



City of Michigan City  
Small Business Assistance Grant Program  
Guidelines



## Guidelines – Small Business Assistance Grant Program

### Introduction

The American Rescue Plan Act of 2021 (“Act” or “ARPA”) was signed into law on March 11, 2021. This Act provides emergency relief to individuals, organizations, and governments in response to the COVID-19 pandemic. As part of ARPA, the City of Michigan City is launching a **Small Business Assistance Grant Program** in an effort to retain jobs and stabilize local businesses.

The Economic Development Corporation of Michigan City, (EDCMC), has created a funding mechanism that will serve businesses with up to twenty-five (25) full-time employees at the time of application. Grants provided will range between \$5,000-\$25,000 per business, based on need.

**NOTE: This is a REIMBURSEMENT Grant Program.**

**Phase 1: After application review and approval of the ARPA Committee, a Preapproval Letter will be provided to the applicant and will include the estimates of costs, reflecting what the applicant included on their application.**

**This process may take up to 90 days.**

**Phase 2: Award recipients will receive funding after submitting proof of payment for approved activities.**

**For a list of approved activities/projects see “What We Fund,” below.**

**Applications will be accepted until funds are exhausted.**

**Applicants who apply and are awarded may not re-apply in the future.**

### Purpose

The purpose of the Small Business Assistance Grant Program is to provide relief to small businesses that have been negatively impacted by the COVID-19 pandemic.

As the grant is federally funded via ARPA dollars, there are some federal requirements to apply for this grant, which are outlined below.

### Who We Fund

Eligible applicants must meet the following criteria:

- Business located within the municipal boundaries of the City of Michigan City, Indiana
- Applicant is the majority owner of the business
- Existing for-profit small business, **in business prior to March 1, 2020**
- Employs no more than 25 full time employees
- Business makes less than \$3 Million in Annual Revenue & can demonstrate economic hardship
  - Examples of negative economic impact include the following: decreased revenue or gross receipts, financial insecurity, supply chain issues/ increased costs, capacity to weather financial hardship, periods of business closures, and challenges covering operating costs.
- Owner has or will have a valid **SS#, EIN** (Employer Identification Number), **UEI** (Unique Entity ID), **Business Bank Account**, and is **at least 18 years old**
- Owner/Applicant is not currently in a bankruptcy proceeding
- Owner/Applicant is current on financial obligations to the City of Michigan City and the State of Indiana (property taxes, utility bills, etc.)
- Owner/Applicant business is in one of the following business sectors:
  - Manufacturing/Childcare/Grocery/Restaurant/Food & Beverage
  - Retail- Clothing, Electronics, Sporting Goods, Hobby Stores, Health & Beauty Products,



## City of Michigan City Small Business Assistance Grant Program Guidelines



- Furniture & Home Furnishings, Book Stores, Fine Art, Jewelry/Crafts
- Art/Media/Audio Visual/Music
- Services- Beauty/Barber, Tattoo, Printing/Paper/Supplies
- Other- You will need to explain your business sector on the application

### Ineligible Applicants

- Business located outside of the municipal boundaries of the City of Michigan City, Indiana
- Nonprofit organizations, school districts and their related agencies or organizations
- Payday grant businesses, liquor and tobacco stores, pawn shops, dealers of rare coins and stamps, firearm or other weapons dealers, adult entertainment, real estate investments, or home-based businesses operating without appropriate zoning and/or permits or registration
- Firms involved in lending activities, such as banks, finance companies, leasing companies, insurance companies (not agents), and any other firm whose stock in trade is money
- Firms involved in illegal activities that are against the law in the jurisdiction where the business is located. Included in these activities are the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that permits illegal prostitution.
- Trailer-storage yards and similar uses, as well as Residential storage warehouses
- Gambling activities, including any business whose principal activity is gambling
- Charitable, religious, or other non-profit or eleemosynary institutions, government-owned corporations, consumer and marketing cooperatives, and churches and organizations promoting religious objectives
- Real estate, multi-level marketing, cannabis, and any social clubs
- Chain and franchise businesses, gas stations, and labor employment agencies

### What We Fund

Grant funds can be used for the following business costs:

- Operating costs such as supplies, inventory, mortgage, rent, utilities, insurance, maintenance/repairs, and other operating costs
- Employee payroll (business must commit to re-hiring or retaining current staff position for a six (6) month period after receiving the loan)
- Facility rent/mortgage expense (lease or mortgage documentation must be provided)
- Utility costs (copies of utility bills in the business name must be provided)
- General communication, marketing, and advertising expenses
- Physical improvements to storefronts/building facades or enhancements to outdoor spaces (e.g., restaurant patios)
- Business Expansion/ Construction for permanent interior improvements, (ex: plumbing, grease trap, etc)
- **Ineligible** Expenses Not Covered by Grant Funds include:
  - Reimburse expenses incurred prior to the Indiana Governor's Stay at Home Executive Order 20-08 effective March 25, 2020
  - Pay off non-business debt, such as personal credit cards for purchases not associated with the business
  - Purchase personal expenses such as buying a new family car or making repairs to a participant's home
  - Direct financing to political activities or paying off taxes and fines
  - Purchase personal items or support other businesses in which the borrower may have interest
  - Property taxes
  - Deposits to pension funds or other retirement benefit accounts
  - Payment of principal or interest on outstanding debt



**City of Michigan City**  
**Small Business Assistance Grant Program**  
**Guidelines**



- Costs of issuing new debt



**City of Michigan City  
Small Business Assistance Grant Program  
Guidelines**



### Estimated Program Timeline

Key Task	Target Date Range
Request for Proposals Announced	December 2023
Application Open	December 2023
Informational Webinar	December 2023
Technical Assistance	January-February 2023
Proposals Due	Ongoing/Until Funds Exhausted
Awards Announced	Ongoing/ Until Funds Exhausted
Grant Period Begins	Ongoing/Until Funds Exhausted

### How to Apply

- Submit a completed application electronically, via **www.edcmc.com** under “**ARPA Small Business Grant**”
- Provide requested documentation as listed on the **Application** and **Checklist** document
- Applicants must certify that all information provided is accurate
- Applications will be reviewed by the City’s ARPA Review Committee
- Applicants may be asked to supply additional information by the ARPA Review Committee for funding consideration

### Review and Evaluation Process

An ARPA review committee will review applications and evaluate each proposal using the following criteria:

- Funding fulfills a gap or need other programs/services are not fully addressing (see Pg. 1)
- Funding mitigates some of the impact COVID-19 had on the organization’s budget
- Applicant organization or its proposed use of funds addresses economic hardship resulting from Covid-19 including:
  - Decreased revenue/Gross Receipts, Financial Insecurity, Supply Chain Issues/Increased Costs, Capacity to Weather Financial Hardship, Periods of Business Closures, and Challenges Covering Operating Costs
- The overall stability of the applicant organization and strength of the proposed use of funds, including if the organization will be able to fulfill the grant proposal

The review committee will meet, discuss, and make funding recommendations. The EDCMC will notify the applicants of funding decisions, along with a funding agreement.

Contracts for approved grant applications will be drafted by the EDCMC and circulated for signatures to:

- Applicant/Organization
- Economic Development Corporation of Michigan City (EDCMC)
- City of Michigan City
- Disbursement will be received within **30 days**, once awarded applicant has **submitted proof of expenses**.

**All decisions of the ARPA review committee are final.**



City of Michigan City  
Small Business Assistance Grant Program  
Guidelines



## Reporting and Compliance Obligation

- Applicants selected must sign a funding agreement with the City of Michigan City.
- Awardees are subject to reporting requirements; further details will be included within funding agreements.
- **Awardees will be required to submit receipts for project items as proof of expenses, therefore must retain documentation;** further details will be included within funding agreements.
- Once awarded and provided with the proper proof of expenses, disbursement will be received within **30 days**.
- Recipients are subject to an audit pursuant to the Single Audit Act and 2 CFR part 200, subpart F regarding audit requirements.

## Grant Program Terms

- The City of Michigan City reserves the right to amend, alter, change, or repeal this Request for Proposal in part or in its entirety.
- The City of Michigan City further reserves the sole right to determine eligibility, scoring, and to make such determinations in awarding a grant. The City of Michigan City's determination shall be considered final.
- Once awarded and provided with the proper proof of expenses, disbursement will be received within **30 days**.
- **Funds must be spent in entirety by December 31, 2025.**
- Procurement policies must align with guidance issued by the City of Michigan City, the State Board of Accounts, and the US Treasury.
- If awarded, the applicant-organization must certify that they will comply with the grant conditions outlined in the funding agreement.

### In addition to answering the above questions, applicants will submit the following required documents:

- Copy of Applicant's Driver's License
- Employee Verification Form (I-9 or W-2)
- [SAM.gov Registration Number](https://www.sam.gov)
- [IRS Exemption Determination Letter](#), (if applicable), **OR**
- [Certificate of Existence with Secretary of State](#)
- Financial Statements for 2019, 2020, and 2021 (**Summary Sheet from Tax Returns**)
- Draft budget for how the business intends to use funds
  - **Please include line-item expenditure estimate details and an overall total that equals or exceeds the funding amount requested**

## Questions and Technical Assistance

For questions, please contact the Economic Development Corporation of Michigan City:

219-873-1211

[info@edcmc.com](mailto:info@edcmc.com)

[www.edcmc.com](http://www.edcmc.com)

The EDCMC will host technical assistance sessions to cover both the application process and program compliance. Please refer to the EDCMC's website for further details on dates, times, and location, [www.edcmc.com](http://www.edcmc.com)



**City of Michigan City**  
**Small Business Assistance Grant Program**  
**Guidelines**





**City of Michigan City**  
**Small Business Assistance Grant Program**  
**Guidelines**

