



Federal Home Loan Bank
NEW YORK

COVID-19 Small Business Recovery Grant Program Guidelines

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INTRODUCTION

The Federal Home Loan Bank of New York (“FHLBNY”) is offering the COVID-19 Small Business Recovery Grant, with a total of \$5 million in funding available, to provide flexible funds to benefit FHLBNY members’ small-business and non-profit customers.

This program is intended to support organizations that have suffered a decrease in revenue as a result of the ongoing COVID-19 crisis. Eligible small businesses and non-profit organizations (“recipients”) may receive a grant of up to \$10,000 each. The program will be administered and marketed by the participating members of the FHLBNY. The FHLBNY encourages participating members to identify those customers who may be at most risk of being unable to meet their obligations to their employees due to loss of revenue or unanticipated and extraordinary expenses, and who are least likely to have access to other sources of emergency funds during this crisis.

The program must be administered in accordance with these Program Guidelines. The member is solely responsible for collecting, verifying and retaining the documentation that supports the eligibility of the applicants and compliance with the Program Guidelines. The member is not required to submit supporting documentation to the FHLBNY.

Prior to participation in the program by a member, the member must submit the COVID-19 Small Business Recovery Grant Member Acknowledgement Form, executed by a senior officer of the member, agreeing to comply with the requirements in these Program Guidelines, dated May 8, 2020 or as subsequently amended.

The program will be available until the funds are exhausted or December 31, 2020, whichever is earlier, unless otherwise modified.

FUNDING ALLOCATION

The COVID-19 Small Business Recovery Grant (“SBRG”) is a voluntary program of the FHLBNY, funded with \$5 million. Of this total program amount, \$2.5 million will be reserved for recipients in New York, \$1.75 million for recipients in New Jersey, and \$750,000 for recipients in Puerto Rico and the U.S. Virgin Islands. These funds may be reallocated at the sole discretion of the FHLBNY.

Within each of these geographic areas, the process for requesting grant funds ensures that at least ten percent of program funds will be directed to non-profit organizations and/or entities located on federally- or state-recognized tribal land (small businesses or non-profits).



MEMBER PARTICIPATION

Participation in the program is available to members located in New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands.

Prior to submission of applications by a member, the member must apply to participate in the program by submitting the COVID-19 Small Business Recovery Grant Member Acknowledgement Form (“Member Acknowledgement”), executed by a senior officer of the member, agreeing to comply with the requirements of the Program Guidelines. The Member Acknowledgement must identify those specific personnel at the member who are authorized to submit applications for the program. Further, the member may opt to be included in a list of participating members on the FHLB NY website.

No individual member may issue grants that total more than \$250,000.

The minimum ten percent allocation to non-profits and/or entities on tribal land applies to each geographic area, rather than each member or each request for funds. However, a member may disburse a maximum of \$225,000 to small businesses not on tribal land, meaning that to utilize the full member limit, the member must direct at least \$25,000 towards non-profits and/or entities on tribal land. Further, if program funds are depleted to the extent that ten percent of the original allocation in a given geographic area has yet to be awarded to non-profits/tribal entities, additional requests for funds must be used to meet the overall program minimum requirement.

All grant funds must be passed through to eligible recipients; no funds may be retained by the member to be used for fees or compensation.

BATCH REQUEST AND FUNDING PROCESSES

The process for the SBRG is designed to ensure rapid deployment of funds to eligible recipients, while also allowing participating members the time to make sound, thoroughly documented decisions about their use of program funds.

The FHLB NY will make available on its website the COVID-19 Small Business Recovery Grant Member Acknowledgement form and these guidelines. Members interested in deploying funds through the program are advised to complete and sign the Member Acknowledgement form urgently so they will be eligible to participate when the program launches.

Authorized individuals from participating members may request a batch of program funds by submitting a completed SBRG Batch Request Form via e-mail to DisasterRecovery@fhlbny.com.



Batches can be for any dollar amount up to and including \$100,000, and they will be reviewed by the FHLBNY on a first-come/first-served basis. For a given batch, a member must designate which state/territory and which type of recipients will be targeted with a specified dollar amount. (Example: \$50,000 for small businesses in New Jersey, \$20,000 for small businesses in New York, and \$30,000 for non-profits and/or entities located on tribal land in New York.) Members will be notified via email when their batches are issued and recorded in the FHLBNY system. The SBRG Batch Request Form contains fields for the geographic areas and recipient types, as shown below:

Batch Request Allocation: Enter requested dollar amounts						
New Jersey		New York		Puerto Rico / U.S.V.I.		Total Requested
Small Business	Non-Profit / Tribal Land	Small Business	Non-Profit / Tribal Land	Small Business	Non-Profit / Tribal Land	Total Allocation
\$50,000		\$20,000	\$30,000			\$100,000

Upon the review of a Batch Request Form, the FHLBNY will send, via e-mail, a confirmation to the member. The FHLBNY reserves the right to reduce a batch request given the availability of funds in a given geography, for a given type of recipient, or under the member’s maximum utilization. The member will then have 30 calendar days to identify eligible recipients, collect and validate all required documentation for each recipient, and complete and submit one or more signed SBRG Application and Funding Request Forms (“Funding Request” or “A-FRF”) via e-mail to DisasterRecovery@fhlbny.com. The sum of the requests for eligible recipients must be equal to or less than the dollar amount of the batch and its component parts. (Example: If a member requested in its batch \$20,000 for small businesses in New Jersey, the member could not then submit a funding request with \$25,000 to those types of recipients.)

The FHLBNY will then review the submitted Funding Requests. The FHLBNY will notify the member via email if a request is approved in full or if there is any deficiency in the request. Deficiencies may include missing or incomplete information for one or more recipient; one or more recipients that are deemed ineligible upon review; and/or incorrect authorization from the submitting member. Members that are notified of any deficiencies must correct such issues within 7 business days. No funds will be disbursed by the FHLBNY until the Funding Request is complete and accurate.

At the time a Funding Request is approved, the FHLBNY will deposit grant funds into the member’s Overnight Investment Account at the FHLBNY. If either the member’s full batch is exhausted, or if unused funds in the batch have expired, that member may request an additional batch of program funds, again to be reviewed on a first-come/first-served basis. Additional batches of funds will be issued based on availability and may be for an amount less than the requested amount. The FHLBNY will update its



website, generally on a weekly basis, with the current level of remaining program funds. Members may email DisasterRecovery@fhlbny.com for more recent figures.

A member is solely responsible for managing its recipient pipeline to its approved amount of batch funds. A commitment of funds must not be made to a recipient until the member receives a formal approval from FHLB NY. The FHLB NY has the sole discretion to deny all or any portion of the recipients listed in the Funding Request for any reason, including the lack of funds available under this voluntary grant program. Nothing contained in these Program Guidelines or the Funding Request will be construed as an agreement or commitment on the part of FHLB NY to provide a grant to the member or the recipient.

ELIGIBLE RECIPIENTS AND USES OF FUNDS

ELIGIBLE RECIPIENTS

A small businesses or non-profit organization is eligible to receive SBRG funds if it meets the following criteria:

1. Its primary place of business or operations is located in New York, New Jersey, Puerto Rico or the U.S. Virgin Islands.
2. It meets the appropriate definition for size:
 - a. Small businesses will be defined according to Small Business Association (“SBA”) guidelines. Based on the type of business, size standards will be determined by annual receipts or number of employees. The “Table of Small Business Size Standards” can be found at the following link: <http://www.sba.gov/content/small-business-size-standards>.
 - b. A non-profit organization must have a current 501(c)(3) designation (or other equivalent non-profit tax designation) and an annual operating budget of less than \$20 million.
3. It has suffered a documented 25% decrease in revenue due to COVID-19, measured by comparing a period of two consecutive months after March 1, 2020 or later against the same two-month period in 2019. The Application and Funding Request Form performs this calculation, as shown below:

COVID-19 Revenue Impact Qualification					
2019 Revenue Period Start Date *	2019 2-Month Revenue *	2020 Revenue Period Start Date	2020 2-Month Revenue *	% Revenue Decline	Revenue Impact Qualified
3/1/2019	\$ 20,000	3/1/2020	\$ 12,500	37.500%	Yes

4. It is currently operating, is supporting its employees while temporarily closed for business, or requires the grant funds to resume operations according to a plan reviewed by the member. If a business or its owner is the debtor in a bankruptcy proceeding at the time of the member’s application, that business is ineligible for the program.



The member must collect, verify and retain all documentation required to demonstrate recipient eligibility. Such documentation may include audited financial statements or tax returns from the years 2018 or 2019, cash-flow statements, point-of sale reports, or other documents to which the member will certify their accuracy. The member will report summary information in the Application and Funding Request Form.

Each small business or non-profit organization may receive SBRG program funds via only one member. Each small business owner may receive SBRG program funds for only one small business. Members must take reasonable measures to ensure that the applicant has not received or applied for the program through another member or for another business.

USES OF FUNDS

A recipient may receive a grant up to \$10,000, as determined by the member. Grant funds may be used for reasonable and necessary expenses incurred or to be incurred as a direct result of COVID-19. Examples of eligible uses of funds include:

1. Personnel costs related to COVID-19, including payroll and benefits obligations jeopardized by lost revenue, or hiring temporary staff to cover shortages caused by employees who are ill, may have to quarantine, or stay home to care for family members or children during school closures.
2. Equipment to comply with public health measures designed to slow the spread of COVID-19, including safe workplaces, remote work and social distancing.
3. Working capital for costs including, but not limited to, inventory, equipment, business compliance, licensing renewal, utilities, business capacity, legal, financial services, rent, insurance, business taxes, and supplies.
4. Payments on existing or new debt so the organization can support its employees and/or its continued operations.

The Funding Request requires the member to identify the dollar amount of grant funding requested for each recipient, as well as the expected use of funds for each recipient, as shown below:

Grant Details					
Amount Requested *	Funding Type *	Funding Leverage *	Proposed Use of Funds *	Repeat Applicant *	Operational Status *
\$ 10,000	Reimbursement	Other Operational Needs	Health insur. premiums	No	Temporarily Closed



PROGRAM DOCUMENTS

The following documents can be located on the www.fhlbny.com website under the Community tab:

» **COVID-19 Small Business Recovery Grant Program**

- SBRG Program Guidelines
- SBRG Member Acknowledgement Form
- SBRG Batch Request Form
- SBRG Application and Funding Request Form

Note: Supporting documentation will not be collected by the FHLBNY; however, the member is required to retain supporting documentation on file.

- SBRG Frequently Asked Questions

All program documents must be submitted to the FHLBNY by an authorized representative of the participating member via the DisasterRecovery@FHLBNY.com email address. This ensures centralized and consistent recordkeeping and monitoring.

WITHDRAWALS AND RECOVERY OF FUNDS

If after the receipt of grant funds, a member receives information that all or some of the grant amount will not be used for the intended purpose by one or more recipients, the member is required to notify FHLBNY immediately in writing via the DisasterRecovery@FHLBNY.com email address. It is the member’s sole responsibility to recover any misused funds. If the member is submitting a request for an additional batch of program funds, the total requested amount will be reduced by the amount of misused grant funds. That reduced amount will also be noted as “returned” in the member’s next Application and Funding Request Form, as shown below:

Funding Request Summary		New Requests	Returned Funds	Net Requested
New Jersey	Small Business*	\$ 10,000.00	\$ (10,000.00)	\$ -
	Non-Profits / Tribal Land	\$ 10,000.00	\$ -	\$ 10,000.00
New York	Small Business*	\$ 33,000.00	\$ -	\$ 33,000.00
	Non-Profits / Tribal Land	\$ 10,000.00	\$ -	\$ 10,000.00
Puerto Rico / USVI	Small Business*	\$ -	\$ -	\$ -
	Non-Profits / Tribal Land	\$ -	\$ -	\$ -
All Regions	Totals:	\$ 63,000.00	\$ (10,000.00)	\$ 53,000.00

* Includes small businesses not located on Tribal Land



In the event the FHLB NY discovers that 1) the recipient does not meet the requirements of the Program Guidelines, or 2) the member provided false, misleading or incomplete information, the FHLB NY may recover the funds from the member's Overnight Investment Account.

TAX AND OTHER GOVERNMENT REPORTING

The member shall be solely responsible for any tax or other government reporting obligations with regard to the disbursements of the grant to the eligible recipients.

DOCUMENT RETENTION REQUIREMENTS

All documentation used in making decisions regarding eligibility must be retained by the member for a period of seven (7) years from the application date. The FHLB NY reserves the right to audit such documentation during this period.