be able to document losses that are equal to or greater than the amount of grant assistance, which is capped at \$10,000 ([revised to \\$25,000 effective 4/27/2021](#)). The Mass. CDBG-CV program has defined loss of income very broadly to include either a loss of business income or an increase in business costs, but all counted losses must be related to the impact of Covid-19. Loss of business income might include a loss of profits or an increase in operating costs. Documentation of losses could include tax statements, bank statements, or business financial reports such as income statements, sales reports cash flow statements,

accounts receivable, etc., any of which may help illustrate and document losses. The local program may issue more specific procedures for determining loss of business income, provided they: (1) are written procedures, (2) do not conflict with DHCD's general guidance, (3) are universally applied to all applicants, and (4) Are clearly documented for each case.

Q: Are business losses limited to the period prior to application, or can losses be counted after the application?

A: Business losses are generally counted “looking back” from the time of application.

Q: A business shows a gross profit loss and net profit gain. Can we use the gross profit loss?

A: For the purposes of this program business loss means either loss of income or increased costs related to Covid-19. We've suggested several ways of measuring loss of income including loss of revenues, profits (generally meaning net profits) or accounts receivable.

Q: If a business has a documented loss of \$7,000, but the service they need costs \$9,000 is the grant limited to \$7,000?

A: Yes.

Q: If a business shows a loss of \$8,000 and needs \$8,000 in working capital and another \$2,000 for technical assistance, is that allowed?

A: Yes. The technical assistance does not need to be offset by a corresponding loss.

Eligible Grant Activities

Q: How can CDBG-CV grant funds be used?

A: Funds can be used for working capital to cover business costs such as rent, staffing and utilities, or for technical assistance for the general support and stabilization of the business during the grant period. Grant funds cannot be used for any explicitly ineligible activities highlighted in the NOFA.

Q: Are HVAC upgrades eligible?

A: Possibly, if required for operation in Covid-19 environment (e.g., increased filtration or air flow in a restaurant). Bear in mind that undertaking physical work with the grant funds will trigger revisions to the environmental review, and if the cost exceeds \$2,000 Davis-Bacon wage rates will apply.

Q: Can funds be used to pay back a loan for Covid-19 adaptation enhancements? Also be aware of Duplication of Benefits limitations (see below)

A: Funds for working capital may be used for general operating costs (e.g., rent, staffing, and utilities)

Q: Can funds be used to pay federal taxes?

A: Payment for loans and taxes may be problematic. Payment of loans could be considered a Duplication of Benefits (see below).

Q: Can funds be used to purchase a vehicle as inventory for re-sale by a used car dealer?

A: Possibly, but more details are needed to reach a definitive determination. (E.g., was the business closed? Did it suffer a Covid19-related loss?)

Q: A business that provides in-person artist workshops wants to purchase video equipment in order to provide these services remotely. Is this purchase eligible?

A: Yes, provided all other standards and criteria are met including not being a major equipment purchase (generally more than \$5,000) and that the costs are reasonable.

Q: An applicant has an on-line community information/resource business for families (family activities, outings, workshops, announcements etc.) Due to Covid-19 advertisers have decreased, thereby decreasing revenue. The applicant would like to purchase items such as books, games and cd's to bundle together as seasonal learning kits for kids/parents and offer them for sale on the website. The new activity is expected to allow the business to stabilize.

A: Yes, this would not be considered a "business expansion" and is likely okay.

Q: Could a business spend grant funds on supplies and materials or inventory that was lost due to the forced closure of stores?

A: Yes, assuming all other criteria can be met.

Q: Are costs for items that may have personal as well as business benefit ineligible? E.g., if a business uses grant funds to develop a new website and obtains professional "head shots" for use on the website is that cost eligible?

A: Examples like this come down to cost-reasonableness. In this example consider the cost of head shots compared to the overall website development and what utility the head shots would have besides for the website. If cost of the head shots is incidental to the cost of website development there is likely no issue.

Q: A business owner rents space in a mixed-use building and pays rent to the building owner. The business owner is also half-owner of the building, so essentially pays himself half the rent. Both building owners also live in the building. Can the business use grant funds to pay rent?

A: Possibly, but additional factors must be considered. Are the two owners' part of the same household? This may affect income eligibility. Do they file taxes separately? Is the real estate a separate business and reported as such on the owner's taxes? Also, as the business owner would be receiving half the rent, be cautious of Duplication of Benefits implications. If the business

owner is in fact LMI he may consider using grant funds to offset other clearly delineated business costs that avoid potential Duplication of Benefits.

Q: Can CDBG-CV funds be used to make mortgage payments (principle and interest), debt service, utilities, or insurance premiums? Similarly, are these expenses grant-eligible for home-based businesses?

A: Local program guidelines may include such expenses as eligible grant costs when they are related to business operations. For home-based businesses such business-related costs may be included proportional to the percentage of the home that is reported to the IRS as dedicated to business use. E.g., A 200 square foot office in a 2,000 square foot home is reported as 10% business use to the IRS. If eligible in local program guidelines, a grant expense of \$200 (10%) may be claimed on a \$2,000 mortgage payment.

Documenting Grant Activities

Q: What process are you looking for to make a technical assistance expense an appropriate expense for that business (i.e. following procurement procedures)? Are there any restrictions on consulting services and how a business obtains technical assistance?

A: DHCD is looking for source documentation of expenditures that demonstrate reasonable costs. Because the grants are small in dollar value, and because the business owner is a private entity, it does not need to follow MA procurement standards, expenditures should be deemed reasonable using “sound business” judgement. As the funds are provided to businesses due to the urgent nature to respond to the pandemic, it is presumed that the business will need to stretch the funds as far as possible and would be mindful of cost reasonableness.

Q: What are your reporting requirements on business expenses for auditing purposes and what is the required documentation you need?

A: Refer to Microenterprise training presentation under Documenting the Assistance, Source Documentation, and Record Keeping.

Duplication of Benefits

Q: Are funds from private sources such as foundation grants or angels considered a Duplication of Benefits? Would all public sources of loan or grant funds trigger a Duplication of Benefits?

A: Any sources of funds covered by the Duplication of Benefits Certification that the business receives or uses could potentially be considered a Duplication of Benefits if they are used to pay the same (duplicative) costs. [HUD Guidance](#) provides that in DOB calculations, private loans are not considered a form of assistance and should not be considered when calculating duplication of benefits. However, subsidized loans from SBA or FEMA should be included in the duplication of benefits analysis unless one of the three exceptions is met:

1. Short-term subsidized loans (e.g. bridge loans) for costs later reimbursed with CDBG-CV funds

2. Declined or cancelled subsidized loans
3. Loan assistance is used toward a loss suffered as a result of a major disaster or emergency

An example of a subsidized loan is the SBA Economic Injury Disaster Loans (EIDL). This type of loan is summarized in more detail in FR-6169-N-01.

If the business has additional costs that were not covered by other resources, and all other NOFA parameters are met, the business could receive CDBG CV microenterprise assistance.

Q: Can grant funds be used to reimburse expenses/ (costs) incurred by the (approved) business after March 10, 2020?

A: CDBG-CV grant funds may be used to pay costs incurred by the business since March 10, 2020 provided that:

- these costs have not already been paid by another source of public or private funds (*see Duplication of Benefits question above for treatment of private funds*) identified in the Duplication of Benefits Certification,
- The environmental review was completed prior to the execution of the program assistance agreement with the business, and
- Receipts for these expenses are provided.

Q: Any specific documentation needed to prove that businesses are not "double dipping" in government funding other than an invoice and receipts of expenses and descriptions of funding for all grants they are receiving?

A: Yes. Every applicant must complete and sign a Duplication of Benefits form, which specifies the CARES Act requirement that there are adequate procedures in place to prevent any duplication of benefits. Grant funds must be repaid if found to be duplicative. Refer to Microenterprise training presentation under Duplication of Benefits for details.