



SEPTEMBER 2023

Micro Business Development Program

SEXSMITH ECONOMIC DEVELOPMENT

Program charter



TOWN OF
SEXSMITH

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1. CHARTER INTRODUCTION!

1.1 DOCUMENT CHANGE CONTROL

Revision Number	Date of Issue	Author(s)	Brief Description of Change
1.0	July 17, 2023,	Hasan Akhtar	Original Document

1.2 EXECUATIVE SUMMARY

An important element of the local economy is the collection of microenterprises scattered throughout a small/rural community. Some are in storefronts in the main business district. Others are hidden inside homes. Some of these business owners work out of a truck or in their backyard or on the street corner, while others rent small spaces in commercial districts. Some are long-standing enterprises, while others are start-ups. These micro-businesses provide products or services for their local communities. They seldom employ more than five workers and generally have less than \$150,000 in sales. Many times, these enterprises are sideline activity that supplements wages from another job.

Microbusinesses add value to Sexsmith's economy by creating jobs, improving income, lowering costs, and adding convenience. These businesses capitalize on the residents' unique skills and assets. The owners' personality adds flavor to the Town because the entrepreneurs are endlessly creative in the way they design their business, the way they treat local customers and their employees, the products, and services they provide for local consumption, and the way they try to meet local demands to grow their businesses.

Microbusiness development is an effective way to build Sexsmith's economy from within. The grant program is designed to support local microbusinesses by matching new capital costs of legitimate microenterprises up to a maximum share of 50% and a maximum grant amount of \$1,000 per business. The total FY2023 budget for the Program is \$10,000 and will complement the existing tax incentive programs that are targeted toward large businesses.

In view of the current inflationary and high-interest environment, the Program will provide some relief to about 10 to 15 micro businesses in Town in procuring tools and equipment that are tangible in nature. There are risks associated with entrepreneurs spending the grant on unapproved purposes. To mitigate the risks, the grant will be extended on a reimbursement basis only on submission of proofs of expenditure.

As for the extent of resource involvement by the Town to manage the Program, it is expected to be minimal.

1.3 AUTHORIZATION

The Decision Package and budget for the Program was approved by the Council on April 25, 2023, on the recommendation of the Economic Development Advisory Committee on November 9, 2022.

2. PROGRAM OVERVIEW.

2.1 PROGRAM SUMMARY

The Micro Business Grant Program provides reimbursement grants up to 50% of eligible project costs to a maximum amount of \$1,000 to upgrade, replace or purchase equipment or tools; or improve processes.

2.1.1 PROGRAM GOALS, BUSINESS OUTCOMES & OBJECTIVES

The program is directed at existing microbusinesses operated by residents. Applicants are selected and approved by the Town Administration. The Program also serves to implement the Regional Economic Development Strategy and Community Economic Development Plan.

No.	Goals	Objectives	Business Outcomes
1	<ul style="list-style-type: none"> • <i>Strengthen resiliency of local micro businesses</i> 	<ul style="list-style-type: none"> • <i>Improve their cash flow</i> 	<ul style="list-style-type: none"> • <i>Develop local economy</i> • <i>Slow retail leakage</i>

2.1.2 SCOPE DEFFINITION

The grant program is designed to support local microbusinesses by matching new capital costs up to a maximum share of 50% and a maximum grant amount of \$1,000 per business. It is estimated that there are about 30 micro or homebased businesses in Town with an annual turnover of less than \$150,000.

2.1.3 GRANT APPROVAL PROCESS

The Town anticipates awarding eligible micro businesses with a one-time cash grant commensurate with the impact on their business, based on justifiable need and business resiliency. To be eligible for grant funding, a micro business must meet the following criteria:

- Business must have a license from the Town.
- Business must be operated by the owner(s) with 5 or less employees. Preference will be given to home-based businesses.
- Business had been in operation for at least six months in the Town prior to January 1, 2023.
- Business or its owner is not facing any bylaw enforcement action.
- Business is physically located in the Town.
 - The business and its owner do not have any arrears with the Town.
- Business is not a franchise or a subsidiary of a larger corporation.
- Business is not a chain.
- Business is not restricted to patrons over the age of 18.
- Businesses must have a business plan and vision. Failure to provide a business plan will result in denial of funding in this category.

2.2 APPLICATION PROCESS

Intake will be opened on August 1, 2023, and close on October 30, 2023. Applications will be reviewed in the order received. The Town anticipates eligible micro business applicants would receive a decision on their application within 30 days. As such, funds will be distributed by the end of November 2023.

If the Town determines that an application is ineligible, or the documentation attached does not meet the requirements the applicant will be notified via email that the application has not been accepted for funding. Grant funds will be distributed to small businesses in priority order and partial awards may be considered at the discretion of the Town.

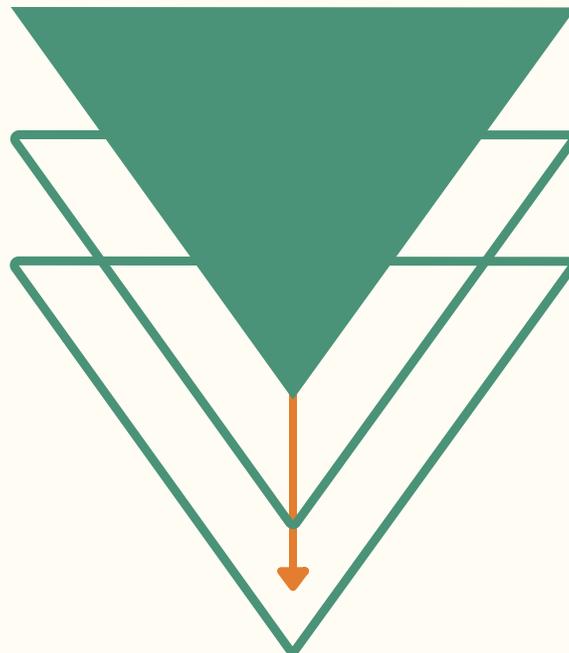
2.3 SCORING

Each application will be reviewed based on the information received and will include scoring in key priority areas identified in the table below. The scoring process will be used as a tool to assist in final grant award decisions by the Town.

Scoring criteria	Project points available
A home-based business operated by the owner and their immediate family members with no employee.	40
A business with 5 or fewer employees (including the business owner/worker); employee count shall be based on number of employees as of March 31, 2022.	25
Submission of a business plan	15
Submission of a financial statement (an audit is not required).	10
Supporting Documentation: All supporting documentation has been submitted and supports the information contained in the application.	5
Total Points:	100

2.3.1 APPLICATION FORM

No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with the Town's funds on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, or political affiliation or belief.



Legal name of business/Proposed business Name:		Opening date of Business/Proposed Open Date:	
Business Address:			
Business identification #:	Town of Sexsmith Buisness licence #:	Amount of funds requested \$:	
Applicant Contact:		Phone:	
		E-mail:	
Type of industry:			
Number of Employees as of 03/31/2022:		Number of Employees as of the date of application:	
Provide a brief description of the business (products, services, etc.):			
Has the business applied for other Federal, Provincial, or local funding? If so, describe the source(s) and amount(s) applied for, and any awards received:			

***Attachments:** Proof of expenditure (invoice, receipt, etc.), business license, business plan, financial statement, etc.

2.3.2 SOURCE FUNDING

Own source revenue of the Town as approved by the Council as part of FY2023 operating budget.

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3. PROGRAM MANAGEMENT

3.1 GRANT APPROVAL AUTHORITY

Disbursements will be approved by the Chief Administrative Officer on the recommendation of the Assistant CAO.

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4. ACCOUNTABILITY & TRANSPERENCY

4.1 REPORTING

Information on applications and disbursements will be reported to EDAC for information and will also be included in the annual report on economic development activities to the Council.