



Newport News Micro Enterprise Grant Program Guidelines

Overview

The Economic Development Authority of the City of Newport News, Virginia (the “EDA”) recognizes that the establishment and development of micro businesses is essential to a diverse and successful economy. The Micro Enterprise Grant Program was created to assist in the creation and growth of viable micro businesses in the City of Newport News. The objective of this pilot program is to support individuals or small businesses in the creation, expansion or maintenance of their micro enterprise (for-profit business with five (5) or fewer employees) located in the Southeast Community.

This grant is a one-time, monetary award given to a micro business and shall not exceed \$3,500. The minimum grant award is \$500. The grants will be committed and funded on a first-come, first-served basis based upon availability of funds. There is a limit of one grant per tax identification number. Grants are awarded to applicants who have provided a complete application package and have met all eligibility requirements.

Grant Eligibility

A business owner/business may qualify for consideration provided it meets all of the following:

- Must be a for-profit Micro Enterprise. For the purpose of this grant, Micro Enterprise is defined as a business entity with five (5) or fewer employees or persons that plan to create such an entity. Employees include the owner, part-time, and full-time employees. Not-for-profit businesses, organizations and entities are not eligible for this program.
- The business or business owner must be located or locating within the designated area. A map defining the boundaries of the designated area is attached.
- The business owners must be low to moderate income (see attached “LMI Chart”) or the business must be located in a low to moderate income area at the time of application. If the business is not located in a low to moderate income area, you must complete the Income Verification Form for each business owner. To determine if your business is located in a low to moderate Income Area, review our “Determining If a Business Is located in a Low to Moderate Income (LMI) Area” instructions.
- The business must have a City of Newport News Business License.
- The business and business owner(s) must be current on all local taxes or fees (real estate, personal property, business license, stormwater etc.).
- The business owner must submit an acceptable business plan. A sample business plan and list of components required to be included in the plan are included with the application packet.
- The business owner must complete *one* of the following:
 - Two (2) one-on-one counseling sessions through the Small Business Development Center (SBDC). These counseling sessions are free.
 - A Starting a Business Workshop through the SBDC. There is a fee for this workshop. Once completed and proof of payment has been provided, the cost of the workshop can be reimbursed with the grant payment.
 - A City of Newport News-sponsored workshop conducted by SBDC. These workshops are free.
 - Two (2) SCORE one-on-one business counseling sessions. SCORE counseling sessions are free and held weekly at 11820 Fountain Way, Suite 301.
 - A Business Plan Development Workshop.
 - Any other, pre-approved, workshop or counseling session.

Eligible Use of Funds

Funds must be used in the creation of a new micro business or to improve an existing micro business. Examples of eligible uses include:

- Marketing and Advertising Expenses
- Equipment (New or Used)
- Computer Hardware or Software
- Development of Online or Mobile Presence
- Consultant Services
- Training and Certifications
- Initial Inventory
- Other Expenses As Approved by Department of Development Staff

Please note that expenses must not be incurred until after the application has been approved and all applicable parties have signed the grant agreement.

Ineligible Use of Funds

Examples of ineligible uses include but are not limited to the following:

- Real Estate Based Transactions
- Personal Expenses
- Purchase of Construction Equipment
- Salaries and/or Payroll
- Renovation or Construction Activities
- Adult Uses

Terms

The applicant must comply with any Federal, State and/or Local requirements for operating the business. Some requirements are:

- Business License Tax
- Codes Compliance Regulations
- Local, State and Federal taxes
- Health and Safety Regulations

The applicant must also:

- Provide a business plan, information on the target market, list of any other financial sources and an itemized list of the proposed use of funds to include the cost of each expense.
- Sign a grant agreement and return within 30 days of the agreement date.
- Reside or establish and/or maintain a business location in the defined geographic area of Newport News for at least one (1) year after receiving Micro Enterprise funds. Failure to do so may result in a requirement to repay grant funds. If a resident of the area, the business must be located elsewhere in the city for a period of at least one (1) year.
- Submit a Grant Expenditure Report form and receipts for eligible expenses no later than the 20th of each month. Grant expenses must not be incurred until after the application has been approved and all applicable parties have signed the grant agreement. Failure to do so may result in a requirement to repay grant funds.

Supplemental Funds

Eighteen (18) months following the award of the Micro Enterprise Grant and if the recipient has successfully fulfilled the requirements of the grant, businesses may apply for supplemental funds under the Micro Enterprise Grant Program. Funds will be available in an amount not to exceed \$1,500. For more information, see the attached Micro Enterprise Grant Program Guidelines Addendum: Supplemental Funds.

Grant Application Process

Completed applications and any required supporting documentation must be submitted to the Newport News Department of Development using the online application portal, by mail, hand delivery or email. Applicant must submit a valid government issued identification (i.e. Passport, Drivers' License etc.).

Following review, the applicant will be sent a notification of decision by mail or email. If approved, the applicant will be provided the amount of the grant funding they are eligible to receive and advised of the next steps in the process (grant agreement, reporting requirements, etc.).

Grant payments will not be issued until the application has been approved and the Department of Development has received the grant agreement signed by all applicable parties. The fully executed grant agreement must be returned within 30 days of the agreement date.

The EDA reserves the right to deny approval of any application for reasons including, but not limited to, using funds to meet an equity investment requirement of other available business assistance programs, competitiveness of applications received, modifications to grant criteria, etc.

Program Administration

The Newport News Department of Development will act on behalf of the Economic Development Authority of the City of Newport News (the "EDA"), Virginia in the promotion and implementation of the Newport News Micro Enterprise Grant Program.

Interested individuals and business representatives should contact Jordan Wilson with the Department of Development at (757) 926-3789 or wilsonjl@nnva.gov regarding the application process or questions.

Development staff will review all grant applications and, in their sole discretion, determine eligibility and eligible grant amounts. To ensure that projected expenses are reasonable, each grant will be evaluated on the amount of funding requested and the identified use of the funds. Every effort will be made to maximize resources to support as many micro businesses as possible.

If the application is not approved, the applicant may reapply for a Micro Enterprise Grant after six (6) months. All issues identified by the staff must be addressed prior to resubmission. No more than two (2) resubmissions are permitted within a two (2) year period. There is no application fee for resubmissions. Limit of one grant per business and/or individual.

The following persons and their immediate family members are not eligible to participate in this grant program: 1) Members of the Newport News City Council, 2) EDA Board members, 3) the City's Department of Development employees, 4) NNRHA employees, and 5) any other person affiliated with a recipient or subrecipient of Community Development Block Grant funds who is or has exercised responsibilities with regard to CDBG activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities. Immediate family for this purpose means a spouse, parent, stepparent, child, stepchild, sibling (including step-sibling), grandparent, grandchild, or in-law.

Questions?

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