



# Historically Disadvantaged Microenterprise Loan Program

**BACKGROUND:** The City of Lima offers small for-profit businesses located within the City no- interest- forgivable financing through Lima’s Historically Disadvantaged Microenterprise Loan program. This program serves minority-owned, women-owned, veteran-owned, and disabled-owned businesses. This unique financing tool offers loans to small businesses operating in the City of Lima. Retail, commercial, and entertainment businesses are eligible; this program is designed to provide a unique financing boost to micro businesses that may not otherwise be eligible to access traditional financing.

Under this program, the City will provide one-year forgivable loans at an interest rate of 0 % to microenterprise businesses that are eligible and meet the minimum criteria for the program. Funding is limited and applications will be reviewed four times annually.



Minimum Criteria include:

- Businesses with **five (5)** or fewer employees are eligible to apply for funds. At least one owner of the business must be below 80 % of Area Median Income. (Business owner must provide W2, 1099 form, or tax returns to confirm median household income eligibility.) See chart below

Household Income (AMI)	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons
80% of Median	\$41,550	\$47,450	\$53,400	\$59,300	\$64,050	\$68,800	\$73,550

- Business needs to describe the use of funds for the purchase of equipment or supplies, expansion of business, marketing, etc. in a proposal. The proposal should include proof of the costs of the intended expenditures.
- Businesses may apply for up to **\$5,000** in funds under this loan program.
- Business must have been in operation for at least six months and have made at least ten thousand dollars (\$10,000.00) in revenue.
- City, state and federal taxes are required to have been paid if in operation for at least 12 months.

- Must be current on City of Lima Income Taxes
- If not in operation for 12 months, proof that tax and business financial accounts have been set up as well as acceptable accounting practices may be reviewed.
- Businesses must have a physical location in the City of Lima. There must not be any active & on-going property maintenance violations at the business at the time of the application or during the one year forgiveness period.
- Businesses must provide to the past three (3) years of end-of-year financial statements.
- Business must provide a W-9 with a either an employer ID number or Social Security Number of the Primary Owner Applicant.
- A DUN & Bradstreet DUNS number or Sam.gov Unique Entity Identifier & IRS Tax ID/Federal EIN Number must be provided for federal tracking purposes.
- Must be registered with the Secretary of State or Have a Vendor's License.
- If there is more than one owner to the company, an Article of Incorporation or partnership agreement detailing the structure and ownership arrangement and percentages must be provided.
- A complete application is needed prior to review. The application and needed attachments can be found in Appendix A &B.



**INTEREST RATE:** The City of Lima will offer one-year loans at a 0% interest rate.



**Eligible Business Types:**

- Retail
- Home-based business
- Wholesale
- Service Industries
- Entertainment
- Restaurant/Bar



**Eligible Uses of Funds:**

- Business Equipment
- Inventory
- Necessary Fixed Assets
- Marketing
- Business Improvements



### Eligible Business Structures:

- Sole Proprietor /Owner
- S Corp or Corporation
- Limited Liability Corporation
- Partnership or Limited Liability Partnership



### GEOGRAPHIC COVERAGE:

This program only provides assistance to micro-businesses principally and physically located in the City of Lima, Ohio.



### PROCESS:

The City of Lima has a Loan Review process that is carried out by city staff. In normal circumstances, it takes approximately thirty (30) days to review applications. After review, and if approval is granted, checks will typically be written to the desired vendors listed in the application if invoices are provided within an additional 30 days after loan documents are signed. This process would still be expected to take up to an additional 30 days.

All of the information submitted to the City of Lima for review must be signed and dated. Please contact Amber Martin with any questions or comments at 419-223-7281 or by email at [amber.martin@cityhall.lima.oh.us](mailto:amber.martin@cityhall.lima.oh.us). If you need assistance completing your application, limited technical assistance may be available upon request.

*\* Disclaimer: This loan program and any specific loans are contingent upon the availability of funds. If at any time this funding source is depleted, this loan program and any commitments to fund specific loans may become null and void*



# Lima Microenterprise Forgivable Loan PROGRAM APPLICATION

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_  
 Home Address: \_\_\_\_\_ City: \_\_\_\_\_  
 State: \_\_\_\_\_ Zipcode: \_\_\_\_\_  
 Business Name: \_\_\_\_\_  
 Business Address: \_\_\_\_\_  
 State: \_\_\_\_\_ Zipcode: \_\_\_\_\_  
 Office Phone: \_\_\_\_\_ Business Phone: \_\_\_\_\_  
 Email Address: \_\_\_\_\_  
 EIN#: \_\_\_\_\_ DUNS/UIE#: \_\_\_\_\_

Business Organization Type:  Sole Proprietor  Limited Liability Company  
 Corporation  Partnership

Business/Industry classification: (retail, restaurant, consturction, etc...)

Ownership/Management		
Name:	Title:	% Interest Owned
Name:	Title:	% Interest Owned
Name:	Title:	% Interest Owned

How much funding are you seeking through this program? (max. \$5,000) \_\_\_\_\_

Describe how the use of funds would expand or grow your business? \_\_\_\_\_

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Attach back-up documentation as confirmation of your uses and expected investment:	
Use:	Amount: \$
Use:	Amount: \$
Use:	Amount: \$

Is your business:

- Minority-owned
- Women-Owned
- Disabled-Owned
- Veteran-Owned

Please provide a brief narrative of your company, the product/services you offer, and your clients:

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Are you a Start-up?  Yes  No If not how many years have you been in business? \_\_\_\_\_

Years at Present Address: \_\_\_\_\_ Do you lease your building or own it? \_\_\_\_\_

Monthly Rent/Mortgage \$ \_\_\_\_\_ How many square feet of occupied space? \_\_\_\_\_

Number of employees on payroll: \_\_\_\_\_ Full-time \_\_\_\_\_ Part-time

Will this grant help you hire or retain employees? If so, please explain:

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Average Gross Annual Receipts: \_\_\_\_\_

Amount of Personal Funds Invested in the Business to Date: \_\_\_\_\_

Have you taken any courses or training provided by the Lima/Allen County Chamber of Commerce, Small Business Development Center, Walter Potts Entrepreneur Center, local colleges or universities, or other business education programs:  Yes  No

If yes, please explain: \_\_\_\_\_

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Please describe the economic and/or community benefit that your business already provides or will provide to residents in the City of Lima. \_\_\_\_\_

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Please explain how you are eligible for the microenterprise forgivable loan program:

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By checking each box below, the undersigned hereby certifies that the statement is true and/or that the required attachments are provided in conjunction with the application. **BOLD items must be attached to the application prior to it being submitted.** No incomplete application shall be processed.

- I confirm that my business is located within the City of Lima and the business maintains all proper licenses and permits for operation.
- I have attached financial statements as described in the criteria.
- I certify that the business is not debarred by the State of Ohio or the Federal Government.
- I have attached a complete **IRS W-9 Form, EIN, UEID, and DUNS number** (each of these are required, W-9 form available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf> ).
- I agree to document and report the economic impact to the business as a result of this grant including but not limited, jobs retained, jobs created, increased sales, and participation in other relief programs.
- I certify that the business is current with all local, state, and federal taxes.
- I certify that the business has complied with its by-laws or other governing documents to obtain approval for the undersigned to submit this application and execute a grant agreement on behalf of the applicant.

*I certify that the above information, to the best of my knowledge, is accurate and true. I understand that the City of Lima will rely on the accuracy of the submitted information and certification made in conjunction with the application. Any misrepresentation of inaccurate information may be treated as a default concerning any loan made.*

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Business Name	Authorized Representative	Title	Date
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**Submission Instructions:**

All attachments should be scanned and emailed to [Amber.Martin@cityhall.lima.oh.us](mailto:Amber.Martin@cityhall.lima.oh.us) or can be mailed or dropped off to: City of Lima ATTN: Amber Martin 50 Town Square, Third Floor Lima, OH 45801.

If you have any questions about the application requirements or have any issues with submitting any of the required documents, please email [Amber.Martin@cityhall.lima.oh.us](mailto:Amber.Martin@cityhall.lima.oh.us).





## Appendix B- Self-Certification Income Verification

### CITY OF LIMA, OHIO INCOME CERTIFICATION FORM FOR ALL CDBG PROGRAMS

THIS SECTION IS TO BE COMPLETED BY BUSINESS APPLICANT

To the applicant: The Historically Disadvantaged Microbusiness Forgivable Loan Program provides assistance through funds from the Community Development Block Grant (CDBG). Federal requirements ask that the following information be supplied to the CITY. This information will be kept on hand at the Department of Workforce and Small Business Development for possible review by Federal agencies. Your cooperation in the completion of this form is appreciated.

NOTE: The following information is subject to verification by government officials. Are you a resident of the City of Lima? Yes  No

Full Name (print please)	
Address:	
Telephone:	
Email:	
Job Title:	
Full-time or Part-time	

Please **circle** below the number of people in your household, including yourself:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
\$41,550	\$47,350	\$53,400	\$59,300	\$64,050	\$68,800	\$73,550	\$78,300

Was your total household income during the last 12 months higher or lower than the amount below the number you circled? The dollar amounts represent annual household income.

Please **circle** one: **HIGHER OR LOWER**

**Describe any employer paid benefits you receive as an employee:** \_\_\_\_\_

Please **circle** the appropriate *race category* and *Hispanic ethnicity* if applicable. (optional):

- |  |   |
|--|---|
| 1. White   | 6. Black/African American                 |
| 2. Asian   | 7. American Indian/ Alaskan Native        |
| 3. Native Hawaiian/Other Pacific Islander                  | 8. American Indian/Alaskan Native & White |
| 4. Asian & White   | 9. Black/African American & White         |
| 5. American Indian/Alaskan Native & Black/African American | 10. Other Multi Racial                    |

Hispanic ethnicity if appropriate: Hispanic/Not Hispanic      Female Headed Household? Yes    No \_\_\_\_\_

I hereby certify that the information contained on this form is accurate and complete to the best of my knowledge, under penalty of law and verifiable by federal government representatives.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date





## Appendix C- Microenterprise Loan Agreement

- The business must be in the city limits of Lima, Ohio.
- All property taxes must be current.
- The business must be a registered vendor with the Allen County Auditor and the Secretary of State.
- The applicant cannot have any outstanding property maintenance violations.
- The loan must be used for the project described in the application and approved by the loan committee.
- The loan must be used for the project described in the application and approved by the loan committee.
- Applicant will provide receipts or other agreed-upon documentation that funds were used within the year for the agreed-upon purpose.
- Applicant will complete all program reporting including but not limited to end-of-year report.
- Loan term is one (1) year at 0% annual interest. The loan defaults if the funds are not used for the intended purpose within the first year and/or the terms of the loan agreement are not fulfilled. If Borrower's obligation to repay is not forgiven and discharged, then the Loan Amount will be amortized over a two-year period, payable in 4 equal semi-annual installments of principal with the first semi-annual installment being due and payable on the first day of the 13<sup>th</sup> month after the date of this Note appearing above. The remaining semi-annual payments will be due and payable on the first of June and December.



# SUBMISSION INSTRUCTIONS

Completed application forms and all attachments should be scanned and emailed to [amber.martin@cityhall.lima.oh.us](mailto:amber.martin@cityhall.lima.oh.us) or can be mailed or dropped off to:

City of Lima, Department of Workforce & Small Business Development

ATTN: Amber Martin

50 Town Sq., Third Floor

Lima, OH 45801

If you have questions about the application requirements or have any issues with submitting any of the required documents, please email Amber Martin at [amber.martin@cityhall.lima.oh.us](mailto:amber.martin@cityhall.lima.oh.us) or contact by phone at 419-223-7281.

*The City of Lima does not discriminate in its programs and activities on the basis of age, color, gender expression/identity, genetic information, marital status, national origin, physical or mental disability, pregnancy, race, religion, sex, sexual orientation, or veteran status, as applicable.*

