Small Business Eligibility (non-presumptive)

OVERVIEW

The US Treasury recognizes a range of negative economic impacts which SLFRF small business assistance could be considered responsive. All businesses, however, must demonstrate, that whatever economic harm they have experienced is due to the pandemic or derives from efforts implemented to responding to the pandemic, whether from shutdowns, inflationary pressures, supply-chain issues, or labor participation rates, to name just a few examples. The demonstration of economic harm is key and NCCC staff should ensure that any applicant qualifying in this (non-presumptive) eligibility category has sufficiently demonstrated this economic harm through proper documentary evidence, including narrative responses, where applicable.

Non-presumptive business categories are other than the following: a located in a Qualified Census Tract; Travel, Tourism & Hospitality Industry; Operated by Tribal Governments or on Tribal Lands and Fitness-related organizations. All other business fall under this non-presumptive category.

Therefore, unlike businesses qualifying under impacted industries, non-presumptive small businesses need to have been operating in January 2020 prior to the pandemic to receive aid.

There are numerous ways for small businesses under this section to qualify for aid by demonstrating pandemic-related losses using comparative data from prior-to and after the pandemic to capture the effect of mandatory shutdowns; using successive years during the pandemic, capturing the intensifying effects of inflationary, supply chain, and labor participation issues. For NCCC's program, three simple and allowable methods have been chosen:

1. Revenue declines from 2019 compared to either 2020 or 2021 used primarily to capture losses from mandatory shutdowns. Losses should be at or in excess of the net of all public assistance reported on the application form and the amount of the intended NCCC award;

2. Comparative increases in payroll costs or employee retention costs or challenges:
    a. Increased payroll costs will be demonstrated through obtaining reports from 2019 and comparing to either 2020, 2021 and 2022, or, because payroll costs were strongly affected by inflationary pressures due to pandemic money-printing and supply-chain issues, by comparing 2020 and 2021 data. Losses should be clear and significant, defined for this category at around 10% or more of labor costs increase;
    b. Employee retention issues may be documented by FTE comparisons from 2019 compared to either 2020, 2021 and 2022, or, because employee retention has been an issue due to persistent difficulties in the labor participation rate, comparing 2020 figures to 2021. Losses should be clear and significant, defined for this category as 20% or more FTE loss;

3. Comparative increases in costs of goods sold (COGS) due to supply chain issues, inflationary pressures, or losses due to unavailability of goods. Any quarter-over-quarter or year-over-year COGS reports derived from the business's accounting system (2020, 2021 and 2022 used for year comparisons) will suffice; and

Whole year comparisons should be used between 2019-2021 and 6 month for 2022. To tie losses to negative effects of the pandemic, applicants with eligibility will be required to describe how the pandemic has impacted their business according to the qualifying category chosen, above.

NCCC staff will use professional judgment in determining whether any single business qualifies under the conditions and categories outlined, above.

All applicants applying under the Small Business Eligibility (non-presumptive) classification must be located in the North Clackamas Chamber's service area: that includes only these Zip Codes: 97015, 97086, 97089, 97222 & 97267.