



The City of
WORCESTER

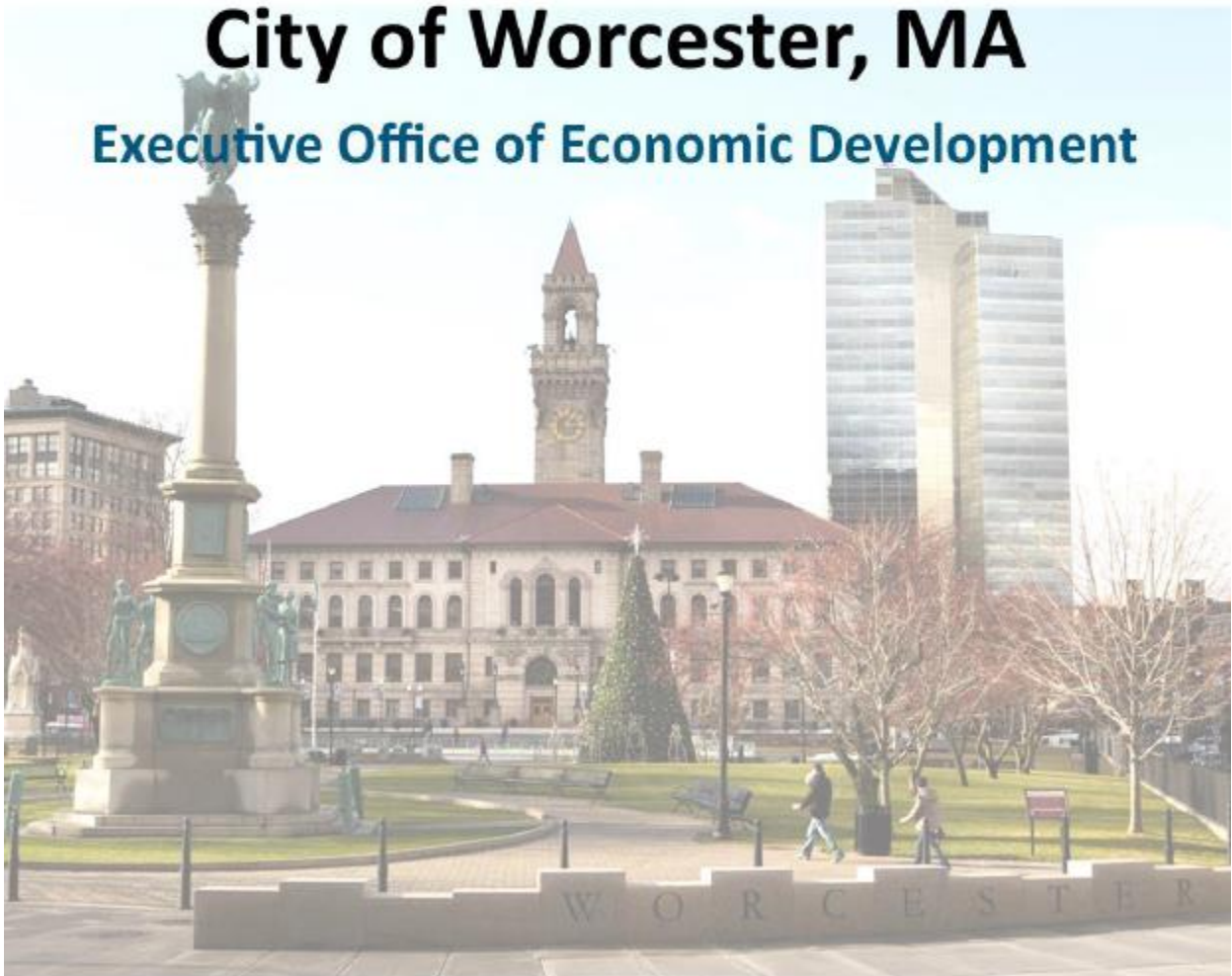
Executive Office of Economic Development
Business Development Division

American Rescue Plan Act (ARPA)
ARPA Diverse Business Certification Program

**DIVERSE BUSINESS CERTIFICATION GRANT PROGRAM
AMERICAN RESCUE PLAN ACT (ARPA)**



City of Worcester, MA
Executive Office of Economic Development





ARPA Diverse Business Certification Grant Program

INTRODUCTION AND BACKGROUND:

The City of Worcester received approximately \$146 million from the federal government, through the U.S Treasury, as a result of the American Rescue Plan Act (ARPA). This direct allocation is part of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. The goal of the SLFRF program is to ensure that state, local and Tribal governments have the resources needed to fight the pandemic, strengthen and sustain economic recovery, maintain vital public services, and make investments that support long-term growth, opportunity, and equity. The funding is intended to address local needs within these four eligible categories:

- Replacing Lost Public Sector Revenue
- Addressing Public Health and Economic Impacts
- Providing Premium Pay to Essential Workers
- Improving Water, Sewer and Broadband Infrastructure

This application is for activities and programs that meet the eligible ARPA category of **“Addressing Public Health and Economic Impacts”** under sub-category of **“Assistance to Small Businesses”**.

DIVERSE BUSINESS CERTIFICATION GRANT PROGRAM

The City of Worcester (City) has recommended **\$550,000** in ARPA funding to establish the **Diverse Business Certification Grant Program** to encourage greater certification through the Massachusetts Supplier Diversity Office and/or other recognized third-party organizations for small business owners in the City representing diverse populations.

The objective of this program is to:

- Grow the total number of certified small businesses and of newly certified small businesses located within the city, particularly for minority and women owned small businesses.
- Assist with registration and address obstacles frequently encountered by minority and women-owned businesses when seeking government contracts and resources.
- Help small businesses be better positioned for contracting opportunities with government entities, institutions, and other businesses.



FUNDING LEVELS

Each eligible business is expected to receive **\$5,000.00** in grant funding from this program. Funding shall be used for business operating expenses.

Eligible businesses from Disproportionately Impacted Communities and Populations will be prioritized for this grant program.

APPLICATION DEADLINE

Applications will be accepted on a rolling basis until November 1st, 2024.

ELIGIBLE BUSINESSES

- Minority-Owned Businesses (MBE)
- Women-Owned Businesses (WBE)
- Veteran-Owned Businesses (VBE)
- Service-disabled Veteran Owned Businesses (SDVOBE)
- Lesbian, Gay, Bisexual and Transgender Owned Businesses (LGBTBE)
- Disability-Owned Businesses (DOBE)

Business must be **physically located or registered** within the City of Worcester.

Businesses that have already received their certification from **September 20th, 2022 – present** are eligible for this program.

Businesses do not need to be formed prior to the COVID-19 pandemic (March 2020).

INELIGIBLE BUSINESSES

- Businesses that have been debarred at the Federal, State, or Local level from participating in government programs or contracts.
- Check Cashing Agencies
- Cannabis-related businesses
- Gun Shops
- Pawn Shops
- Liquor Stores
- Adult Entertainment Businesses
- Dollar Stores
- Member-service organizations (Social Clubs)
- Businesses owned in whole or in part by corporations, trusts, LLCs, partnerships, or cooperatives.
- Businesses owned in whole or part by foreign individuals (non-permanent resident) or corporations.
- Franchisees of national or regional chain businesses.



MASSACHUSETTS SUPPLIER DIVERSITY OFFICE (SDO)

The Massachusetts Supplier Diversity Office (SDO) is a separate state agency tasked with promoting diversity in state contracting and increasing opportunities for underrepresented businesses. One of the SDO's primary services is to certify diverse small businesses for participation in Federal, State, and municipal procurement for goods and services.

The Massachusetts SDO provides certification and accepts third-party registration for the following businesses:

SDO Certifications

- Minority-Owned Business (MBE)
- Women-Owned Business (WBE)
- Veteran-Owned Business (VBE)
- Portuguese-Owned Business (PBE)*

Recognized Third Party Certifications

- Veteran Owned Small Business (VOSB)
- Service-disabled Veteran Owned Business (SDVOBE)
- Lesbian, Gay, Bisexual and Transgender Owned Business (LGBTBE)
- Disability-Owned Business (DOBE)

*Only eligible for programs funded by State Transportation Bond contracts.

The certification with the SDO can take 60 – 90 days in total after application is submitted.

SDO RECOGNIZED ORGANIZATIONS

- U.S. Small Business Administration (SBA) – VOSB, SDVOBE
- Disability: IN – SDVOBE, DOBE
- National LGBT Chamber of Commerce – LGBTBE
- Center for Women and Enterprise (fee based) – WBE
- Greater New England Minority Supplier Development Council (fee based) – MBE

SDO PRE CERTIFICATION WEBINAR

The first step to achieving certification with the Supplier Diversity Office is attending a pre-certification webinar hosted by SDO. Webinars are hosted monthly on the last Thursday of the month.

This is a required workshop for all businesses interested in applying for certification as a Minority, Woman, Veteran, and/or Portuguese Business Enterprise.

The workshop will include information about the regulations, qualifications, process, and other information needed to begin the certification process. This session will run for two hours.

To register for an upcoming webinar, visit here - [SDO \(mass.gov\)](https://www.mass.gov/info-details/supplier-diversity-office-webinars).

If you are interested in attending a webinar that has been closed for registration, please fill out our [Google Form](#).



SDO CERTIFICATION CRITERIA – FIVE REQUIREMENTS

1. Individual Eligibility
2. Ownership
3. Control
4. Ongoing Business
5. Independence

1. INDIVIDUAL ELIGIBILITY (WHO IS ELIGIBLE FOR STATE CERTIFICATION?)

Adult U.S. Citizens **or** Lawful U.S. Permanent Residents

- Women
- Minorities
- U.S. Veterans

Eligible Minority (Defined by 425 CMR 2.00)

- African American
- Hispanic American
- Asian American
- Indigenous Persons
- Native American
- Cape Verdean
- Portuguese

2. OWNERSHIP

Eligible business owners that meet Individual Eligibility criteria must own **at least 51% or more** of the business.

- Ownership must be **real, ongoing, and substantial**.
- Ownership must be **both in form and substance**.
- Must submit most recent Federal business or personal tax return with **all statements and schedules** (signed or e-filed).

Businesses with less than one year of operation should submit a current balance sheet or opening bank statement.



3. **CONTROL**

Eligible business owners must hold the highest position or highest officer and possess:

- Technical experience, expertise & training in the **revenue generating activity** of the firm
- Financial and management control
- Control over the firm's governing body
- Resumes, professional licenses, permits, certificates, and registrations (if applicable)

4. **ONGOING BUSINESS**

- Active in business with a revenue stream or proof that revenue stream is about to begin.
- Regularly and actively engaged in business activity from an established place of business.
- No applicant shall be certified if it is currently debarred by any state, local, or federal governmental body.
- Businesses that have been active for less than one year can submit fully developed marketing materials (business proposals, bids, screenshots of website, contract agreements).
- **Cannot** restructure business to specifically gain access to the program (for example – restructures of a firm within 12 months prior to certification application submission).

***Entrepreneurial ideas or plans are not eligible for SDO certification.**

- Applicants must be fully ready to provide services at the time of certification application.

5. **INDEPENDENCE**

Eligible business owners are:

- Not reliant on, or influenced by, ineligible person(s), business enterprise(s), or organization(s).
- Must not unduly rely on ineligible person(s) or business(es) for major aspects of its daily operations.
 - A certification can be denied for ineligibility if arises if key employees, such as, but not limited to, owners and leadership, are substantially the same as another business in the same or similar industry to the applicant.



SDO APPLICATION PROCESS

Applicaton Submission

- Attend online workshop (Unique Code received after attendance).
- Register for Certification Application Platform (using Unique Code).
- Apply for Certification

Application Review

- Application assigned to an SDO Investigator.
- Investigator reviews application and all required documents.
- Investigator does a site visit or Telephone Interview with applicant.

Approval and Reporting

- Applicant receives Summary Report.
- Certification Decision

Required Documents for SDO Application

<p>Current resumes and professional licenses, certifications (used in business) held by business owners, officers, and key employees demonstrating education, training, and prior employment dates and duties.</p>	<p>Copy of birth certificate, US Passport, lawful permanent resident card or tribal card (if Native American) for all eligible owners.</p>	<p>Copy of bank signature card or letter from bank that states who has signatory authority.</p>	<p>Copy of most recent complete business federal tax return, signed or with proof of e-filing, including all schedules and/or the extension submitted to the IRS.</p> <p>If less than one year in business, substitute with a copy of the opening business balance sheet. Sole Proprietors should submit business 1040 federal personal tax return, signed or proof of e-filing including Schedule C.</p>
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ARPA ELIGIBLE USE:

The following eligibility description is taken from the U.S. Treasury's Overview of the Final Rule:

ASSISTANCE TO SMALL BUSINESSES

The pandemic has severely impacted many businesses, with small businesses hit especially hard. Small businesses faced significant challenges in covering payroll, mortgages or rent, and other operating costs as a result of the public health emergency and measures taken to contain the spread of the virus. Under Sections 602(c)(1)(A) and 603(c)(1)(A), recipients [the City] may “respond to the public health emergency or its negative economic impacts,” by, among other things, providing “assistance to . . . small businesses.”

Small businesses eligible for assistance are those that experienced negative economic impacts or experienced disproportionate impacts of the pandemic and meet the definition of “small business,” specifically:

1. **Have no more than 500 employees**, or if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates, and
2. Are a small business concern as defined in section 3 of the Small Business Act (which includes, among other requirements, that the business is independently owned and operated and is not dominant in its field of operation).

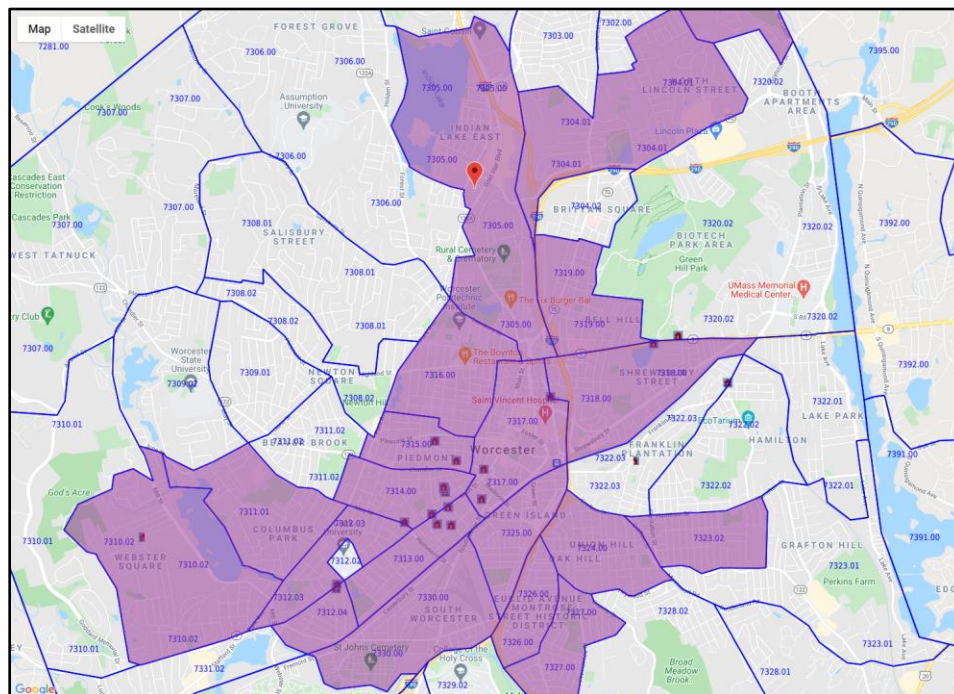
The Final Rule presumes that small businesses operating in a Qualified Census Tract were disproportionately impacted by the pandemic. Recipients of ARPA funding can provide technical assistance, business incubators, and grants for start-ups or expansion costs for disproportionately impacted small businesses. Enumerated eligible uses can be provided to those businesses without any specific assessment of whether they individually experienced negative economic impacts or disproportionate impacts due to the pandemic.



DISPROPORTIONATELY IMPACTED COMMUNITIES & POPULATIONS

As part of this application process, the City of Worcester will prioritize applications that create equitable outcomes by assisting disproportionately impacted communities through one of the four qualifying categories.

QUALIFYING CENSUS TRACTS (QCTs):



An interactive map of can be accessed here: https://www.huduser.gov/portal/sadda/sadda_qct.html

- To determine your census tract, once the map is opened:
 - In the search bar at the top of the page, enter “Worcester, MA”.
 - Below “Map Options” on the left side of the screen, select:
 - Color QCT Qualified Tracts (Zoom 7+)
 - Show Tracts Outline (Zoom 11+)

DISPROPORTIONATELY IMPACTED POPULATIONS

The Department of Treasury’s Final Rule provides additional local flexibility granted to the local recipients, such as the City of Worcester, to determine which general households or populations have been impacted and/or disproportionately impacted by the pandemic based on documented data or research. The local recipient may demonstrate that an individual household or business is within the class that experienced a negative economic impact, rather than requiring a recipient to demonstrate that each individual household or small business experienced a negative economic impact, because the impact was already identified for the class.



The City of Worcester has determined the following populations (cohorts of the overall city-wide population) were disproportionately impacted in the City of Worcester based on the current and pre-existing socioeconomic conditions, as well as COVID pandemic specific public health impacts, and are therefore presumed eligible beneficiaries:

- **Hispanic/Latino Population**
- **Black/African-American Population**
- **American Indian/Alaska Native Population**

ASSISTANCE BENEFICIARY

Treasury guidance allows further administrative flexibility by considering recipients of the following income restricted public programs and services as either impacted or disproportionately impacted by the pandemic, and therefore populations and households receiving them are deemed eligible beneficiaries of ARPA assistance:

- Children's Health Insurance Program (CHIP)
- Childcare Subsidies through the Child Care and Development Fund (CCDF) Program
- Medicaid
- Temporary Assistance for Needy Families (TANF)
- Supplemental Nutrition Assistance Program (SNAP)
- Free and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs
- Medicare Part D Low-income Subsidies
- Supplemental Security Income (SSI)
- Head Start and/or Early Head Start
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Section 8 Vouchers
- Low-Income Home Energy Assistance Program (LIHEAP)
- Pell Grants

LOW INCOME QUALIFICATION

For this purpose, the U.S. Treasury defines low- to moderate-income as:

- Income at or below 300 percent of the Federal Poverty Guidelines for the size of its household based on the most recently published poverty guidelines;
 - Income at or below 40 percent of area median income for its county and size of household based on the most recently published data.
- or

Applying the above criteria to current income data points for the City of Worcester, the table below highlights the household size and income that business owners would qualify as eligible to receive ARPA funding assistance:



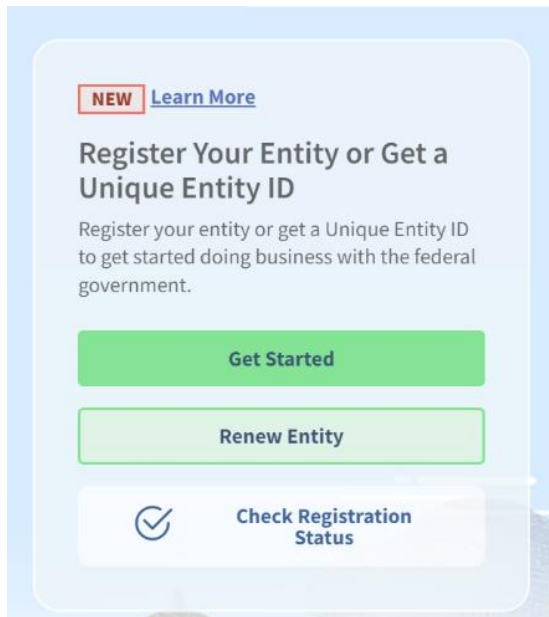
ARPA 2023 INCOME LIMITS								
2023 Income Limit Category	Persons In Household							
	1	2	3	4	5	6	7	8
Annual Income - Moderate	\$50,310	\$59,160	\$74,580	\$90,000	\$105,420	\$120,840	\$136,260	\$151,680

* Note: Determinations for all disproportionately impacted classes, listed above, are based on data from the following sources: U.S. Decennial Census, 2020 U.S. Census American Community Survey (ACS), 2018 U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy, 2019, 2020, and 2021 U.S. Bureau of Labor Statistics, and UMass Memorial Healthcare statistics collected for all the City of Worcester's COVID positivity and hospitalizations.

SAM.GOV REGISTRATION

All entity recipients of federal funds must be in conformance with the rules and regulations codified in 2 CFR 200. As stipulated by 2 CFR 200.332 (a) (i) and (ii), sub-recipient organizations (i.e. sub-grantee non-profits, businesses, contractors, etc.) that receive funding through this program will need to have a Unique Entity Identifier (UEI) issued through the federal System for Award Management (SAM.gov).

In order to begin registration, please visit [SAM.gov](https://sam.gov). Once there, on the right-hand side, you will see a window for registering your entity or to get a Unique Entity Identifier (UEI Number).



Once you click on the 'Get Started' tab, the website will walk you through the steps for completing the process. For technical assistance obtaining a UEI Number, please reach out to Vaske Gjino (GjinoV@worcesterma.gov) or Margie Breault (BreaultM@worcesterma.gov).



POST-AWARD GRANT ADMINISTRATION AND REPORTING

GRANT AGREEMENTS

All applicants that are ultimately chosen to receive ARPA funding awards through this program must enter into a grant agreement/contract with the City of Worcester for use of said funds. The grant agreement will contain requirements and expectations regarding federal and state regulations, citations, and provisions for grant compliance.

SCHEDULE FOR FUNDING

The City of Worcester must have all ARPA related funds contractually **obligated by December 31, 2024**, and **fully expended by December 31, 2026**.

ADDITIONAL ARPA PROGRAM INFORMATION AND GUIDANCE

For additional information regarding definitions, eligibility considerations, and more, applicants are encouraged to consult the U.S. Treasury's Final Rule or Overview, which are available at the City of Worcester's website at the below link under "Resources": [American Rescue Plan Act | City of Worcester, MA \(worcesterma.gov\)](#).

KEY DISCLOSURES AND NOTICES

- The application documents contained herein do not commit City of Worcester make an award, execute a contract, or pay for costs incurred in the preparation of said application, or to procure or contract in connection therewith. The City of Worcester reserves the right to accept or reject any or all applications received through this program, or cancel in part or in its entirety.
- The City may seek to obtain further information from any and all applicants as reasonably necessary and potentially waive any defects to form or content of any applications.
- The City of Worcester, and thus any sub-recipients awarded ARPA funding through an executed contract as a result of a program, project or service stemming from this application process, are generally subject to the requirements of the Code of Federal Regulations, Chapter 2 Part 200 (2 CFR Part 200), except when certain exemptions are enumerated in the U.S. Treasury's Final Rule.
 - Pursuant to 2 CFR 180, prior to making any awards and contracts for ARPA funded programs or services, the City of Worcester will conduct suspension and debarment check to ensure any sub-awards and contracts are not executed parties that have been debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.
- False statement or misrepresentations in application documents, or subsequent award contract documents, may automatically disqualify applicants and/or result in immediate repayment of federal funds to the City of Worcester.
- Upon submittal to the City of Worcester, all application documents become Public Record and property of the City of Worcester.



DIVERSE BUSINESS CERTIFICATION GRANT PROGRAM APPLICATION

Business Owner Name: _____

Business Legal Name: _____

Business Address: _____

Street

City, State, ZIP

Phone Numbers:

Cell

Business

Email Address: _____

Ownership/Management:

Name	% Interest Owned	Position Held

Business Type:

Sole Proprietor

Limited Liability Company (LLC)

Corporation

Partnership



What Year was Business Formed? _____

Business UEI Number: _____

*UEI Number not required upon submission of application but will be required prior to grant agreement.

TYPE OF BUSINESS (check one)

- Food and Nutrition
- Retail
- Arts, Entertainment, and Recreation
- Healthcare and Social Assistance
- Hospitality, Travel Planning and Services
- Construction
- Personal Services and Cosmetology
- Personal and Laundry Services
- Janitorial Services (Cleaning Business)
- Manufacturing
- Technology
- Transportation

Other: _____

Please provide a brief explanation of what the business does:



Which Certification will you be applying for with the Massachusetts Supplier Diversity Office (SDO)? Check as many that apply.

*You are encouraged to apply to as many certifications as you are eligible for but will only be awarded a grant for one certification.

- Minority-Owned Business Enterprise (MBE)
- Women-Owned Business Enterprise (WBE)
- Veteran-Owned Business Enterprise (VBE)
- Service-disabled Veteran Owned Business Enterprise (SDVOBE)
- Lesbian, Gay, Bisexual and Transgender Owned Business (LGBTBE)
- Disability-Owned Businesses (DOBE)

What stage are you in with your application process to the Supplier Diversity Office?

- I have not started my application yet.
- I am registered for an upcoming pre-certification webinar with SDO.
- Attended pre-certification webinar and in the process of applying.
- Applied and was notified that my documents were accepted.
- I have a pending onsite or virtual interview with a SDO investigator.
- Successfully applied and received State Certification Letter.

Application continued onto next page



DIVERSE BUSINESS CERTIFICATION GRANT PROGRAM

COMPLIANCE FORM FOR ARPA FUNDING

The Business Owner should complete this form regarding program eligibility. Federal regulations require that we determine eligibility for participants receiving services paid for, in part, by State and Local Fiscal Recovery Funds (SLFRF), which are provided by the United States Department of the Treasury. The service, or contract, provider should retain this form for monthly reporting requirements as well as for on-site monitoring visits.

INFORMATION PROVIDED ON THIS FORM IS KEPT CONFIDENTIAL AND IS NOT SHARED WITHOUT YOUR PERMISSION EXCEPT AS REQUIRED BY THE U.S. DEPARTMENT OF THE TREASURY TO CONFIRM INCOME ELIGIBILITY OF PARTICIPANTS IN SLFRF FUNDED PROGRAMS. THE CITY OF WORCESTER HAS THE RIGHT TO VERIFY ELIGIBILITY.

SELF-DECLARATIONS

SELF-DECLARATIONS

Please state your ethnicity and race from the boxes below.

Ethnicity (please select only one)

Hispanic or Latino

Not Hispanic or Latino

Race (please select only one)

White

Black/African American

Asian

American Indian/Alaska Native

Native Hawaiian/Other Pacific Islander

American Indian/Alaskan Native *and* White

Asian *and* White

Black/African American *and* White

American Indian/Alaskan Native *and* Black/African American

Other Multi-Racial: _____



HOUSEHOLD INCOME INFORMATION

1) Circle the household size below and proceed to question 2.

ARPA Income Limits as of 1/19/2023

Higher of FY2022 HUD 65% Income Limits or 2023 Federal Poverty Guidelines

Household Size	1	2	3	4	5	6	7	8
Income Limits	\$50,310	\$59,160	\$74,580	\$90,000	\$105,420	\$120,840	\$136,260	\$151,680

2) For the household size circled above, **is your income below** the income amount listed?
Please circle **YES** or **NO**

Do you partake in any of the following government programs? Please check all that apply.

- Children’s Health Insurance Program (CHIP)
- Childcare Subsidies through the Child Care and Development Fund (CCDF) Program
- Medicaid
- National Housing Trust Fund (HTF), for affordable housing programs only
- Home Investment Partnerships Program (HOME), for affordable housing programs only
- Temporary Assistance for Needy Families (TANF)
- Supplemental Nutrition Assistance Program (SNAP)
- Free and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs
- Medicare Part D Low-income Subsidies
- Supplemental Security Income (SSI)
- Head Start and/or Early Head Start
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Section 8 Vouchers
- Low-Income Home Energy Assistance Program (LIHEAP)
- Pell Grants



STATEMENT OF APPLICANT

Through my/our signature, I/we hereby certify the information provided in this application is complete and correct to the best of my/our knowledge. I am aware of eligibility requirements of the City of Worcester’s ARPA Diverse Business Certification Grant Program as outlined in this application, as well as by the U.S. Department of Treasury. I/we hereby certify that, to the best of my/our knowledge, I/we am/are eligible for assistance through the aforementioned program. Additionally, I/we hereby certify that I/we understand that if the City of Worcester finds my information to be fraudulently represented, I/we will be liable for repayment of all program funds, as well as other penalties, allocated under Federal Regulation 24 CFR Part 28.

I/we hereby authorize the City of Worcester’s Executive Office of Economic Development to independently verify the information provided in this application.

Applicant Signature: _____

Co-Applicant Signature: _____

Date: _____

SUBMISSION CHECKLIST & INSTRUCTIONS

DOCUMENT	COMPLETED	Notes
Completed Application	<input type="checkbox"/>	
Certification Letter Issued by SDO	<input type="checkbox"/>	Not required when submitting.
Completed W-9 Form	<input type="checkbox"/>	
Unique Entity ID # Received:	<input type="checkbox"/>	Not required when submitting.

Applications can be emailed electronically to ARPA@worcesterma.gov or physical submissions can be dropped off to Room 404 at City Hall, 455 Main Street, Worcester, MA 01608.

Applications will be accepted on a rolling basis until November 1st, 2024 at 5:00PM or until the funds are exhausted.