



SMALL BUSINESS FINANCING PROGRAM

ALLOCATION **\$225,000,000**

PROGRAM OVERVIEW

Damage from Hurricanes Irma and Marla impacted, disrupted, and damaged small businesses across the Island. The impact to an already declining economy caused small businesses, including microenterprises, to have even less access to critical capital necessary to support the recovery and growth of the small business sector in order to create and retain jobs. As part of the ongoing recovery process of the Island, the United States Department of Housing and Urban Development (HUD)

has provided CDBG-DR funding to PRDOH for SBF. The Small Business Financing Program has been allocated a total up to two hundred twenty-five million dollars (\$225,000,000) in the Puerto Rico CDBG-DR Action Plan.

The Program with the Federal funding will be a multi-phase Program. However, this presentation will be focused on the first phase of the Program, the Program Grants phase.

Phase one of the Program will allow eligible applicants to apply to receive a grant up to one hundred and fifty thousand dollars (\$150,000) to cover working capital and moveable equipment that are crucial for their recuperation and to remain in business.

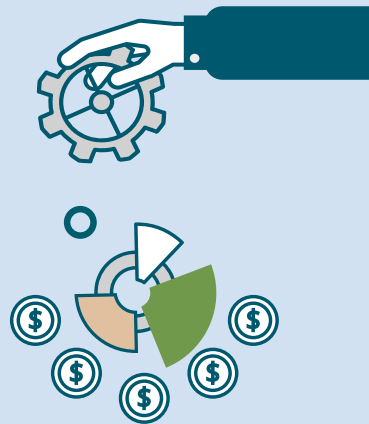
HOW TO APPLY

Application intake will begin with a publicly advertised Application process which will provide potential Business Applicants with a specified period of time to submit Applications to BDE, the subrecipient and Program Manager.

Requested Documents for the Application Process

* It is important to note that cases will not be evaluated for eligibility until all required documentation and information is present and accounted for in the system of records, Canopy.

It is a good idea to collect necessary documents and have them ready before starting the SBF Web Application. *



DOCUMENTS REQUIRED FOR THE APPLICATION PROCESS

Company Registration Forms

- Merchant's Registration Certification
- Certificate of Incorporation of Organization
- Certificate of Good Standing" from State Department

Proof of Citizenship (only one required)

- Passport
- Birth Certificate
- Certificate of Naturalization
- Permanent Resident Card

Proof of Residency (only one of the following is required, however, additional proof can be uploaded as needed)

- Driver's License
- Puerto Rico Issued ID
- Federal Tax Return
- Puerto Rico Tax Return
- Utility Bills
- Credit Card Bill(s)
- Insurance Documentation
- Homestead Exemption
- Bank Statement

Claims & Settlement Documents

- Private Insurance Claim
- Private Insurance Settlement
- Flood Insurance Claim
- Flood Insurance Settlement
- Private Insurance Policy
- Flood Insurance Policy
- Other Related Insurance Documents

Loss Documentation & Information (Physical)

- FEMA Loss Report
- FEMA Benefits Letter
- SBA Loss Verification
- SBA Loan Documentation
- Private Insurance Adjuster Claim Loss Report
- Private Insurance Benefit Letter

Loss Documentation & Information (Financial)

- 2016 Financial Statement (if business was in operation)
- 2017 Financial Statement
- 2018 Financial Statement

Tax Documentation

- 2016 Federal Tax Return (if Business was in operation and files federal tax returns)
- 2017 Federal Tax Return
- 2018 Federal Tax Return
- 2016 Puerto Rico Tax Return (if business was in operation)
- 2017 Puerto Rico Tax Return
- 2018 Puerto Rico Tax Return
- Federal tax returns, are Required (if Business files federal tax returns)

Payment Plan Documentation (if currently on a restructure plan)

- Hacienda Certificate of Debt
- Hacienda Certificate of Tax Filing

CRIM Documentation

- CRIM Debt Certificate for All Concepts

State Department

- Certificate of Good Standing

WHO CAN APPLY?

Businesses qualify as Small Businesses or Microenterprises may apply to the Small Business Financing Program.



- **Small Businesses:** defined as a business composed of 75 employees or less.
- **Microenterprises:** For the purposes of the CDBG-DR program, a micro-enterprise is a company that has 5 or fewer employees, one or more of whom owns the company. This includes an autonomous individual.

WHAT QUALIFIES ME FOR ELIGIBILITY?

- Must be a For-profit or non-profit organization, located and authorized to do business in Puerto Rico.
- Business must have been in operation at the time of the Hurricanes and must have been open on or before September 6, 2017 for Hurricane Irma and on or before September 20, 2017 for Hurricane Maria.
- Must have been directly impacted by the Hurricane(s), as demonstrated by a duly documented financial or physical loss.
- Business that qualify under physical loss must demonstrate it had a minimum of five thousand (\$5,000) in third-party verified physical damages or losses.
- In order to qualify under financial loss, a business must demonstrate a fifteen percent (15%) annual gross revenue decline from 2016 to 2017, with alternative methods to prove their loss for those businesses that did not exist in 2016.

As Program Manager for the Small Business Financing program and sub-recipient, BDE (Banco de Desarrollo Económico) will determine the final eligibility of applicants. However, applicants deemed ineligible will still be able to submit a Program-based reconsideration and/or an administrative review.

ELIGIBLE USE OF SBF GRANT FUNDS:

Up to six (6) months of documented working capital expenses, including:

- Inventory,
- Monthly office and/or business facility mortgage or rent,
- Monthly non-owner wages and related benefits,
- Monthly utilities (water, electricity, gas, cable, phone, internet),

Equipment that is not affixed to real property and is necessary for the recovery of the business

INELIGIBLE USE OF SBF GRANT FUNDS:

- Reimbursement of funds invested in the business prior to the date of submission of the Application for CDBG-DR funds
- Acquisition of real property
- Construction or construction-related activities, including purchase of fixtures or equipment that require construction-related installation;
- Refinance of existing debt and/or principal and interest payments on any other debt;
- Political or religious activities;
- Replacement of lost business revenue;
- Buying out a stockholder or equity holder in a business;
- Buying out or reimbursing a family member;
- Investments in instruments or investments for the sole purpose of return on investments
- Payment of tax arrearages, governmental fines or penalties;
- Expenses for which private philanthropy, The National Flood Insurance Program (NFIP) or small businesses with private flood insurance, other insurance, state or federal benefits have been or will be paid or financial assistance that has been approved or provided by federal, state, or other sources considered to be duplicative of CDBG-DR funds;
- Replacement of non-commercial vehicles.



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For more information:

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