

## Program Guidelines

### Statement of Purpose

This program was originally funded by a grant through the Local Share Account Monroe County with the intent of assisting Monroe County small businesses (100 employees or less) to expand their business and create/retain jobs.

### Eligibility

- A. Eligible Applicants: Any for-profit business located in Monroe County, PA with 100 employees or less.
- B. Eligible Uses of Funds: Acquisition, Construction, Infrastructure/Site Preparation, Machinery/Equipment, Working Capital, Related Costs including but not limited to Professional Services, Engineering, Inspections, Fees, Insurance, Environment Assessment, Legal Costs, Closing Costs

### Job Creation Requirements

Projects that create at least one job in three years are eligible.

At closing, the applicant will be required to provide a photocopy of the unemployment compensation form showing the amount of paid compensation and employee credit weeks for the applicant business. On the third anniversary of the closing, the applicant will be required to produce the most recent quarter's unemployment compensation form and most recent W-3. The total gross wages shown for the business on the UC quarterly return shall be considered by the Board of Directors in determining whether a business can borrow again through this program. The Board of Directors shall also consider the wage levels, number of jobs created, the borrower's payment history and any special circumstances applicable when determining whether a business is eligible to borrow again through this program.

In the event that the additional hours cannot be demonstrated, the business will be considered ineligible to borrow again through this program unless it provides proof in the future of meeting the job creation minimum.

### Matching Funds

Matching funds are not required for this program but if other funding sources are being used it is more favorable for the application. This program can be used in concert with other programs

or funding sources (i.e. Monroe County Revolving Loan Fund, MetroAction, Northeastern PA Alliance etc.)

## **Application Procedures**

Interested applicants must complete the Monroe County Small Business Loan Application that is attached to these Program Guidelines. Supporting documents that must be submitted with the Application are:

1. A project narrative that describes what the project is, what the funding is requested for and how many full time jobs will be created and/or retained within a 3 year period of project approval.
2. A Business Plan that includes the company's ownership structure, financial projections for at least 3 years, a competitive analysis and marketing plan.
3. Documentation supporting the project costs outlined in the Project Budget on page 2 of the Application. Cost estimates must be prepared by a professional qualified to quote on the work.
4. A project schedule and detailed timeline for the project.
5. Documentation of any other funding sources for the project.
6. Three years of audited financial statements if available. If not, three years of personal income tax returns for all company owners and if applicable, for the business.
7. A full and complete copy of the credit report(s) for each of the business owner(s).

Once a completed application is received, it will be reviewed and evaluated by the MCIDA staff member designated for the financial review of projects. It will then be presented to the MCIDA Financial & Loan Review Committee. If it is approved by the committee, the applicant will receive a letter of approval and commitment. If it is not approved by the committee, the applicant will receive a letter explaining why it was not approved and applicant will be eligible to re-apply if circumstances change.

## **Application Time Period**

Applications can be submitted anytime and will be reviewed in a timely manner. Project costs may NOT be incurred prior to application approval.

## **Restrictions and Limitations**

1. Any requested changes to the project must be submitted to MCIDA in writing for approval prior to incurring the costs.
2. The maximum amount of funding available for each project will be \$100,000
3. The loan interest rate will be 2%.

4. Refinancing or reducing existing debt is not an eligible use of these funds.

## **Program Requirements**

1. Nondiscrimination – No assistance will be awarded unless the company certifies that it will not discriminate against any employee or against any person seeking employment because of race, religion, color, handicap, national origin, age or sex. All contracts for work to be paid for with these funds must include a nondiscrimination clause.
2. Project Records – Awardees must agree to keep full and accurate records with respect to the project and make available any project records requested by MCIDA.
3. Reporting – Awardees must agree to submit a Project Closeout Report at the completion of the project that includes proof that the funds were spent in accordance with the approved project and an accounting of the jobs that were created and/or retained with their current rates of pay.
4. Bidding –It is strongly suggested that a minimum of three arms-length bids from qualified contractors are solicited and documented.
5. Borrowers must be current with other debts and all tax obligations. No funds will be loaned where businesses or individuals with ownership are in default or behind on tax payments unless there is a written and executed work out plan that the business is current on and has been current on for a minimum of (6) six months.

## **Contact Information**

Program questions and applications can be directed to:

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