



Community Business Launch

Program Design

Department of Housing and Community Development
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Applications Accepted on CAMS Starting: January 1, 2019

Last Day Applications Accepted on CAMS: March 1, 2019



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1. Introduction:

The Community Business Launch builds on the tradition of DHCD's business support strategies, placing the community at the heart of entrepreneurial and small business development. We know community support plays a crucial role in the success of an entrepreneur. It starts with a community's unique vision for its future and then uses the competition to find and foster the entrepreneurs that connect with that vision. While only a limited number of entrepreneurs may win the business competitions, the Community Business Launch gives rise to many budding entrepreneurs that have been prepared, through the CBL grant, to be successful businesses despite not winning a competition.

The CBL is designed to assist communities in taking a systems approach to defining and pursuing an asset-based small business development strategy. In some instances, communities are unaware of the need for this crucial component to a diversified and more robust economy. It is designed to excite and educate the community from local residents to local elected officials about the opportunities and impact of entrepreneurial and small business development. The grant will provide the tools to effectively prepare multiple entrepreneurs to operate successful businesses in a designated area win or lose the competition. Most importantly, it will help communities begin to develop a coordinated, comprehensive sustainable eco-system and environment that identifies, launches, and supports community-based entrepreneurs and small business at all levels of development.

2. Available Funds:

Funding will be available in FY '20, but is subject to approval. The projected amount of funding for FY '20 is \$180,000. The Virginia Department of Housing and Community Development will administer these funds under the Community Business Launch (CBL) Program.

3. Award Amounts:

The maximum CBL award for FY '20 is projected to be \$45,000 per community/region. A community/region may apply for less. DHCD may award funding to up to four entities to implement their small business development strategy and to conduct a business plan competition.

4. Eligible Applicants:

The following entities are eligible to apply for the 2020 CBL: local governments, non-profit economic development organizations, Main Street Associations and regional economic development groups.

5. Eligible Use of Funds:

Grant money can be used for administration, marketing, training/workshops, training materials, mentorship programs and awards for the competition (minimum of 50%). The award funds for the winners of the competition can be used for the following: working capital, equipment, inventory, real estate, property improvements and marketing.

6. Funds access:

A contract between DHCD and the applicant outlining end products, conditions, fund disbursement and termination must be executed before any funds are disbursed. Funds may only be used for expenses incurred after the signing of the contract. CBL Funds are available on a reimbursement basis only. Funds may be drawn down to reimburse costs the applicant has incurred, as well as for business awards. The grantee is required to keep a record of and receipts for any draw down request that is submitted.

7. Match:

For CBL 2020, there will be a required 25% match for single applicants. The match should consist of cash and in kind support. A portion of the cash match will go towards the awards for the competition.

8. Outcomes:

The expected outcomes for FY '20 are for each grantee to assist in the creation/expansion of three new or expanded businesses and five full-time equivalent jobs. These outcomes will be achieved by successfully completing the business plan competition.

9. Business Plan Competition:

The business plan competition should consist of a six to eight week course that includes the following four business plan components:

- A. Description of business/Legal structure
- B. Marketing
- C. Operations
- D. Financials

The classes and competition need to be open to anyone willing to open a business in the designated area and be free of charge.

10. Submission Requirements:

All grant proposals and supporting documentation must be submitted on CAMS by 11:59 PM on March 1, 2019. Proposals not submitted accordingly may be disqualified.

Applicants are invited and encouraged to discuss their concepts with DHCD prior to submitting the application in CAMS. If you have any questions please contact Jessica Hupp at 804-371-7121 or Jessica.hupp@dhcd.virginia.gov .

11. Application Requirements:

Applicants must submit completed responses to all appropriate questions and include all required attachments. The following attachments are required at the time of submission:

- A. Map of designated area
- B. Proof of Match/Budget
- C. Letters of Support
- D. Draft Class Curriculum

- E. Project Timeline
- F. Marketing Plan for Competition
- G. Scoring Rubric for participants

12. Audit Requirements

DHCD has instituted an agency wide audit policy. All grantees that receive funding during a specific program year are required to submit one of the following financial documents:

Financial Statement**, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an independent CPA or an audit required by the Code of Federal Regulations (CFR), (2 CFR 200 Subpart F), audited by an independent CPA. Please see the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the *minimal* standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

| Threshold Requirement | Document |
|--|--|
| Total annual expenditures ≤\$100,000 | Financial Statement(s) prepared by organization** |
| Total annual expenditure between \$100,001 and \$300,000 | Reviewed Financial Statement(s) prepared by an Independent Certified Public Accountant (CPA) |
| Total annual expenditures > \$300,000 (Regardless of source) | Financial Statement(s) that have been audited by an Independent CPA |
| Federal expenditures ≥\$750,000 | 2 CFR 200 Subpart F Audit – Audited by an Independent CPA |

**Does not require preparation by a CPA

Entities shall file the required financial document in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 (thirty) days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and Single Audit only) -whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at: http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf