

**City of Beaumont
Business Assistance Program (BAP)**

Purpose:

Help ensure the viability of small, locally owned businesses in the City of Beaumont who are facing financial strain related directly to the COVID-19 pandemic.

Objective:

Provide a 2-year, interest free loan to qualifying businesses to provide gap financing to address basic business costs limited solely to rental payments, mortgage installments, or payroll and payroll related expenses. Funds may not be applied to any other purposes like taxes or supplies/inventory.

The City of Beaumont shall not award more than \$750,000 in BAP loans by September 1, 2020.

Short-Term Loan:

Term: Two Years from the Effective Date of the Loan

Interest: No Interest Loan (if Paid in Full by the Term of the Loan),

Amount: Loans in the Following Amounts Available:

- 5 or Fewer Full Time Employees – \$5,000
- 6 to 10 Full Time Employees – \$10,000
- 11 to 15 Full Time Employees – \$15,000
- 16 to 20 Full Time Employees – \$20,000

Losses: Business Must Demonstrate that Losses Are Due Directly to the COVID-19 Pandemic and Were Experienced After March 1, 2020

Qualifications:

Location: Physical Location of the Business within the City of Beaumont is Mandatory

Business
License

Required: Business Must Posses a Valid City of Beaumont Business License at the Time That Losses Were Incurred

Maximum Size: Business Shall Not Employ More than 25 Full Time Equivalentents at the Time of Application

Losses: Business Must Demonstrate that Losses Are Due Directly to the COVID-19 Pandemic and Were Experienced After March 1, 2020

Conditions:

Location: Business Must Maintain a Physical Location within the City of Beaumont Until Such Time That the Loan is Satisfied

Business
License

Required: Business Must Maintain a Valid City of Beaumont Business License Until Such Time That the Loan is Satisfied

Employees: Business Shall Not Reduce its Employee Roster Until Such Time That the Loan is Satisfied

Payroll: Business Shall Not Reduce its Total Payroll by More than 10% From its Total Payroll in Effect as of the Date of the Loan Application Until Such Time That the Loan is Satisfied

Use of Funds: Rent Payments, Mortgage Payments or Payroll Related Expenses

Collateral: Business Shall Pledge Collateral Adequate to Cover the Value of the Loan and Said Collateral Must be Maintained Until Such Time That the Loan is Satisfied

City of Beaumont Shall Maintain First Lien Position on Pledged Collateral Until Such Time That the Loan is Satisfied

Penalties: An Initial 5% Penalty will be Immediately Applied to Any Outstanding, Unpaid Balances at the Term of the Loan Period

Interest Shall Accrue at a Rate of 2.5% on a Monthly Basis on Any Outstanding, Unpaid Balances Beginning After the First Full Month After the Term of the Loan Period and Will be Assessed Each Month Thereafter

Payments: Payment in Full is Required within 24 Months of the Effective Date of the Loan (This May be a Single, Lump Sum Payment at the Term of the Loan or payments made during the term of the loan)

Early Payment: No Penalty will be Assessed for Early Payments/Satisfaction of the Loan

Application Requirements:

Need: Disclosure/Description of COVID-19 Related Losses

Use of Funds: How Loan Proceeds are to be Applied Toward Qualified Expenditures

Proposed

Budget: Proposed Business Budget Anticipated During the 2-Year Term of the Loan

Profit/Loss

Information: Quarterly Profit and Loss Information for the Past 12 Quarters

Certified Payroll

Records: Monthly Payroll Records for the Past 6 Months

- Employees Listed by Job Classification
- Payroll Information for Each Employee

Lease/Mortgage

Information: Copy of Facility Lease or Loan Pertaining to the Beaumont Location

Business

License: Copy of Valid Business License

Proposed

Collateral: Verification of Collateral to Cover the Requested Loan

Credit Report: Copy of Current Credit Report

Other

Assistance: Disclosure of Other Grants or Public Assistance that Has Been Secured as Well as Any Other Outstanding Applications for Public Assistance

Good

Standing: Certification That the Business Is in Good Standing with the City of Beaumont

- No Outstanding Code Enforcement Issues
- No Delinquent Property Tax Payments
- No Delinquent Sales and Use Tax Payments
- No Delinquent Wastewater or Solid Waste Payments

Monthly Reporting:

Application of

Funds: Receipts and Other Pertinent Verification for the Actual Use of the Loan Funds

Employment: Certified Monthly Employee Records Indicating Actual Persons Employed by the Business

- Employees Listed by Position
- Position Vacancies Including Term of Vacancies and Hiring Plan

Payroll: Certified Monthly Payroll Records Indicating Actual Payroll Activity for the Business

- Payroll by Position
- Adjustment(s) to Payroll by Position

Profit/Loss

Report: Certified Monthly Profit/Loss Report Showing Revenues and Expenses and Resulting Balance Sheet