



**LOCAL EMPLOYERS' ASSISTANCE  
PROGRAM (LEAP)  
SUPPLEMENTAL GRANT  
LEAP II  
Application Guidance**



**APPLICATION FORMS ARE AVAILABLE FOR DOWNLOAD AT  
[www.investguam.com/leap2](http://www.investguam.com/leap2).**

**ALL FORMS AND SUPPORTING DOCUMENTS CAN BE EMAILED TO  
[leap2@gedagrants.com](mailto:leap2@gedagrants.com) OR HAND DELIVERED TO THE GEDA OFFICE LOCATED AT  
THE 5<sup>TH</sup> FLOOR OF THE ITC BUILDING, TAMUNING GUAM.**

**GEDA STRONGLY ENCOURAGES EMAIL SUBMISSION FOR MORE EFFICIENT  
PROCESSING**

The Honorable Lourdes A. Leon Guerrero, Governor of Guam, and the Honorable Joshua F. Tenorio, Lieutenant Governor of Guam, have established the Local Employers Assistance Program Supplemental Grant (LEAP II) pursuant to Executive Order 2023-15. The program will provide direct financial assistance to small businesses that have experienced significant levels of pandemic related business interruption. LEAP II funds will be used to provide grants to businesses that can demonstrate a business interruption rate of thirty five percent (35%) or greater, along with other eligibility and compliance criteria.

The total budget for LEAP II is up to \$20 million, allocated from the following:

1. \$5,000,000 from ARPA funds allocated by Governor Leon Guerrero via Executive Order 2023-15; and
2. Up to \$15,000,000 in local appropriations pursuant to Public Law 37-15.

LEAP II shall be open to all businesses that meet the eligibility criteria, subject to the availability of funds.

The purpose of this document is to provide program information and guidance. If you have any questions regarding LEAP II, please contact GEDA at 671-647-4332 or visit the GEDA website at [www.investguam.com](http://www.investguam.com).

### LEAP II GRANT APPLICATION CHECKLIST

All applications must include the following documentation.

Applicants must ensure that all forms are complete and all required documentation is legible.

**INCOMPLETE APPLICATIONS WILL NOT PROGRESS FURTHER IN THE REVIEW PROCESS**

1.	Completed and signed application form
2.	Current Business License
3.	Duly filed form SW-2 or payroll document filed with the government of Guam for quarter end 9/30/23 <b>[required for applicants with 5 FTE or more employees]</b>
4.	<b>FOR ALL APPLICANTS:</b> Duly filed forms GRT-1 for all months in operation in 2022
5.	<b>FOR APPLICANTS THAT OPENED PRIOR TO NOV. 2019:</b> Duly filed forms GRT-1 for all months in operation between April 2019 through March 2020 <b>(If a LEAP recipient, Applicant DOES NOT need to resubmit these documents)</b>
6.	<b>FOR APPLICANTS THAT OPENED FOR BUSINESS BETWEEN NOV. 2019 – JUL. 2021:</b> Duly filed forms GRT-1 for all months in operation between January 2021 and December 2021.
7.	Unique Entity ID (SAM) is required for all grants of \$50,000 or more

#### I. Application Process.

- a) Application forms can be downloaded from the GEDA website at [www.investguam.com/leap2](http://www.investguam.com/leap2).
- b) Completed application forms, along with all required supporting documentation can be submitted via electronically to the [leap2@gedagrants.com](mailto:leap2@gedagrants.com). **GEDA strongly encourages that applications be submitted via email.**
- c) Hard copies of the application form can be picked up at the GEDA office, located on the 5<sup>th</sup> Floor of the ITC Building, Tamuning Guam during normal business hours (M-F 0800-1700 excluding government of Guam holidays). GEDA will have a drop box at the office for the submission of hard copies of applications.
- d) All applications will receive a control number. A list of all applications, along with daily application status updates, will be posted regularly on the GEDA website at [www.investguam.com/leap2](http://www.investguam.com/leap2).
- e) Applicants will receive an official notice via US mail once an application has been fully processed.
- f) Approved applications shall be transmitted to the Guam Department of Administration for fund disbursement.

#### II. Application Period.

GEDA will begin accepting LEAP II applications at 8:00 AM on Tuesday, January 9, 2024 and will continue to receive applications until 5:00 PM on Thursday, February 8, 2024.

### **III. Definitions.**

- a) "Guam business" means a sole proprietor, partnership, corporation, limited liability company, association, or similar entity that maintains a current license to conduct an income producing business on Guam and can be categorized as a small business using the U.S. SBA Small Business Size Standards matched to the North American Industry Classification System (NAICS). A table of size standards can be found at <https://www.sba.gov/document/support-table-size-standards>.
- b) "Full time equivalent (FTE) employee" means the unit of measurement used to determine the number of full-time hours worked by all employees in a business. For the purposes of the program, one FTE shall equate to an employee or a combination of employees whose weekly work hours equates to no less than thirty two (32) hours per week.
- c) "Pre-pandemic period" means the twelve months preceding the declaration of the public health emergency in response to the COVID-19 pandemic, specifically the months of April 2019 through March 2020.
- d) "Pandemic period" means the period of time wherein Guam was in a state of public health emergency in response to the COVID-19 pandemic, which, for the purposes of this program with regards to an evaluation of an application for assistance, shall be the months of January 2022 through December 2022.
- e) "Eligible gross receipts" means all gross receipts reported by a business on lines 1. through 13. in column (A) of Form GRT-1 as submitted to the Department of Revenue and Taxation, with the exclusion of any gross receipts reported on line 4. of column (A) of Form GRT-1.
- f) "Payroll expenses" means salaries & wages, employee benefit costs and applicable payroll taxes, capped at one hundred thousand dollars (\$100,000) for any single employee.

### **IV. Applicant Categories.**

LEAP II applicants shall be divided into two separate categories based on total number of full time employees or full time equivalent employees (FTE):

- a) Category A: Businesses with four (4) or fewer FTE; and
- b) Category B: Businesses with five or greater FTE.

## **V. Eligible Entities.**

A business shall be eligible to receive a LEAP II award if it meets all the following:

<b>Criteria</b>	<b>Requirement</b>
Business interruption (BI) comparing average monthly gross receipts between pre-pandemic and pandemic period as defined	BI greater than or equal to 35%
Operating status	Business must have been open no later than 90 days prior to the launch date of the program
Minimum annual gross revenue (CY 2022)	\$10,000
Meet US SBA size standards (based on NAICS code)	Variable

## **VI. Ineligible Entities.**

The following entities shall not be eligible to receive LEAP II financial assistance:

- a) Government or Private Hospitals;
- b) Guam Businesses that have eligible gross receipts for 2022 or whose employee count based on their quarter ending 09/30/2023 SW-2 Employer Quarterly State Wage Report or other similar appropriate document filed with the government of Guam is greater than the size standards listed on the U.S. SBA Small Business Size Standards matched to the North American Industry Classification System (NAICS);
- c) Any business operating in Guam that is part of a national/international corporation that is wholly owned by said corporation and does not file corporate income taxes in Guam. This shall not apply to locally owned and operated businesses with a national/international brand, such as a franchise or licensing agreement;
- d) Guam Businesses that have eligible annual gross receipts of less than Ten Thousand Dollars (\$10,000.00) based on the gross receipts value reported in form GRT-1 for 2022;
- e) Businesses that commenced operations on or after August 1, 2021;
- f) Commercial Landlords;
- g) Passive Investment Holdings;
- h) Non-profit organizations;
- i) Businesses that are either temporarily closed or permanently closed and have ceased all business operations, and businesses that recommenced operations between one (1) and eighty nine (89) days prior to the launch date of the program; and
- j) Local Employers' Assistance Program (LEAP) loan recipients who have not applied for loan forgiveness.

## VII. Funding Calculation Examples.

### Businesses in operation on or prior to October 31, 2019:

- a) Total all eligible gross receipts values for all months in operation from the month ending April 2019 to the month ending March 2020 as reported on form GRT-1, then divide the total by the value of months used to calculate the total to determine the average monthly gross receipts for the pre-pandemic period.
- b) Total all eligible gross receipts values for all months in operation from the month ending January 2022 to month ending December 2022 as reported on form GRT-1, then divide the total by the value of months used to calculate the total to determine the average monthly gross receipts for the pandemic period.
- c) If the calculated pandemic period average monthly gross receipts is greater than that of calculated pre-pandemic period average monthly gross receipts, then there is no business interruption and the application is determined to be ineligible to receive a grant.
- d) If the calculated average monthly gross receipts for the pandemic period is less than the calculated average monthly gross receipts for the pre-pandemic period, subtract the pandemic period average monthly gross receipts from the pre-pandemic average monthly gross receipts. The result will be the reduction in average monthly gross receipts the business incurred during the pandemic period. This is the business interruption amount.
- e) Divide the business interruption amount by the average monthly gross receipts during the pre-pandemic period. The result is the business interruption percentage.
- f) If the resulting percentage is thirty five percent (35%) or greater, the business is eligible.
- g) Grant amount is determined by doubling the business interruption amount calculated above. Grant amounts are capped at sixteen thousand dollars (\$16,000) for Category A businesses and one hundred fifty thousand dollars (\$150,000) for Category B businesses.
- h) The program allows for multiple awards for a unique legal business entity, with each application reviewed individually. However, any unique legal business entity that is determined to be eligible for multiple grant awards shall be subject to an aggregate limit of \$350,000 in grant funds.

<b>Funding Calculation Example – Category B applicant with a business interruption percentage <math>\geq</math> 35% opened pre-pandemic</b>	
Pre-pandemic (April 2019 – March 2020) average monthly gross receipts for a business with \$1,200,000 in total gross receipts for a twelve month period ( $\$1,200,000 \div 12$ )	\$100,000
Pandemic average monthly gross receipts for a business with \$480,000 in total gross receipts for a twelve month period ( $\$480,000 \div 12$ )	\$40,000
Business interruption amount ( $\$100,000 - \$40,000$ )	\$60,000
Business interruption percentage ( $\$60,000 \div \$100,000$ )	60%
Funding Calculation	
A. Business interruption amount multiplied by 2 ( $\$60,000 \times 2$ )	\$120,000
<b>B. Final Grant Amount</b>	<b>\$120,000</b>

**Businesses that commenced operations between November 1, 2019 through July 31, 2021:**

- a) Total all eligible gross receipts values for all months in operation from the month ending January 31, 2021 to the month ending December 31, 2021 as reported on form GRT-1, then divide the total by the value of months used to calculate the total to determine the average monthly gross receipts for period CY 2021.
- b) Total all eligible gross receipts values from the month ending January 2022 to month ending December 2022 as reported on form GRT-1, then divide the total by the value of months used to calculate the total to determine the average monthly gross receipts for period CY 2022.
- c) If the calculated CY 2022 period average monthly gross receipts is greater than that of the calculated CY 2021 period average monthly gross receipts, then there is no business interruption and the application is determined to be ineligible to receive a grant.
- d) If the calculated average monthly gross receipts for the CY 2022 period is less than the calculated average monthly gross receipts for the CY 2021 period, subtract the CY 2022 period average monthly gross receipts from the CY 2021 average monthly gross receipts. The result will be the reduction in average monthly gross receipts the business incurred during the CY 2022 period. This is the business interruption amount.
- e) Divide the business interruption amount by the average monthly gross receipts during the CY 2021 period.) The result is the business interruption percentage.
- f) If the resulting percentage is thirty five percent (35%) or greater, the business is eligible.
- g) Grant amount shall be equal to the business interruption amount calculated above. Grant amounts are capped at ten thousand dollars (\$10,000) for Category A businesses and fifty thousand dollars (\$50,000) for Category B businesses.
- h) The program allows for multiple awards for a unique legal business entity, with each application reviewed individually. However, any unique legal business entity that is determined to be eligible for multiple grant awards shall be subject to an aggregate limit of \$100,000 in grant funds.

<b>Funding Calculation Example – Category B applicant with a business interruption percentage <math>\geq</math> 35% opened between November 2019 – July 2021</b>	
CY 2021 (January 2021 – December 2021) average monthly gross receipts for a business with \$600,000 in total gross receipts for a twelve month period ( $\$600,000 \div 12$ )	\$50,000
CY 2022 (January 2022 – December 2022) average monthly gross receipts for a business with \$360,000 in total gross receipts for a twelve month period ( $\$360,000 \div 12$ )	\$30,000
Business interruption amount ( $\$50,000 - \$30,000$ )	\$20,000
Business interruption percentage ( $\$20,000 \div \$50,000$ )	40%
Funding Calculation	
A. Business interruption amount (\$20,000)	\$20,000
<b>B. Final Grant Amount</b>	<b>\$20,000</b>

## **VIII. Grant Terms and Conditions**

**General terms.** Grant awards will be subject to the following general terms:

- a) Funds must be used within six (6) months of receipt. Any unused funds may be required to be returned;
- b) Recipients must maintain accurate records of how grant funds were expended; all recipients may be subject to audit/post award review; and
- c) Category B recipients must expend no less than forty percent (40%) of their grant award for on eligible payroll expenses.

**Use of Funds.** Program funds are forward looking. Recipients shall use all funds proceeds to cover eligible unpaid essential business operating expenses from the grant issuance date. Eligible expense include:

- a) Employee payroll and benefits;
- b) Rent and mortgage payments;
- c) Utilities;
- d) Insurance;
- e) Maintenance expenses; and
- f) Other operating costs (subject to approval).

**Ineligible Expenses.** Program funds are to be used for costs related to essential business operations, which shall exclude the following ineligible expenses:

- a) Reimbursement for any previously paid business expense(s);
- b) Nonessential construction/renovation costs;
- c) Employee bonuses or raises;
- d) Travel expenses;
- e) Catering and/or event costs outside of normal business operations;
- f) Lobbying expenses;
- g) Legal expenses, including any legal settlements; and
- h) Other nonessential business expenses as identified by GEDA.

**Misrepresentation.** All program applications are required to certify that all information provided to GEDA regarding their application and grant, if deemed eligible, is true and correct. Any recipient that is found to have knowingly and deliberately engaged in misrepresentation is subject to full repayment of grant award plus additional fines as determined by GEDA.

## **IX. Grant Monitoring**

Approved applications are subject to post award review. Grant recipients are required to maintain copies of all grant funded expenditures, as GEDA staff will be performing post award audits to review compliance of grant terms and conditions. Any recipient deemed to be in noncompliance with any of the terms and conditions of the program shall be subject to fines and penalties. GEDA shall establish such fines and penalties as deemed appropriate and reasonable as approved by the GEDA CEO/Administrator.

## **X. Reconsideration.**

Applicants who have had their applications deemed ineligible shall be afforded an opportunity to seek reconsideration of their program ineligibility.

**Timeline.** Reconsideration requests shall be reviewed only after all other duly received complete applications have been processed.

**Procedure.** Ineligible applicants may request reconsideration pursuant to the following:

- a) Reconsideration requests must be submitted in writing and addressed to the GEDA CEO/Administrator. The request must detail the applicant's reasoning for reconsideration and must include all supporting documentation in support of the reasoning presented in the request.
- b) Requests for reconsiderations must be received no later than ten (10) working days after an ineligible applicant receives an ineligibility notice.
- c) The Reconsideration Review Committee (RRC) will review the reconsideration request along with the initial application packet in consideration of its recommendation to either approve or disapprove the request. The Committee may request for additional information from the applicant if deemed necessary.
- d) The GEDA CEO/Administrator shall review the RRC's recommendation in determining the final approval or disapproval of a reconsideration request.
- e) Upon disposition by GEDA CEO/Administrator, a final notice of approval or disapproval shall be provided to applicant via US mail.

**Processing of Approved Requests.** Approved reconsiderations will be processed chronologically on a "first come first served" basis and are subject to the availability of funds.