

Patrick County Small Business Relief Program

Frequently Asked Questions

Q: How are Full-Time Equivalent (FTE) Employees defined?

~~A: The calculation of full-time equivalent (FTE) is an employee's scheduled hours divided by the employer's hours for a full-time workweek. When an employer has a 40-hour workweek, employees who are scheduled to work 40 hours per week are 1.0 FTEs. Employees scheduled to work 20 hours per week are 0.5 FTEs.~~

~~The business must be able to demonstrate hours worked by each employee. Internal or third party quarterly Payroll reports are recommend with sensitive information being redacted. A Business Owner will be counted as 1.0 FTE in the event that Payroll documentation cannot be provided OR Business Owner receives no compensation.~~

REV 9/17/20 – In order to reduce the reporting burden and streamline the review process, each business must report the total number of employees as of March 1st, 2020. No determination will be made with regard to full-time versus part-time employees; therefore, calculation of the FTE will no longer be required. Sole proprietors that do not report to the Virginia Employment Commission (VEC) must provide an IRS Schedule C showing tax related income and expenses.

Q: Are agricultural businesses included?

A: Yes. Agriculture is the largest industry in Virginia and is especially important in Patrick County. Preference is for the funds to be distributed to specialty crop farmers; producers who supply local food systems and farmers markets, restaurants and schools; livestock producers; and dairy farmers.

Q: What are examples of eligible expenses? Payroll, utilities, rent, PPE expenses, etc.?

A: The Economic Development Authority of Patrick County wants this process to be easy and we are required to meet the conditions of the US Treasury [Coronavirus Relief Fund Guidance](#) document. No cost incurred prior to March 1, 2020 will be considered eligible; however, there is a good amount of flexibility in eligible expenses after this date. Payroll expenses, sick leave, rent, utilities, loss of inventory, insurance, all personal protection equipment (PPE) and other associated cost to combat the spread of COVID-19 will be considered.

Questions regarding eligibility can be sent to: EDA@co.patrick.va.us

Q: What documentation is required for proof of expenses?

A: All expense documentation should be readily available to the business. Rent agreements and utility bills are best. For direct response to the Coronavirus, canceled checks, paid invoices, copies of receipts for purchased cleaning supplies and/or masks are encouraged. Documentation of loss of income, such as quarterly reports from 2019 and 2020 comparing revenues and expenses for the business.

Q: What about if a business has received EIDL, PPP, or other funds? Are they eligible?

A: Receiving EIDL, PPP, or Rebuild VA does not make the business ineligible, but we do ask for that information to be disclosed.

Q: Will a business be able to apply for planned future expenses?

A: No. These funds are required to be spent on expenses already incurred.

Q: How and when will funds be released?

A: The application deadline is September 11, 2020 by 5:00PM. All applications are anticipated to be reviewed and approved by September 25, 2020. Checks will be distributed or mailed to all approved businesses by October 1, 2020.

The EDA has limited funds to distribute (\$300,000 to be exact) and depending upon the volume of requests, there may be more or less than \$800 per FTE employee. Once the application process is closed, the EDA will perform an evaluation of available funds vs. all requests.

Q: What will be required for "proof" of business losses or interruptions? Are there standard forms or documents that would be preferred to show this?

A: Please see the "Recommended Documentation" section of this application. The VEC-FC-21/20 quarterly report is best for determining active employees as of March 1, 2020. In general, the business should be able to prove their incorporation as they would to the IRS. Reports from Quicken or some other financial reporting software must be accompanied by receipts for eligible expenses. The business may submit their 2019 Tax Return for revenue loss comparison.

All documentation will be held CONFIDENTIAL, although, all applications may be subject to FOIA requests and/or Audit of the Economic Development Authority of Patrick County.

Q: Sole Proprietorships with no employees - Is this an ineligible "Individual" as listed on the application? Internet based employees? (i.e. bookkeeping and tax services, dog groomers, private consultants, insurance sales persons, etc.) What will you want to see from them for proof of business and business loss?

A: Sole proprietors and entrepreneurs are eligible to apply. In the event that there is not an active business registered on the Virginia State Corporation Commission (SCC) website, the sole proprietor must provide other documentation as a means of verification (Taxes - Schedule C, Form 1040, or other). As mentioned, rent agreements and utility bills provide great documentation for eligible expenses. In addition, cost incurred due to a change in business practices are eligible (i.e. Zoom subscription, website updates, online marketing, technology purchases, increased cleaning supplies, and engineered barriers will be considered).

Q: What about beauty shops and other businesses where the workers are considered sub-contractors under the owner and pay a rental fee? Do the sub-contractors apply individually or does the owner apply with the sub-contractors considered employees?

A: A sub-contractor should apply individually to this program. A sole proprietor that does not report to the Virginia Employment Commission should submit an IRS Schedule C as documentation to show payment of income tax and/or payroll tax.