

Big Lake Economic Development Corporation

Policies and Procedures

As of October 1, 2008

The Big Lake Economic Development Corporation (BLEDC) uses the ½ cent sales tax funds for its operating budget. The Board of Directors oversees and allocates all revenues. This funding allows the BLEDC the opportunity to offer economic incentives to Businesses that wish to enhance or improve our community's economic atmosphere and to enhance or improve the quality of life for all the citizens of Big Lake.

Because the ½ cent sales tax is a use of public funds, the State of Texas' Open Meeting and Open Information laws must be observed. This means that meetings are open to the public (unless Executive {Closed} Sessions are allowed by law). It also means that all information provided by and pertaining to your business must be subject to the Open Information Act, thus: Any Business' financial and/or proprietary information will be treated with confidence by the BLEDC to the extent that is possible under the law. Please ask for details if you have any questions regarding the Open Information Act. All information will be retained for a length of time as required by law.

The Big Lake Economic Development Corporation's Board of Directors has the complete jurisdiction except in cases of grants more than \$10,000 (which *must also be approved or denied* by the Big Lake City Council). **The decision will be final in all cases.**

The appropriate percentage of each individual grant shall be determined and set by the BLEDC Board of Directors, at the time the commitment is issued. A risk and benefit evaluation of each application will be considered and, as a general rule, **no more than 50% of a total project** cost will be granted. Extreme circumstances may negate this 50% guideline.

Grants totaling more than more than \$20,000 will **require continuation of the business for not less than 5 years.** (Outlined by the Performance Agreement Contract and its terms)

Grants totaling less than \$20,000 or less, will **require continuation of the business for not less than 2 ½ years.** (Outlined by the Performance Agreement Contract and its terms)

Every application and category will be reviewed on a case-by-case basis.

A Performance Agreement Contract provides the legally binding terms.

Grant funds may be paid in phases or increments, for projects having a significantly long time-line.

IMPORTANT: Any application submitted without proper and appropriate documents will not be considered and there will be no exceptions.

IMPORTANT: A failure to submit all required documents after the Performance Agreement becomes effective will constitute a breach of that contract.

The following Documents are Required to accompany the application:

1. ___ Personal Financial Statement for new startups may be required and/or the Previous Year Tax Returns may be required. For an existing business, we require a current Business Financial Statement and Previous Year Tax Returns.
2. ___ An adequately researched and well designed business plan
3. ___ Bids or quotes for all materials, equipment and services
4. ___ A list of, and/or Copies of all required insurances
5. ___ Provide the BLEDC office with your FEDERAL EMPLOYER IDENTIFICATION number
6. ___ Copy of the SALES TAX PERMIT
7. ___ (For Exterior building improvements or a new building) Pictures of the current property and detailed plans
8. ___ Copies of Permits as required by the City of Big Lake
9. ___ A List of Licenses as required by State or Federal Government
10. ___ Financial Statements prepared by a qualified bookkeeper or accountant
 - a. ___ You must employ or contract the services of or you must exhibit basic Accounting & Bookkeeping skills or:
 - b. ___ A **New Business Startup may qualify for reimbursement** of reasonable costs for bookkeeping / accounting courses or education to obtain the necessary skills under the loan/grant assistance program.

Print the Name of your Bookkeeper or Accountant: _____

11. ___ Provide an itemized list of the proposed project's (reasonable) costs and expenses.

Please read carefully.

This section describes each of the **SIX (6) individual categories** and rules that apply to them.

Pay-out terms (per standard operating procedure) is:

1. **New Business Startup Grant** (\$5,000) pays immediately upon contract's approval by both parties.
2. **Expansion / Relocation / Retention Grant** (\$5,000) pays immediately upon contract's approval by both parties.

3. **Job Creation Grant** (determined at the time of approval) Must be new jobs created
 - a. **Part-Time = \$1,500 per position must prove at least 20 hours per week**
 - b. **Full-Time = \$3,000 per position must prove at least 40 hours per week**

It pays on the following schedule, upon contract's approval by both parties.

- The **first ½** (half) of the total Grant Awarded in this category will be paid upon proof of job existence and proof of those jobs lasting through the **first quarter of payroll tax period**; the information will be verified using the Quarterly 941/s and TWC Reports as proof.
- The **second ½** (half) of the total Grant Awarded in this category will be paid upon proof of jobs' continuing existence, lasting **through** four quarters of payroll tax periods; and will be verified using the Quarterly 941/s and TWC Reports.

(NOTE: Those reports must be provided to the EDC office for all four quarters of the contract's first year.)

4. **Exterior Building Improvement 50% Reimbursement Grant** (EDC maximum \$10,000)

Pays 50% (a 50/50 matching grant) of actual expenses, **upon proof of completion** (by way of receipts and/or paid invoices). **After they are provided** to the EDC office on a project totaling up to \$20,000, and after contract approval by both parties, the money will be released.

** The applicant must buy or own the property.

5. **Interest Rate Buy Down Grant** (\$10,000 maximum)

(Revised on February 12, 2009)

In general: it will provide funding to pay off the interest amount of any loan, with our maximum pay-out set at \$10,000.

A qualifying loan for this grant category may only be obtained for the purpose of buying:
① Real Estate, ② Equipment or ③ Inventory.

Note: An owner must be approved for a loan (by a lending institution of their choice) before an application for this grant can be made. This must be for a single, one, loan and not a combination or multiple of loans.

- Applicant must provide a letter of approval from the lending institution stating the purpose and terms of the loan. The letter must be turned in at the time of application.
 - Applicant must provide a copy of the loan documents.
 - Interest only payments will be made payable directly to the financial institution upon receipt of Interest Due Notices or Statements. Grant money will not exceed actual interest due.
6. **OTHER** (Maximum of \$10,000)
 - a. **Can be used for any legitimate and reasonable business expenditure except that: these funds may not be applied toward a land or real property purchase.**

The payout schedule is as follows: It may be a reimbursement and/or Phased payout:

Other category pays upon approval of the contract by both parties, and/or after proving completion of the work or phase, with receipts or invoices payable after completion of work, provided to the EDC office.

In some circumstances different arrangements may be made.

Required documents are to be submitted to the BLEDC office on a regular schedule: (upon accepting the contract).

If Your Company files them:

Copies of **sales tax returns**; monthly, quarterly or yearly (depending upon the schedule in which they are filed.)

Copies of **Payroll 941** reports; monthly, quarterly or yearly (depending upon the schedule in which they are filed.)

Copies of **TWC Reports**; monthly, quarterly or yearly (depending upon the schedule in which they are filed.)

I have read, and do certify that I fully understand, the requirements and policies outlined in this document and I understand that if these requirements are not met, either a contract may not be entered into – or – it may constitute a breach of contract.

Applicant's Signature: _____

Date: __/__/__

Where to get a Federal Tax ID:

apply online at:

<http://www.irs.gov/businesses/small/article/0,,id=97872,00.html>

Where to get a Sales Tax Permit

Apply online at:

<http://www.window.state.tx.us/taxpermit/>