

SCOPE OF SERVICES

The following is an overview of key elements anticipated within the scope of services.

Target Population: The program will serve Small and Micro businesses in the City of Riverside which need an infusion of grants funds to assist with their recovery and long-term resiliency due to impact from COVID-19, especially businesses in disadvantaged/underserved communities. While this is a broad category and the RFP does not set specific quantities for demographic or Ward representation, past programming does give a reference point, below:

In administering the CARES and Micro programs, we collected data about the demographics of awarded businesses. The following data is for reference as an example of reach within underrepresented populations and businesses. Under CARES Small Business, we served 578 businesses at \$5,399,500 (2 rounds in only 3 months): 42% Woman-Owned, 65% Minority-Owned, 4% Veteran-Owned. Under Micro (still ongoing), we have so far served 144 businesses at \$1,048,550: 49% Woman-Owned, 67% Minority-Owned, and 94% are Still in Business.

By Ward, under CARES the distribution was: Ward 1 (21.45%), Ward 2 (14.71%), Ward 3 (21.80%), Ward 4 (8.65%), Ward 5 (11.76%), Ward 6 (12.98%), Ward 7 (8.48%), and Unknown (only 1 business, 0.17%). Under the Micro program so far: Ward 1 (20%), Ward 2 (12%), Ward 3 (24%), Ward 4 (7%), Ward 5 (13%), Ward 6 (17%), Ward 7 (6%), and Unknown (only 3 businesses, 2%).

We will work with City staff to identify qualifying areas based on the ARPA Final Rule and application tracking. When needed, additional targeted marketing/outreach and application support will be applied to ensure equity Citywide.

Targeted Marketing/Outreach: ISC211 will conduct targeted marketing/outreach and application assistance through door-to-door visits, on-site appointments, participation in relevant events, and other modes. The outreach team will outreach door-to-door at businesses with a focus on communities which are underrepresented and experience historic marginalization. The outreach team will also attend small business centric events to educate and engage local small business owners.

We will utilize existing and new partnerships with local business focused organizations to assist with outreach efforts such as (but not limited to) Inland Empire Small Business Development Center, Inland Empire Women's Business Center, Greater Riverside Chambers of Commerce, Greater Hispanic Chamber of Commerce, Riverside Cities Black Chamber of Commerce, Asian Business Association Inland Empire, etc. Leverage relationships with local Banking Institutes and local micro-lenders (e.g., AmPac Business Capital) for assistance outreaching to their small business clientele.

During program finalization, we will develop in collaboration/with approval from the City a detailed digital and print marketing plan and toolkit. This may include flyers, postcards, press releases, newspaper, radio, social media posts, website content, short videos, etc. All applicants on the City of Riverside Business License list will be notified, as well as prior applicants of the CARES and Microenterprise programs. We also have a list of businesses that have already reached out inquiring about resources but which were not able to apply for CARES or Microenterprise programs.

Applications: Bilingual applications will be available online, over-the-phone, and in-person at our Riverside Office. 75% of our staff are bilingual in English/Spanish, and we retain a service for live translation for an additional 150 languages. Paper applications will also be available as needed. Most applicants use the online/phone method using our robust online application and phone support. For those who need in-person application assistance (e.g., do not have technical resources or skills), we have on-site assistance from 9:00 a.m. to 4:00 p.m. at our Riverside office. We will also partner with local organizations, such as but not limited to the Inland Empire Small Business Development Center which has provided application submission and reporting assistance to business applicants with the previous programs.

All applications will be organized and processed through our Application Management Portal (AMP). This portal was specifically designed for coronavirus financial assistance administration. Using AMP, applicants will be able to submit their applications online and view their application status 24/7, communicate with their assigned staff member, upload additional documentation as needed, and receive status updates. Each business will be assigned a dedicated Program Coordinator who will work with them to ensure their application file complies with program

guidelines and stands the best possible chance of being eligible and approved. This assistance will primarily be offered over the phone and email, but Outreach Coordinators will be available to meet with businesses that require additional assistance in-person at our Riverside Office and/or on-site at their business location when necessary. Once an application file is confirmed complete by the Program Coordinator, a secondary review will be conducted by a Program Lead/Reviewer for quality assurance purposes.

Eligibility Criteria: Applications will be reviewed for completeness and compliance with final eligibility criteria. Final criteria will be set during the pre-launch in accordance with the ARPA Final Rule and with City collaboration and approval.

The following is a preliminary list of potential eligibility criteria built on prior programs:

- Privately Owned, For-Profit Businesses located within the City of Riverside city limits. The business will be physically located in City limits, including home-based businesses. Mailing addresses within the city do not count as being in the city. ISC211 will work with City staff to define location eligibility and documentation for street vendors without a physical location or residence.
- Targeted Business Types. While there is not a specific business type targeted, the program will set a list of eligible and ineligible types. For example, eligible types are travel, hospitality, retail, food, personal care, and service types, and ineligible types are financial services, insurance, real estate, gaming, passive income, and investments.
- The business was in operation/established prior to COVID, with the date range of impact to be set together with the City and the ARPA Final Rule. We recommend that newer businesses be directed to IESBDC for possible participation in the California Dream Fund or show that they have already completed that program.
- Business Size. Annual revenue is less than \$2.5 million, and the business has 50 or fewer employees.
- COVID Impact. ARPA Final Rule indicates certain industries with 8% reduction in employees may be presumed as “impacted.” For those without “presumptive impact,” alternative criteria and/or additional documentation may be required to establish qualifying impact such as a 10% or higher of gross revenue loss, mandatory closures of 30 days or longer, or other significant impacts can be used to document impact.
- Priority businesses (e.g., first-time recipients, minority-owned, woman-owned, microenterprises, LMI owners, veteran-owned, etc.)

Documentation: Every effort will be made to assist applicants within the program guidelines, including opportunities to provide alternative and/or additional supporting documentation. We do not auto-deny incomplete applications. Instead, we collaboratively work with applicants to complete any missing documentation to give them the best possible chance of approval. We provide multiple opportunities for them to provide missing documentation or alternative documentation, including explaining what items are and where to get them if an applicant is unfamiliar which can be the case for smaller businesses with fewer resources.

It is our intention to streamline the process for businesses as much as possible while remaining in compliance. This means keeping the application, documentation, and follow-up process low-barrier and accessible, especially for businesses which are already struggling due to inequities and the pandemic. We conduct due diligence, check public records, verify applicant status as legitimate business meeting eligibility criteria, and verify that the business is in good standing or is willing/able to become in good standing. If a business struggles at any point of the process, we work with them to help them understand and meet the requirements as easily and effectively as possible. This also helps prepare them to be in a better position to survive and thrive long-term.

Examples of required documentation from past programs include the following, which can be changed during program finalization based on the ARPA Final Rule and City guidelines:

Proof of Business Info

- Preferred: Copy of City of Riverside Public Information Record (shows First Issued Date, Current Licensure timeframe, Business Type, Owner Info, etc.)
- Alternatives: Proof of business ownership (identification, registration of business with County or State, Trusts and Deeds), Business Income (profit & loss statements, bank statements, filed taxes), Staffing (payroll ledger, tax filing, employee bank statement)
- Other 3rd party docs may be accepted on a case-by-case basis

Proof of Revenue

- Preferred: Complete 2019 Business Tax Returns (shows pre-covid revenue/expenses)
- Alternative: IRS Tax Transcripts are also acceptable
- Other 3rd party docs may be accepted on a case-by-case basis. (Bank statements)

Proof of Employees

- Form 941 from most recent quarter

Proof of Covid Impact (if required)

- Preferred: Complete 2020 and/or 2021 Business Tax Returns as appropriate (shows overall gross/net profit loss, increased expenses, etc.)
- Alternative: Self-Certification of Covid Impact (Change of products/services provided, staffing needs, remote work, childcare, etc.)
- Other 3rd party docs may be accepted on a case-by-case basis

Proof of Eligible Expenses (Plan for Use)

- Supporting documents may be requested to verify valid use of funds when appropriate (e.g., profit loss can be demonstrated through business tax returns or profit/loss statements, rental payments can be demonstrated through lease agreements, and payroll expenses can be demonstrated through payroll ledgers).

Based on previous experience in administering business grants of this kind, we recommend allowing conditional approval for existing businesses that may not be 100% on all their paperwork at the time of application and evaluation. Examples of this situation are businesses which need to obtain a current City License and pay back taxes, or which need to obtain a RivCo FBN, etc. This makes it more accessible for additional businesses and those with fewer resources to be in a better position moving forward. Conditional approval decreases barriers, increases accessibility to underrepresented businesses, and makes effective use of costs and time for application processing and evaluation. Conditional approval will require that they provide all documentation outlined in the conditional approval within an allotted timeframe prior to receiving funding. The City may or may not wish to re-review and issue a final approval before funding a conditionally approved application, and ISC211 will accommodate as necessary. This is a recommendation only. A thorough compliance review for the ARPA Final Rule will be conducted prior to including this conditional approval in the final process.

Application Evaluation: The preliminary plan for application evaluation will include verifying the following through appropriate supporting documentation and public records research. Examples are: Business Start Date; Current City of Riverside Business License; Business Type, Annual Revenue & Employee Numbers meet finalized eligibility criteria; Business in good standing with City, County, & State; COVID Impact equal to or greater than that of the travel, leisure, and hospitality industry (or comparative industry for their business type), and alignment with other finalized eligibility criteria; and Overall Financial Impact and other forms of assistance received.

Proof of expenditure use may not be required depending on program finalization. However, we will at minimum request a plan of how funds will be used to help ensure funding is directed for eligible expenses. Funds typically have been allocated to help off-set significant profit losses, provide adequate working capital for continued operations, make past-due and future business rent and utility payments, payroll/benefit expenses, other business stabilization costs, etc.

Applications will be reviewed and paid on a first submitted, first completed, first reviewed, first approved basis. Priority will be given to first time grant recipients, those with financial impacts that far exceed prior assistance received, and any other prioritization identified during program finalization. Award amounts (up to \$25,000) will be based on a tier system that factors in the business' total annual revenue and overall financial impact as a percentage of that. Awarded businesses may need to submit a notarized agreement prior to funds being disbursed. In situations where notarization is required, ISC211 will provide a list of local notaries for an easy low-barrier process.

City Approvals: City of Riverside will have the final say on approvals, award amounts, and appeals. ISC211 will have received and approved all documentation prior to presenting recommendations to the City. Complete Application files will be presented to the City for final approval/denial on a weekly basis or as needed. Recommended award amounts for each business will be confirmed (or adjusted) at that time based on City feedback. Non-priority businesses may be conditionally approved, pending payment in a later round, in order to pay priority applications

first. Appeals received, that cannot be resolved internally, will be presented to the City for final determination. Any special circumstances (one-off scenarios) will be presented to the City to see if a conditional approval may be granted, pending additional information/documents within a set timeframe, or a special waiver granted.

Payment Processing: Payments will be processed via ISC211's third party payment processing vendor, Bill.com, and overseen by our Finance staff. Bill.com is a software vendor (not subcontractor) like other technology costs such as word processing subscriptions. Proposed payments are checked and approved at multiple levels within our organization, as well as the City of Riverside approval, before being uploaded for processing. Once fully approved, ISC211's Finance staff upload payments to Bill.com, go through two levels of approval, and then disbursed. Payment options will be provided via check or ACH. Payments that have been returned, not cashed, or are expired will be followed up on to ensure payment is successfully received.

Follow-Ups/Surveys: Online Follow-up Surveys/Reports will be gathered approximately 60-90 days after funding. Questions will include any information required by the ARPA Final Rule and any specific information that the City of Riverside may wish to know that has not already been gathered in another way. Past surveys have included questions such as "Is your business still in operation," "How was funding utilized," "What impact did this funding have on your business," "What other business resources/support would you find helpful," "Do you have any recommendations or suggestions for future improvements to the program," "Would you be interested in participating in a business spotlight," and other post-evaluation metrics. We conduct follow-up calls and emails about the survey and other post-funding requirements.