

DELAWARE COUNTY MICROENTERPRISE GRANT FAQ

Question: What is a microenterprise?

Answer: A microenterprise is a for profit business with five or fewer employees, including the business owner(s) at the time of the application.

Question: What documents do applicants have to provide to demonstrate that a business is a microenterprise?

Answer: Applicants are required to submit NYS-45 form to document current employment.

Question: What National Objectives are to be met by grant awardees?

Answer: Businesses must demonstrate the creation of at least one, new full-time equivalent job (FTE) or the business owner is LMI (low-to-moderate income person).

Question: If a business reporting an LMCMC national objective (the business owner is LMI) has more than one owner, how many of them need to qualify as LMI?

Answer: If there is more than one owner reporting an LMCMC national objective, at least 51% of the ownership must qualify as LMI.

Question: What is the area median income (AMI)?

Answer: The area median income is defined as the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development (HUD). HUD calculates AMI on the basis of household size for every metropolitan area and region in the U.S.

Question: What is low-to-moderate income (LMI)?

Answer: Low-to-moderate income (LMI) is 80% of the area median income. For example, in Delaware County, NY for a family of two LMI is \$56,650, according to HUD data published on April 1, 2025.

Question: What income is used to determine LMI?

Answer: Adjusted Gross Income (AGI) is used to determine whether an individual qualifies as LMI or not.

Question: What documents are required to verify that the business owner is LMI?

Answer: Applicants are required to submit Federal Income Tax Returns for the past three years (both personal and business tax, if appropriate). To determine whether the business owner(s) qualifies as LMI or not, the Review Committee will be looking at the most recently filed tax returns, whether it be 2025 or 2024.

Question: How does the microenterprise owner verify that a new hire is LMI?

Answer: The microenterprise owner will use a Family Income Form which can be downloaded at <https://dcecodev.com/cdbg-microenterprise-program-for-2026/> to obtain the information from job applicants who are applying for an employment position that has been made available with financial assistance from Delaware County using Federal Community Development Block Grant Funding.

Question: How is a start-up defined and what documents are required to determine a business is a start-up?

Answer: A start-up is a business in existence six months or less at the time of the application. Applicants are required to submit a copy of the certificate of incorporation, DBA certificate, or Schedule C of the Tax Returns.

Question: How long does it take to get reimbursed for eligible expenses?

Answer: The estimated reimbursement time is 6 – 8 weeks. The OCR allows a maximum of three draws per business.

Question: Is payroll an eligible expense?

Answer: Yes. Payroll for employees is an eligible expense, however payroll for a business owner(s) is not considered to be eligible.

Question: What documents are required to get reimbursed for wages and salaries paid?

Answer: To get reimbursed for wages and salaries paid, the microenterprise owner can submit any payroll information that documents the payments made, including pay stubs.

Question: What equipment is ineligible for reimbursement?

Answer: Items that are permanently affixed to the structure of the building (non-movable) are generally considered construction-related and are therefore ineligible. As it relates to furniture, fixtures, and equipment (FF&E), only those items that can be taken or removed if the business was to liquidate are considered eligible.

Question: If a business has 5 or fewer employees at the time of application, but the project will result in the creation of positions that put the business over that number, does that make the business ineligible?

Answer: No. Microenterprise businesses must be eligible at the time of the application. If a business exceeds 5 employees post-award, it does not affect eligibility. In fact, job growth is encouraged.

Question: When are matching funds to be spent?

Answer: Matching funds are to be spent after the microenterprise has been awarded a grant, and the grant agreement has been signed.

Question: What is the term of the grant?

Answer: The term of the grant is 24 months, however the microenterprise business is expected to show significant progress within the first six months after being awarded, and complete the project within 12 months after the grant agreement is signed.