

Economic Relief Fund COVID-19

Frequently Asked Questions

1. What are the eligibility requirements for the loan program?

- For profit, independently owned local businesses with up to 25 FTE - non-profit 501 c (3) may apply
- Have no more than 25 full-time equivalent employees
- Be a restaurant, retail, service, or entertainment business with a storefront; or a day care establishment
- Have a physical establishment within the city of Sacramento (no home-based businesses except for child-care businesses)
- Have a demonstrated hardship due to COVID-19, such as a loss in revenue
- Have written sick leave policies to assist workers impacted by the COVID-19 pandemic
- Comply with the spirit of the City's [non-discrimination policy](#)
- Not include a business owner that has previously applied for a zero-interest loan under this program
- Be in good standing with the City of Sacramento (e.g., current on bills, no liens or judgments, etc.)
- Have a current City of Sacramento Business Operations Tax Certificate (BOTC) and have been in operation as of March 13, 2020

2. Does the business have to pay back the money? Yes, this is a no-interest loan. Payment terms will be outlined once eligibility is determined.

3. How much money can a business apply for? No-interest loans will be awarded in an amount up to \$25,000 per business.

4. What can the loan be used for? Loan funds may only be used to cover day to day operating expenses of the business such as payroll.

5. When can businesses apply? Beginning at 5:00 pm on Wednesday, March 18th, businesses can apply at <http://www.cityofsacramento.org/Emergency-Management/COVID19>. Funds will be available on a rolling basis until all available loan money is awarded.

6. Where must businesses be located to be eligible to apply? The program is available to business storefronts physically located within the City of Sacramento.

7. Are both full-time and part-time employees counted in the allocation of funds? Yes, when reporting be sure to include the number of full-time employees and part-time employees that are on your payroll.

8. How do I know if my business has less than 25 FTE and what is an example of Full time equivalent (FTE)? Add up the number of full-time employees and use the FTE example to determine how your part-time employees equate to a full-time employee equivalent.

To determine the FTE number for part-time employees, add the total number of hours worked in a week by all part-time employee, and then divide that number by 40. For example, if a business has four part-time employees who work a total of 40 hours per week, those employees equal one FTE.

9. What documentation needs to be included with an application? IRS Form W-9 and City of Sacramento Business Operation Tax Certificate (BOTC).

Supplemental documentation is encouraged such as payroll for past 60 days, most recent tax returns, IRS Form 941 and other relevant information.

10. How long will it take for my business to receive a decision on funding?

Decisions will be made within 2-3 weeks of receiving a complete application. Funding anticipated to be released within 2 weeks of approval (pending approval of third-party fiscal intermediary).

11. When will payments start to be due on the loan? Initial loan payments to begin within 120 days after emergency is lifted.

12. If I have additional questions is there someone I can talk with at the City?

Yes, we have a dedicated hotline available for you to call and talk with a staff member or leave a message and your call will be returned within 24 hours. Hotline number: **916-808-7196**