

## **PROJECT OVERVIEW**

Mercer County and Hightstown received Community Development Block Grant CARES Act (CDBG-CV) funds from the NJ Department of Community Affairs – Small Cities program. The CDBG-CV1 round of funding was awarded specifically for use in Hightstown. Mercer County and Hightstown have determined to provide grants to qualifying Non-profits, Microenterprises and Small Businesses.

The Hightstown Grant Program is geared to provide direct aid to small businesses and non-profits in our community that are likely to have experienced hardship and/or are willing to provide new jobs or public service. In an effort to aid the most number of entities in need in Hightstown, this program has been set up with three different eligibility categories. Entities eligible to apply will include:

- Small Business (under 50 employees; less than \$5M in revenue)
- Microenterprise (5 employees or less, of which at least one is the owner)
- Non-profit (located in Hightstown, NJ; IRS non-profit category tax ID certificate)
- All Entities would need to be registered as a business/non-profit prior to December 31, 2021 and be located within Hightstown at time of application through to program closeout.

Implementation of the Hightstown Grant Program will be completed under GrantWorks Inc. GrantWorks was awarded a contract to provide CDBG-CV Program Management services for Mercer County per County Commissioners' Resolution 2023-03. GrantWorks provides an online application portal that will be accessible via tablet, laptop or computer. This portal will allow for easy document uploads via traditional document upload methods or via photo capabilities of tablets and laptops. After the collection of application and eligibility documentation, GrantWorks will review applications, and request additional documentation as needed. Grant funds will be delivered from Mercer County as a bank check made payable to the person or entity identified on the business's NJ registration.

The program will be advertised and launched on May 1, 2024 via website, e-blast, electronic newspapers, through community development and economic development partner networks and neighborhood campaigns. Also, the first Application Assistance/Workshop Event is scheduled for Friday, June 7<sup>th</sup> from 1pm – 6pm at the Hightstown Library at 114 Franklin St., Hightstown, NJ. Any additional events will be publicized via email blasts, flyers and portal notifications.

All funds earmarked for the Hightstown Grant Program must be awarded by December 30, 2024. Per the guidelines, all CDBG-CV funds must be expended prior to June 1, 2026.

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Following are the guidelines for the implementation of the Hightstown Grant Program.

For additional information on CDBG-CV compliance policies and publications – please visit the Mercer County’s Economic Development Department CDBG-CV page for more information here:

<https://www.mercercounty.org/work/economic-development/cdbg-cv-grant>

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# Mercer County CDBG-CV1 Hightstown Grant Program

## **GRANT INVITATION TO REGISTER**

1. Those interested in applying to the program will Register for access to the secure QuickBase platform. Once their secure log-in credentials have been set up – they will receive an emailed Invitation to Apply for the grant.
2. The Application Portal is accessible only through the link provided in their email invitation. This separation of QuickBase registration and the invitation for application provides for security of the applicant’s personal information and the confidential information that will be requested within the application portal. Please see Mercer County’s CDBG-CV Program policy and procedures section within this document for more information on protection of Personal Identification Information (PII), Conflicts of Interest and other areas.
3. The first page of the Application Home Page serves two purposes – to provide a single location for CDBG-CV1 program documents (policies & procedures, notices, etc) and to provide access to their business applications. A single email address/person may submit multiple grant applications if they own/manage more than one business and/or non-profit.
4. The person who submits the application should be someone identified in the certificate of formation and other representative documentation (tax returns, leases, signatories, etc).

## **APPLICATION**

After clicking to view their application portal, the applicant can start the grant application by clicking on the ‘Add New Entity Application’ button. This will generate their application (of which they may submit multiple, one for each registered business/non-profit entity) – and it will be assigned a unique application ID.

**STEP1: Application Details** – this tab has no input information – just access to all program documents for ease of reference during open application (eligibility criteria, FAQs and outreach event updates).

**STEP 2: Entity Information** – the applicant’s Entity information will be collected here (name, NJ DORES ID, contact info, etc) – and provide verification of registration with the State through NJ DORES.

**STEP 3: Eligibility** – This section aims to collect information that will assist in program eligibility determination. This page includes various items that need to be checked: location, tie-back to the COVID-19 pandemic, aiding Low-and-Moderate Income (LMI) people and fitting within one of the National Objective requirements and their related guidance for eligibility reviews.

*“The CARES Act did not suspend the requirement to meet a national objective [for all CDBG funds], so you must ensure that every activity carried out with CDBG-CV funds will do so. Every CDBG-CV funded activity must meet the standards for one of the following three CDBG National Objectives.*

- *An activity that benefits low- and moderate-income (LMI) persons*

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- *An activity designed to meet community development needs having a particular urgency. The activity must be designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, and the recipient must demonstrate inability to finance the activity on its own and that other sources of funding are not available.*
- *An activity that aids in the prevention or elimination of slums or blight*

*The proposed activity must achieve one of these national objectives before you can proceed with a final decision to use CDBG-CV funds.”<sup>1</sup>*

**STEP 4: Duplication of Benefits** – This section collects from the application information on other funding/assistance received relate to the COVID-19 Pandemic.

*“A duplication of benefits (DOB) occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose within the same time period, and the total assistance received for that purpose is more than the total need for assistance. Within the CDBG-CV program, all grantees are bound by [Section 312 of the Stafford Act](#), as amended by the Disaster Recovery Reform Act, and the OMB Cost Principles within [2 CFR part 200](#) that require all costs to be “necessary and reasonable for the performance of the Federal award.”*

*To comply with DOB requirements, you are required by the CARES Act to establish and follow policies and procedures to ensure that DOB does not occur. Establishing a process to effectively identify and prevent duplication of benefits is critical for you to manage the multiple active funding streams related to coronavirus response and efficiently target CDBG-CV resources to meet unmet needs within your community.”<sup>2</sup>*

**STEP 5: Demonstrated Economic Loss** – Small Business and Non-Profit Entities will need to provide documentation of need in this section. This is done by providing copies of 3 consecutive years of tax returns. Documentation of Loss and/or increased expenses during the stated time period serves to tie the needs and request to the COVID-19 pandemic. Microenterprises’ eligibility was determined in STEP 3 – where eligibility is verified solely through LMI income determinations of the owner(s).

**STEP 6: Applied Funds Budget** – Awarded applicants will be required to use the fund for eligible purposes. At application, Entities will be required to put together a budget of how the awarded funds will be used. After award and issuance of the first half of awarded funding, Entities will be required to provide receipts or payroll reports that support how awarded funds were expended post award execution. This will be required for closeout and issuance of the second half of awarded funding.

**STEP 7: Acknowledgements & Submission** – Prior to submission, the applicant Entity will be required to acknowledge the eligibility, performance and reporting requirements associated with the program.

**STEP 8: Agreement & W-9 Form** – Should the applicant be deemed eligible, the awarded Entity will be required to executed the grant agreement and provide a completed W-9 form. Awarded Entities may

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<sup>1</sup> <https://www.hudexchange.info/programs/cdbg-cv/cdbg-cv-toolkit/national-objectives/>

<sup>2</sup> <https://www.hudexchange.info/programs/cdbg-cv/cdbg-cv-toolkit/duplication-of-benefits/>

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also be asked to revise STEP 6 Budget based on the actual amount awarded. After execution, Mercer County will issue the first (50%) payment of the awarded funds.

**STEP 9: Reporting, Monitoring and Invoicing** – Post Award, the awarded Entity may provide the documents needed for closeout and final payment through the Portal. See the Section below about Reporting, Monitoring and Invoicing for more information. Upon collection of all documentation, Mercer County will issue the final (50%) payment and close the file.

All communications via email, phone and through portal-generated notices will be tracked for each applicant. All communications and documentation will be accessible in both English and Spanish. If any other translations are needed, please send an email to [MercerHightstownGrant@grantworks.net](mailto:MercerHightstownGrant@grantworks.net)

## **ELIGIBILITY REVIEW**

### **Non-profits**

- A. STEP 2: Entity Information
  - a. Entity Name & Contact information
  - b. Selection of funding category: Non-profit, Microenterprise or Small Business.
  
- B. STEP 3: Eligibility
  - a. GW will complete a State Debarment search as well as a search through SAM.gov to confirm that the applicant is not debarred from receiving federal funds.
  - b. The business registration Address provided in STEP 2 should match what can be found in NJ DORES Registration.
  - c. The physical location Address provided in STEP 2 should either match what can be found in NJ DORES Registration (as will be confirmed through NJ DORES ID provided), the Tax Returns or Financial Audits provided (as uploaded in STEP 5) OR supported by a long-term lease or mortgage (can be uploaded in support documentation section). Physical location should be in Hightstown, NJ – and be the location from which LMI services are provided.
  - d. NJ DORES Registration will be used to confirm establishment prior to December 31, 2021. And provide information on responsible CFO, CEO or agent of record. If the NJ DORES Registration does not indicate that the non-profit is registered prior to December 31, 2021 – then applicant may submit alternative information such as IRS 501(c)(3) certificate or actual NJ Business Registration Certificate that predates.
  - e. Submit your IRS 501(c)(3) Certificate of non-profit status to confirm non-profit status and to assist with establishing registration prior to December 31, 2021.
  - f. Applicant must be up-to-date on State, County and Municipal taxes and fees.

- i. When confirming NJ DORES Registration on the NJ State website – if the file is flagged – it will be marked as ‘missing information’ and the applicant will need to address the issue with the state prior to continuing
  - ii. Applicant may reach out to the State, County and Municipal resources provided to confirm status on taxes and fees. Applicant should address any outstanding balances and then continue the application submittal.
- a. Non-profit applicant must ‘exclusively’ service low-income (HUD LMI) or ‘HUD limited clientele.’ Applicant shall provide documentation demonstrating that past and future services exclusively benefits Low- and Moderate-Income Households (LMI) in one of the following ways:
- i. Eligibility for services limited to those who qualify under HUD’s definition of LMI<sup>3</sup> and who’s service eligibility review includes collecting household income documentation in order to verify HUD LMI status. A self-certification of LMI income status for each benefitting person can serve as documentation.

**FY 2024 INCOME LIMITS DOCUMENTATION SYSTEM**

[HUD.gov](#) [HUD User](#) [Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

**FY 2024 Income Limits Summary**

FY 2024 Income Limit Area	Median Family Income <a href="#">Click for More Detail</a>	FY 2024 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Trenton, NJ MSA</b>	\$125,900	Very Low (50%) Income Limits (\$) <a href="#">Click for More Detail</a>	44,100	50,400	56,700	<b>62,950</b>	68,000	73,050	78,100	83,100
		Extremely Low Income Limits (\$)* <a href="#">Click for More Detail</a>	26,450	30,200	34,000	<b>37,750</b>	40,800	43,800	47,340	52,720
		Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	68,500	78,250	88,050	<b>97,800</b>	105,650	113,450	121,300	129,100

NOTE: **Mercer County** is part of the **Trenton, NJ MSA**, so all information presented here applies to all of the Trenton, NJ MSA.

- ii. Service(s) are limited to those who also qualify for TANF, SNAP, Section 3 employment, Section 8 housing, or other similar services or government-sponsored programs with income eligibility requirements. Confirmation of program participation is adequate documentation of LMI status.

3  
[https://www.huduser.gov/portal/datasets/il/il2023/2023summary.odn?STATES=34.0&INPUTNAME=METRO45940M45940\\*3402199999%2BMercer+County&stalist=&stname=New+Jersey&wherefrom=%24wherefrom%24&statefp=34&year=2023&ne\\_flag=&selection\\_type=county&incpath=%24incpath%24&data=2023&SubmitButton=View+County+Calculations](https://www.huduser.gov/portal/datasets/il/il2023/2023summary.odn?STATES=34.0&INPUTNAME=METRO45940M45940*3402199999%2BMercer+County&stalist=&stname=New+Jersey&wherefrom=%24wherefrom%24&statefp=34&year=2023&ne_flag=&selection_type=county&incpath=%24incpath%24&data=2023&SubmitButton=View+County+Calculations)

- iii. Service(s) are restricted to those who are members of one or more of the following limited clientele (presumed LMI) categories: abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers.
  - g. Documentation explaining how the funding will provide a new public service, or a quantifiable increase above the level of an existing service that has been provided by the non-profit in the past. Non-profit must provide services exclusively to LMI qualified individuals or households and/or to Limited Clientele.
- C. STEP 4: Duplication of Benefits
  - a. Entities need to certify to and list other sources of COVID-19 assistance received.
  - b. A search of USAspending.gov will be conducted to check if funding was issued. Other search databases may also be utilized to verify other COVID-19 assistance amounts received (or not).
  - c. Audited financials and programmatic funding documents will also be reviewed to confirm if increased service needs have been covered by alternate funding sources. Additional documentation will be requested as needed via a 'missing information' email.
- D. STEP 5: Demonstrated Economic Loss
  - a. Documentation (tax returns or audited financials (preferred)) showing a demonstrated loss of funding or increase in expenses due to additional service needs during the COVID-19 affected time-frame (between 2019 and 2023).
- E. STEP 6: Applied Funds Budget
  - b. Grant award calculated based on the budget and proposed expanded public service project – capped at \$40,000. Submit the various lines of the budget (or line) and provide a description of the program expansion. Upload documentation that shows historical costs for program implementation that supports the requested budget amount.
  - c. The Budget provided must be the amount of the grant funds requested – that can be expended within 12 months from the grant agreement execution date. Projections of need and expected participation rates going forward should be based on documentation of historic data.
- F. STEP 7: Acknowledgements & Submission
  - a. Entities will need to certify that they have not recently engaged in business expansion projects (additional locations, building additions, etc) that would result in a 'loss' year in the tax returns provided or 'increased expense' in financial audits. Consideration will be made for construction additions made specifically to meet COVID-19 specific distancing requirements or additional medical space needs, etc.
  - b. Entities would need to certify that they are not currently the subject of unresolved findings of noncompliance related to previous CDBG assistance and are not debarred by State or Federal government.
  - c. Other programmatic acknowledgements are all required for Submission.

## **Microenterprises**

- A. STEP 2: Entity Information
  - a. Entity Name & Contact information
  - b. Selection of funding category: Non-profit, Microenterprise or Small Business.
  
- B. STEP 3: Eligibility
  - a. GW will complete a State Debarment search as well as a search through SAM.gov to confirm that the applicant is not debarred from receiving federal funds.
  - b. The business registration Address provided in STEP 2 should match what can be found in NJ DORES Registration.
  - c. The physical location Address provided in STEP 2 should either match what can be found in NJ DORES Registration (as will be confirmed through NJ DORES ID provided), the Tax Returns provided (as uploaded in STEP 3) OR supported by a long-term lease or mortgage (can be uploaded in support documentation section). Physical location should be in Hightstown, NJ.
  - d. NJ DORES Registration will be used to confirm establishment prior to December 31, 2021. And provide information on owner of record. If the NJ DORES Registration does not indicate that the business is registered prior to December 31, 2021 – then applicant may submit alternative information such as the actual NJ Business Registration Certificate that predates.
  - e. Applicant must be up-to-date on State, County and Municipal taxes and fees.
    - i. When confirming NJ DORES Registration on the NJ State website – if the file is flagged – it will be marked as ‘missing information’ and the applicant will need to address the issue with the state prior to continuing
    - ii. Applicant may reach out to the State, County and Municipal resources provided to confirm status on taxes and fees. Applicant should address any outstanding balances and then continue the application submittal.
  - f. Applicant shall confirm that total gross revenues are less than \$3m (or \$5m for restaurants). This will be verified via the tax returns submitted.
  - g. Microenterprises have 5 full-time employees or fewer (including the owner(s)). This is verified through the submittal of NJ WR-30 forms/reports submitted for two consecutive years (2022 & 2023). This will be used to verify and document total full-time and part-time employees. Part-time employees are those who work 20 hours or less per week and will count as 0.5 of a full-time employee.
  - h. Applicant shall submit 3 consecutive years of tax returns – and can provide from between 2019 and 2023.
    - i. If there is a single owner – that owner’s income shall be less than \$68,500 to qualify as LMI. If the single owner’s tax returns demonstrate an annual income



- over that amount – the applicant will be notified and requested to submit an application under the ‘small business’ category (as indicated in STEP 2).
- ii. If there are two unrelated (non-married) owners – each owner should individually not earn more than \$68,500. Provide tax returns for both owners.
  - iii. If there are two married owners – provide tax returns of both or the joint tax return. Need to also provide information on any dependents included in the family unit – such as the total number included in tax returns. Income limits will be based on family size per the HUD 2024 Income limits chart.

**FY 2024 INCOME LIMITS DOCUMENTATION SYSTEM**

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		Extremely Low Income Limits (\$)* <a href="#">Click for More Detail</a>	26,450	30,200	34,000	<b>37,750</b>	40,800	43,800	47,340	52,720
		Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	68,500	78,250	88,050	<b>97,800</b>	105,650	113,450	121,300	129,100

NOTE: **Mercer County** is part of the **Trenton, NJ MSA**, so all information presented here applies to all of the Trenton, NJ MSA.

- C. STEP 4: Duplication of Benefits
  - a. Entities need to certify to and list other sources of COVID-19 assistance received.
  - b. A search of USAspending.gov will be conducted to check if funding was issued. Other search databases may also be utilized to verify other COVID-19 assistance amounts received (or not).
- D. STEP 5: Demonstrated Economic Loss – not needed for Microenterprises
- G. STEP 6: Applied Funds Budget
  - a. Grant award fixed at \$20,000 for LMI Microenterprises for post-award working capital expenditures only; construction and equipment installation costs are ineligible. Submit the various lines of the budget (or line) and provide a description of the project expenses.
  - b. The Budget provided must be the amount of the grant funds requested – that can be expended within 12 months from the grant agreement execution date.
- H. STEP 7: Acknowledgements & Submission

**I. STEP 7: Acknowledgements & Submission**

- a. Entities will need to certify that they have not recently engaged in business expansion projects (additional locations, building additions, etc) that would result in a 'loss' year in the tax returns provided or 'increased expense' in financial audits. Consideration will be made for construction additions made specifically to meet COVID-19 specific distancing requirements or additional medical space needs, etc.
- b. Entities would need to certify that they are not currently the subject of unresolved findings of noncompliance related to previous CDBG assistance and are not debarred by State or Federal government.
- c. Other programmatic acknowledgements are all required for Submission.

**Small Businesses**

**A. STEP 2: Entity Information**

- a. Entity Name & Contact information
- b. Selection of funding category: Non-profit, Microenterprise or Small Business.

**B. STEP 3: Eligibility**

- a. GW will complete a State Debarment search as well as a search through SAM.gov to confirm that the applicant is not debarred from receiving federal funds.
- b. The business registration Address provided in STEP 2 should match what can be found in NJ DORES Registration.
- c. The physical location Address provided in STEP 2 should either match what can be found in NJ DORES Registration (as will be confirmed through NJ DORES ID provided), the Tax Returns provided (as uploaded in STEP 5) OR supported by a long-term lease or mortgage (can be uploaded in support documentation section). Physical location should be in Hightstown, NJ.
- d. NJ DORES Registration will be used to confirm establishment prior to December 31, 2021. And provide information on owner of record. If the NJ DORES Registration does not indicate that the business is registered prior to December 31, 2021 – then applicant may submit alternative information such as the actual NJ Business Registration Certificate that predates.
- e. Applicant must be up-to-date on State, County and Municipal taxes and fees.
  - i. When confirming NJ DORES Registration on the NJ State website – if the file is flagged – it will be marked as 'missing information' and the applicant will need to address the issue with the state prior to continuing
  - ii. Applicant may reach out to the State, County and Municipal resources provided to confirm status on taxes and fees. Applicant should address any outstanding balances and then continue the application submittal.

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- f. Applicant shall confirm that total gross revenues are less than \$5m. This will be verified via the tax returns submitted.
  - g. Small Businesses shall have 50 full-time employees or fewer (including the owner(s)). This is verified through the submittal of NJ WR-30 forms/reports submitted for two consecutive years (2022 & 2023). This will be used to verify and document total full-time and part-time employees. Part-time employees are those who work 20 hours or less per week and will count as 0.5 of a full-time employee.
  - h. Grant award calculated based upon the retention or creation of up to 2 jobs total using either one or both of the following methods:
    - i. Job Retention: based on documented losses (and/or increased expenses related to safety updates) due to COVID-19 pandemic and a description of how the job(s) will be lost without the CDBG assistance– capped at \$20,000 per LMI job retained.
    - ii. Job Creation: must demonstrate an economic loss –the award is based on number of new jobs to be created and fixed at \$20,000. If an applicant commits to create 2 jobs, they are eligible for up to \$40,000 (\$20,000 for each job created, posted and held by an LMI person for at least 16 weeks).
    - iii. For those small businesses without a storefront – the grant allocated per job retained or created will be capped at \$10,000 – with a maximum of two jobs for a total of \$20,000
- C. STEP 4: Duplication of Benefits
- a. Entities need to certify to and list other sources of COVID-19 assistance received.
  - b. A search of USAspending.gov will be conducted to check if funding was issued. Other search databases may also be utilized to verify other COVID-19 assistance amounts received (or not).
  - c. Audited financials and programmatic funding documents will also be reviewed to confirm if increased service needs have been covered by alternate funding sources. Additional documentation will be requested as needed via a ‘missing information’ email.
- D. STEP 5: Demonstrated Economic Loss
- a. Documentation (tax returns) showing a demonstrated loss of funding or increase in expenses due to additional service needs during the COVID-19 affected time-frame (between 2019 and 2023). Minimum documented loss is set at \$2,000.
- E. STEP 6: Applied Funds Budget
- a. Grant award fixed at \$10,000 (for non-storefront) and \$20,000 (for storefront businesses) per LMI job retained or created. Grant funds may be used for post-award working capital expenditures only; construction and equipment installation costs are ineligible. Submit the various lines of the budget (or line) and provide a description of the project expenses.

- b. The Budget provided must be the amount of the grant funds requested – that can be expended within 12 months from the grant agreement execution date.
- F. STEP 7: Acknowledgements & Submission
- d. Entities will need to certify that they have not recently engaged in business expansion projects (additional locations, building additions, etc) that would result in a ‘loss’ year in the tax returns provided or ‘increased expense’ in financial audits. Consideration will be made for construction additions made specifically to meet COVID-19 specific distancing requirements or additional medical space needs, etc.
  - e. Entities would need to certify that they are not currently the subject of unresolved findings of noncompliance related to previous CDBG assistance and are not debarred by State or Federal government.
  - f. Other programmatic acknowledgements are all required for Submission.
  - i. Small Business Applicants must certify and provide supporting documentation for one of the following Low Mod Job Creation or Retention Activities (LMJ) criteria:
    - iv. Job Retention: Applicant will certify that they are going to be ending an employment position imminently and that it is due to economic conditions. Applicant will provide documentation in support of the statement. The position must pay no more than 80% of the one-person AMI (\$68,500) annually to qualify.
    - v. Job Creation: Applicant will certify that they will be opening up a new LMI position after award of grant. Provide the new job title, prerequisites for hire and total annual salary amount (FTE). The position must pay no more than 80% of AMI (\$68,500) annually to qualify.

## **USE OF FUNDS**

All applicants will be required to provide an estimated budget and use of funds. The use of funds is not a factor in determining eligibility – however, any indicated ineligible uses will be flagged and must be revised prior to award. The budget and use of funds review will also occur after the total eligible award amount has been determined – in order to align budget to final award allocation amount.

*Non-profits* will be requested to complete the budget to indicate how funds will be applied to support your non-profit’s additional services going forward – up to \$40,000 – to be completed within a year. You may not be awarded the maximum amount allowable per program guidelines – but the program is collecting draft budget information for the full amount.

*Microenterprises* will be requested to complete the budget to indicate how funds will be applied to support your business – up to \$20,000.

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*Small Businesses* will be requested to complete the budget to indicate how funds will be applied to support the business. You will need to complete up to \$20,000 of expenses if you do not have a storefront and up to \$40,000 of eligible expenses if you do have a storefront. The awarded amount is dependent upon whether the business operates out of a storefront and the number of jobs retained and/or created - collecting draft budget information for full possible amount.

1. Eligible uses for microenterprises and small businesses:

- Payroll
- Rent
- Supplies, machinery, and/or equipment including PPE, and materials needed to operate and/or maintain a safe work environment for staff and patrons from COVID-19
- Utilities
- Employee training
- Expenses necessary for the long-term establishment, stabilization, and (non-construction) expansion of microenterprises and small businesses

2. Eligible uses for nonprofit public service purposes:

- Staff cost for program delivery that benefits low-and moderate-income households
- Rent of space for program operations
- LMI program costs including supplies, machinery, equipment including PPE, and materials needed to operate and/or maintain (non-construction) the portion of a facility in which the public service is located
- LMI program capacity non-construction expansion
- WIFI/communication enhancements, upgrades, or non-construction expansions

3. Ineligible and nonrefundable expenses include:

- Replacement of other, existing grant funding source(s) identified for the same purpose
- Construction, including building renovations, rehabilitation, or alterations including equipment installation that requires use of licensed contractors or permits
- Acquisition of real property
- Relocation
- Building demolition
- Activities relating to energy conservation and renewable energy resources
- Payment of non-business expenses (Personal credit cards, home repairs, personal vehicle, personal phone bill, personal internet bill, etc)
- Direct financing to political activities
- Religious activities, such as worship, religious instructions, or to inhibit religious interest
- Cost previously covered by alternative federal, state, or local grant funding
- Personal use purchases of drugs, tobacco, alcohol, food and entertainment
- Non-business travel

## **AWARD**

Once an applicant has been approved for an award, they will be asked to complete a W-9 and sign the Beneficiary Project Agreement forms. This includes the applicable terms and conditions, approved budget and scope and monitoring agreement. A draft of the agreement would be provided within the application portal – available for review prior to submitting an application. Awarded Entities may also be asked to revise STEP 6 Budget based on the actual amount awarded. Upon completion of the form, any budget updates, and receipt of an acceptable W-9; the first disbursement of funds will be issued. The payment will be issued via bank check from Mercer County to the entity identified in the W-9 – and as supplied within the application.

## **DISBURSEMENT AND MONITORING OF FUNDS**

Funds will be distributed to each awardee in two payments. The first payment (50%) will be provided upon award and the second (50%) once ALL funds have been expended and documentation of eligible expenditures provided. Awardee will need to provide documentation of eligible expenditures for the second allocation in order to be successfully closed out of the program and avoid potential recapture.

1. Non-Profits will need to provide documentation of how the funds were used on increased LMI public services – as submitted in the application budget request.
2. Microenterprises will have 1 year to document how funds have been expended on eligible uses.
3. For Small Businesses that elected Job Creation or Retention; the grant funds are not required to be used for payment of the retained or newly created job(s) salary. It can be used for any of the eligible uses previously listed. However, awarded small businesses cannot closeout and are in danger of recoupment if they cannot demonstrate that the promised job position(s) has been posted, filled and maintained for at least 16 weeks straight within 1 year of grant award.

Additionally, Entity shall submit written information reasonably necessary to document the job creation and/or retention and all eligible CDBG-CV expenditures, with said information including, without limitation:

- i. [for small businesses] number of employees, employee names, employee addresses, wages paid per position, and number and types of jobs created and retained under the Program.
- ii. receipts and other expense documentation supporting Entity's use of Grant Funds for eligible CDBG-CV expenditures.
- iii. such financial and other information from Entity (and, if sole proprietorship or partnership, from the sole proprietor or the general partner(s)), requested by the County for the term of this Grant Agreement, including, without limitation, federal tax returns.

**All Entities** will provide to the County their first eligible expenditure report within **3 months** from the receipt of 1<sup>st</sup> disbursement of funds and will submit eligible expenditure reporting documentation equivalent to an amount no less than the first disbursement within **6 months** from Grant Agreement execution. Entity will provide their final eligible expenditure reporting documentation equivalent to the remaining grant award and proof of all job creation / retention commitments as applicable **no later than 12 months from date of Grant execution.**

## **CLOSEOUT**

The closeout of a grant is a process in which HUD/NJ DCA determines that all applicable administrative and program requirements of the grant were completed. Once Mercer County determines that all of the funds were expended and the activities were completed, or if NJ DCA requests initiation of the closeout process; the assigned office will proceed with grant closeout.

To ensure that the criteria for closeout have been met, Mercer County will review the following for consistency with the following HUD files and systems:

- Line of Credit. Check to determine if Mercer County has any remaining funds in the line of credit. Any remaining funds will be canceled through the closeout process.
- Audit Reports and Monitoring Letters. Review project complete files to determine if there are any unresolved monitoring, audit findings, and/or citizen complaints.
- Financial Status Reports. Check to determine all grant funds have been drawn down from NJ DCA and all activities have been completed.

Once NJ DCA determines that the criteria for closeout were met, NJ DCA will complete and provide a Closeout Certification. If there are any remaining unused funds in the grant, NJ DCA will recapture these CDBG-CV funds. NJ DCA is then responsible for closing the grant in DRGR with HUD.

### **Duplication of Benefits review & notification:**

If additional funds were received by the applicant from Insurance, SBA, or any other source that would be considered duplicative, the applicant must send an email to [MercerHightstownGrant@grantworks.net](mailto:MercerHightstownGrant@grantworks.net). Once the additional DOB has been reported and documented in the Portal – GW will provide a review and re-determination of the awarded funds.

### **Subrogation & Collection:**

During the closeout process GW will review DOB for each applicant by running a report from [USASpending.gov](http://USASpending.gov). If the DOB increased from the time of application or an amount was incorrectly identified, the applicant will need to pay back the difference in funds to the program. GW will notify Mercer and provide the following information:

- Applicant Entity Name and Address;

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- Type of fund that had an increased award and/or was initially omitted in the DOB Tab; and
- The amount to recapture.

Mercer County will send a letter to the applicant requesting the return of funds or contest with the determination. If you are contesting, please provide the official documents from the source of additional funds and repayments of the funds. If you have repaid the funds and have the related documentation for such – please provide all supporting documentation.

If the applicant does not respond within 30 days, the program will send a final letter (including a monetary amount for the default) stating the applicant has 10 days to respond or they will be sent to legal and/or monitoring staff. If there is no response, the program will send an email, including the letters sent, to legal and monitoring staff members to address the file. The email will state: ‘Program has identified a concern with the applicant listed at <address> regarding <identify the non-compliance issue>. Mercer County requested documentation from the applicant, provided a 30-day timeframe to remedy the concern, but no response was received. The program is referring this applicant to Mercer County’s legal staff and the NJ DCA monitoring team for enforcement of the note and notification of non-compliance, for further coordination between the two groups.

**Record Retention and Access**

Mercer County will establish and maintain such records as may be necessary to facilitate review and audit by HUD or NJ DCA of Mercer County’s administration of CDBG-CV funds under 24 CFR § 570.493. All records documenting funding decisions will be kept, regardless of the organizational level at which final funding decisions are made, so that they can be reviewed by HUD, the Inspector General, NJ DCA, the Government Accountability Office, and citizens pursuant to the requirements of 24 CFR § 570.490. Representatives of HUD, NJ DCA, the Inspector General, and the General Accounting Office will have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG-CV funds and necessary to facilitate such reviews and audits. All records of Mercer County will be retained for the greater of five (5) years from closeout of this grant. All physical and electronic records, following closeout of this grant, will be maintained by the Mercer County Department of Economic Development and Mercer County Records.

**DOCUMENT RETENTION POLICY**

This policy section is intended to provide the general protocols, guidance and framework for the files, records, and reports used and stored by Mercer County (and their CDBG-CV representatives) for the purposes of carrying out the CDBG-CV funded programs during the contractual period of performance and throughout the CDBG-CV required retention period.

It is the policy of Mercer County to follow Federal, State, County and NJ DCA Small Cities record retention requirements as it expends funds pursuant to the CDBG-CV award. Accordingly, Mercer County agrees to:



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- Retain all financial and programmatic records related to the use and expenditure of SLFRF pursuant to the CDBG-CV award for a period of five (5) years after all CDBG-CV funds have been expended or returned to NJ DCA, whichever is later.
- Ensure that the financial and programmatic records retain sufficient evidence compliance with the CARES Act (Public Law 116-136), and guidance issued by HUD and NJ DCA regarding the foregoing.
- Allow the NJ DCA, HUD, Office of Inspector General and the Government Accountability Office, or their authorized representatives, the right of timely and unrestricted access to any records for the purpose of audits or other investigations.
- If any litigation, claim, or audit is started before the expiration of the 5-year period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved.

**Disposition of Document Records & Storage:** Mercer County's records must/will be stored in a safe, secure, and accessible manner. The GrantWorks GW20/20 Portal will maintain reliability to ensure records are accurate and available, preserve authenticity to protect against unauthorized access, and provide usability to staff so that records can be easily found and updated. Information shall be transferred to Mercer County and designated CDBG-CV project managers at key points throughout the project.

Mercer County will carry out this plan in its entirety with a preference for digitally stored data, password protection and limited building/file access. All Projects that involve personally identifiable information (PII) or any data deemed as sensitive or confidential in nature, shall be managed appropriately. PII Data is in reference to but not limited to individual/applicant name, address, driver's license number, income level, or other personal information for determining identity and/or project eligibility. The *Personally Identifiable Information (PII) Plan (below)* addresses specific steps to ensure potential PII data is handled and maintained in a secure and confidential manner. Mercer County (and their representatives) agrees to comply with all local, state, and federal regulations regarding handling, release, or disclosure of such information.

**Reporting Policy Violations:** Mercer County is committed to enforcing this policy as it applies to all forms of records. Any employee that suspects the terms of this policy have been violated shall report the incident immediately to that employee's supervisor. If an employee is not comfortable bringing the matter up with the supervisor, the employee may bring the matter to the attention of Anthony Carabelli, Jr., Director of Mercer County Office of Economic Development. Mercer County prohibits, any form of discipline, reprisal, intimidation, or retaliation for reporting incidents of inappropriate conduct of any kind, pursuing any record destruction claim, or cooperating in related investigations.

**Questions About the Policy:** Any questions about this policy should be referred to Anthony Carabelli Jr. 609.989.6059; acarabelljr@mercercounty.org who oversees administering, enforcing, and updating this policy. All revised policies should be clearly tracked and shared, and contingent on nature of revisions, may also require additional approval.

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**Project Closeout:** Mercer County (and its representatives) will identify and collect applicable records for each project carried out with CDBG-CV funding. Mercer County will work with the designated CDBG-CV Project Manager to ensure all records are transferred in a secure, efficient, and timely manner. Mercer County will continue to update and improve upon this Document Management and Record Retention Policy as additional best practices are identified or should NJ DCA or HUD provide new relevant information related to record keeping and compliance.

**CONFLICT OF INTEREST POLICY**

In compliance with the New Jersey Local Government Ethics Law, N.J.S.A 40A:9-22.1 et seq., Mercer County employees and officials are not involved in the selection and determination of eligibility for applicants to the Hightstown Grant Program. Application submittal and Eligibility review will be done through the contracted services of GrantWorks via their GW 20/20 Application Portal. The agreement templates and parameters of the program are developed independently and prior to the launch of the program and general advertisement. No Mercer County employee may advocate on behalf of or encourage a deviation from the set eligibility criteria on behalf of any small businesses or group of small businesses after the launch of the program and start of any application cycle(s).

**PERSONALLY IDENTIFIABLE INFORMATION (PII) PLAN**

**Introduction:**

Some personally identifiable information (PII) may be collected from applicants in order to determine eligibility or make payment on an award. This Personally Identifiable Information (PII) Policy provides guidance on determined collection needs, collect and store this sensitive information responsibly, respectfully and in compliance with the U.S. Privacy Act of 1974.

Use and collection of PII will be minimized as much as possible; and will be limited only to what is needed to ascertain the business' registration, assess eligibility, and award funds. Certain application information may need to be collected such as name, contact information and business income documentation. Information not explicitly needed (such as an owner's SSN or bank account numbers associated with income returns) should be redacted prior to filing (either electronically or physically).

**Definition of PII:**

PII is information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific

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individual. Set forth below is a non-exclusive list of information that may constitute PII on its own or in combination with other information<sup>4</sup>:

- Age
- Alias
- Audio recordings
- Biometric identifiers (e.g., fingerprints, iris image)
- Certificates (e.g., birth, death, marriage)
- Credit card number
- Criminal records information
- Date of birth
- Device identifiers (e.g., mobile devices)
- Drivers' License / State ID Number
- Education Records
- Email address
- Employee identification number
- Employment status, history, or information (e.g., title, position)
- Fax number
- Financial information
- Foreign activities
- Full name
- Gender
- Geolocation information
- Home address
- Internet cookies containing PII
- Investigation report or database
- IP / MAC address
- Legal documents or records
- Marital status
- Military status or other information
- Mother's maiden name
- Passport information
- Phone numbers
- Photographic identifiers
- Place of birth
- Protected health information
- Race/ethnicity
- Religion
- Salary
- Sex
- Social security number (SSN)
- Taxpayer ID
- User ID
- Vehicle identifiers
- Web uniform resource locators
- Work address or other business contact information. (HUD does not engage with individuals in an entrepreneurial capacity, but business contact information may still constitute PII because it identifies individuals.)

**Responsibility & Handling:**

All Mercer County and GrantWorks employees handling PII must comply with PII requirements as outlined in this document.

- Application documentation will be uploaded directly to the Hightstown Grant Program portal. The Portal is hosted by GrantWorks via the proprietary GW 20/20 project management system. This system is separated by password protected access per federal grant program and the Mercer County Application Portal being created for this specific program is only accessible by assigned GrantWorks IT staff, program managers and select Mercer County employees.
- The documents uploaded by applicants are stored on a separate SharePoint site accessible only by invitation and password to designated GrantWorks and Mercer County employees. It is not accessible to uninvolved GrantWorks employees, applicants (after submittal, except as indicated below), the general public or all Mercer County employees.
- No paper applications or documentation are anticipated to be collected.
- Documentation for this program will be stored with GrantWorks for five (5) years after all CDBG-CV allocation of funds to Mercer County have been expended or returned to NJ DCA/HUD.

**Transparency / Notification:**

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<sup>4</sup> Definition from National Institute of Standards and Technology (NIST) Special Publication (SP) 800-122, "Guide to Protecting the Confidentiality of Personally Identifiable Information (PII)," and the "2021 HUD PII Handbook"

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Mercer County will be transparent about the use, storage and destruction of PII collected for the program. PII shall only be stored for long enough to complete analysis and then an alternative reference code (Alpha-Numeric identifier) used when referring to the beneficiary. At any time, an applicant providing PII data will be able to review these policies and procedures related to the data collection.

Specific to the Hightstown Grant Program portal, upon collection of PII – the applicant providing the data will review and confirm receipt of the use of PII being requested and their specific purpose for being collected. A notification of this PII policy (and downloadable copy of the PII policy) will be provided at the beginning of the application process in the Portal.

**Disclosure Request:**

If an individual who has provided their PII requests to see a copy of their record; then a full copy of their records shall be made available to them.

**Privacy Act Exceptions to Conditions of Disclosure:**

Mercer County shall not provide an individual's PII without prior written consent, unless the disclosure is due to statutory exceptions as listed in The Privacy Act and exceptions to disclosure set forth in New Jersey statutory and common law, including but not limited to, the Open Public Records Act, N.J.S.A. 47;1A-1, et seq.