

Minority Contractors Capital Access Program

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PROGRAM INTRODUCTION AND SUMMARY

The Western Reserve Community Fund, Inc. (“WRCF”), in cooperation with the Development Finance Authority of Summit County, the County of Summit, and the City of Akron, has developed the Minority Contractors Capital Assistance Program (the “Program”) to provide financial solutions which encourage and permit increased participation by minority, women, LGBTQ, veteran, and disabled-owned businesses in both publicly-bid and privately-funded construction projects in Akron and Summit County. Administered by the WRCF, which was created to help fill the regional gap in access to capital and provide support in disinvested areas where traditional lenders deem too risky to finance or be the sole lender, the Program functions through an enrollment process where eligible businesses apply and are evaluated on need, experience, and growth potential.

There is a constant and often unmet demand for skilled and qualified contractors in the construction and professional services industries. However, the disparity of diversity cannot be ignored; less than 1% of area firms are minority-owned. Additionally, through an Urban Institute study, it was found that of the 100 largest U.S. metro areas from 2005 to 2015, Akron ranked among the 10 worst metro areas for the decline in the black employment rate, and the five worst for the decline in black earnings. Akron and Summit County’s economy cannot thrive if its minority population – 31 percent of the city’s residents and 12 percent of the region’s – is not succeeding.

Unfortunately, history has taught us that economic crises in America hit minority and underserved populations particularly hard. In the early 2010s, partially in response to the economic collapse of 2008-2009, the Toledo-Lucas County Port Authority created a similar program to the one created by these Guidelines. As the Board of the WRCF adopts these Guidelines, the country is gripped by the economic collapse brought about by the COVID-19 pandemic. Unfortunately, early data is showing that the COVID-19 pandemic is doubly bruising minority communities in America, as they struggle both with higher incidents of the illness and an ever-deepening economic hole to climb out of as a result of the pandemic. Certainly, the problem that existed for historically disadvantaged businesses is only worsened by the current economic collapse that sees tens of millions of Americans out of work. Like our peers in Toledo and Lucas County, the WRCF and its partners are adopting the Program as a direct response to the current economic crises.

The Program will target a specific yet extremely catalytic sector to support the growth and success of minority-owned contracting businesses which will in turn create quality jobs for the region’s diverse populations. Access to necessary capital to manage construction projects has been a barrier to increased participation by minority, women, and other disadvantaged contractors, which is likely to only be made worse by the COVID-19 pandemic. WRCF will provide flexible short-term loans to small business minority contractors in situations where the owner might otherwise have to use a high-interest credit card or other disadvantageous capital sources to purchase materials and meet payroll to satisfy a contract.

Historically, minority and women-owned contractors have survived through a number of methods: only bidding work where bonding is not required, bidding under a prime contractor’s

bond, obtaining bond waivers and/or alternative insurance/guarantee products and/or obtaining a first bond and increasing bonding capacity. By providing available, convenient and low-cost capital to pay for bonding premiums, the Program is intended to remove some of the obstacles that many Minority Contractors face. Additionally, as the Program further develops capacity to issue bonds for projects, it will be satisfying an essential “leg on the stool” for both public and private projects.

In addition to meeting the immediate needs for bonding or access to capital, the Program contains educational and financial strategies designed to empower participating contractors to better compete and build the tools necessary for long-term business success. This crucial component will be implemented through partnerships with new and already existing programs that offer mentorship, technical training, business support and development, and certification opportunities.

PROGRAM GOAL AND OBJECTIVES

The goal of the Program is to provide a financing mechanism for minority-owned, women-owned, LGBTQ-owned, veteran-owned and disabled-owned businesses (collectively “Minority Contractors”) to have the necessary capacity to bid on, obtain and successfully complete public and private projects in which they would otherwise not be able to participate. Specifically, the Program is designed to assist Minority Contractors that are engaged in construction, engineering, design, architectural, landscaping, snow removal, environmental, and similar industries, although the Board of the WRCF may elect to expand the scope of the Program to other industries. The Program is predicated on three objectives, which are designed to provide Minority Contractors with the best opportunity for long-term success and stability.

1. Provide access to capital for project-specific cash flow for material and/or labor to allow contractors to bid and propose on public or private work they would otherwise not be able to bid or propose on due to cash flow limitations.
2. Improve the ability of Minority Contractors to obtain bid, payment and performance bonds necessary for projects. To do so, the Program will initially provide access to capital to pay premiums for such bonds. Additionally, the WRCF will subsequently adopt further guidelines to create and operate a component of the Program whereby it will provide for such bonds to be issued to Minority Contractors upon payment of appropriate premiums.
3. Connect the Minority Contractor with educational resources, tools, training and other wrap-around services which will (i) enable the Minority Contractors to obtain bonding through traditional bonding sources without premium assistance, (ii) develop prudent business financial reporting and cash flow management acumen, (iii) teach Minority Contractors the necessary steps to perform work in the public bid arena, (iv) enable the Minority Contractors to build capacity and put the Minority Contractors on a path to obtaining traditional financing for their business, and (v) assist the Minority Contractors with developing skills necessary to expand their future business opportunities.

PARTICIPATION CRITERIA

To be eligible to participate in the Program, a Minority Contractor must satisfy the following criteria:

1. The Minority Contractor shall have a principal place of business located in Summit County.
2. The Minority Contractor shall be either a non-profit corporation registered to do business in the State of Ohio and recognized by the IRS as a 501(c)(3) charitable organization, or may be a sole proprietorship, partnership, corporation (both S and C), limited liability company, limited partnership, or limited liability partnership. If a corporation, professional association, limited liability company, limited partnership or limited liability partnership, the Minority Contractor must be registered with the Ohio Secretary of State to do business in the State of Ohio. If a sole proprietorship, the Minority Contractor shall provide documentation of its existence as a business, including, but not limited to income tax returns, trade name registrations, business banking or credit accounts, or similar documents. If a partnership, the Minority Contractor shall either be registered with the Ohio Secretary of State to do business in the State of Ohio, or, if not registered, shall provide documentation similar to that required for a sole proprietorship.
3. The Minority Contractor must be privately held.
4. The Minority Contractor must not be in receivership or bankruptcy.
5. The Minority Contractor must not be involved in any pending litigation.
6. The Minority Contractor must be current on all Summit County municipal and Joint Economic Development District income tax obligations, Summit County property tax obligations and have no federal or State tax liens of any nature.
7. The Minority Contractor must be at least 51% owned by one or more individuals who identify as a racial or cultural minority, woman, LGBTQ, veteran or disabled individual, as recognized by State, federal or local statute or ordinance. Preference for funding will be provided to those Minority Contractors who are certified by the State of Ohio's Minority Business Enterprise (MBE) Program, State of Ohio's Disadvantaged Business Enterprise (DBE) Program, State of Ohio's Encouraging Diversity in Growth and Equity (EDGE) program, State of Ohio's Veteran-Friendly Business Enterprise (VFBE) Program, the U.S. Small Business Administration's 8(a) Business Development Program, or a similar certification from a local political subdivision of the State of Ohio.
8. The Minority Contractor must possess and maintain all necessary licenses required by the State of Ohio for the Minority Contractor's industry, and must obtain all local licenses, registrations and permits necessary for any projects

related to Program funding. For example, contractors involved in Electrical, HVAC, refrigeration, plumbing and hydronics who perform commercial work must be licensed by the State of Ohio and must also be registered with the Summit County Division of Building Standards and/or the local political subdivision where all projects using Program funds will be undertaken.

9. The Minority Contractor must maintain and provide proof of Workers' Compensation Insurance through the Ohio Bureau of Workers' compensation and must also maintain and provide proof of general commercial liability insurance with minimum coverage of at least \$1,000,000. The Minority Contractor will also be required to indemnify and hold the WRCF harmless against any claims, actions and causes of action pertaining to its work on any projects funded in whole or in part by Program funds.
10. If performing residential renovations on structures built prior to 1978 or containing a daycare facility, the Minority Contractor must be registered with the Environmental Protection Agency (EPA) and have completed the 8-hour certification from the EPA for the Residential Renovation, Repair and Painting Program.
11. The Minority Contractor must demonstrate a financial need and a commitment to follow through with any additional requirements and documentation requests the Program deems necessary to adhere to Program guidelines.
12. The Minority Contractor must submit a completed Program Application and Company Profile as promulgated by the WRCF.
13. In addition to the above, any Minority Contractor utilizing Program funds for any project that were funded in whole or in part using Community Development Block Grant (CDBG) funds must do the following:
 - a. Have or apply for and obtain a DUNS number and CAGE Code.
 - b. Register as a Section 3 Contractor with the Department of Housing and Urban Development
 - c. Not be a business that would otherwise be prohibited from the receipt of CDBG funds.
 - d. Be located in a low to moderate census tract as identified in the most recent ACS data, or use the project funding to create or retain a job for at least one full time equivalent low to moderate income individual for each \$25,000, or fraction thereof, loaned to the Minority Contractor.
 - e. Execute CDBG addendums for each project funded by CDBG funds whereby the Minority Contractor agrees to abide by all necessary requirements of the receipt of CDBG funds, as set forth below.

PROGRAM PARTICIPATION

The Board of the WRCF shall appoint an MCCAP Review Committee that will fulfill the obligations set forth in these Guidelines. The MCCAP Review Committee shall consist of five individuals, one of whom shall be the Executive Director of the WRCF, three of whom shall be an owner, officer or director of a business that is (i) at least 51% owned by one or more individuals who identify as a racial or cultural minority, woman, LGBTQ, veteran or disabled individual as recognized by State, federal or local statute or ordinance, and one of whom shall be an individual who identifies as a racial or cultural minority, woman, LGBTQ, veteran or disabled individual who is currently employed or has substantial experience working for a bank or other financial institution. The MCCAP Review Committee will be chaired by the Executive Director of the WRCF and may otherwise adopt its own bylaws or rules for governance.

Following the appointment of the MCCAP Review Committee, the staff of the WRCF will begin accepting Program Applications for participation in the Program, in the form attached hereto as Exhibit A. From time to time the MCCAP Review Committee will review the Program Application form and update as necessary. The Program Application will be posted on the website of the WRCF, or, in the absence of a website for the WRCF, on the website of the Development Finance Authority of Summit County. Unless limited herein, or by further action of the Board of the WRCF, upon the recommendation of the MCCAP Review Committee, the WRCF will accept Program Applications on an open and ongoing basis.

Any Minority Contractor desiring to participate in the Program must submit a Program Application to the WRCF to be considered for participation in the Program. Upon receipt of each Program Application, the staff of the WRCF will review the same and will determine whether the Program Application is complete. In the event the Program Application is not complete, the staff will contact the Minority Contractor and will work with the Minority Contractor to obtain any information necessary to complete the Program Application.

Upon receipt of a complete Program Application, the staff of the WRCF shall perform an initial review to determine whether the Minority Contractor meets the eligibility criteria set forth in these Guidelines. In the event additional information is needed to determine eligibility, the staff will contact the Minority Contractor to obtain the same. Following the determination of eligibility of each Applicant, the staff will present the Program Application to the MCCAP Review Committee at its next meeting, with a recommendation as to whether the Minority Contractor that submitted the Program Application should be approved to participate in the Program.

The MCCAP Review Committee will meet at least once each typical calendar quarter, and may meet more frequently if called by the Chair. At each meeting, the MCCAP Review Committee will review all Program Applications submitted to it by the staff of the WRCF. The MCCAP Review Committee will determine (i) whether to approve the Minority Contractor to participate in the Program, (ii) the total limit of the credit to be extended to the Minority Contractor and/or any limitation on the number of projects that may be funded for the Minority Contractor at and given time, (iii) any requisite participation in any Business Assistance Program, as set forth below, and (iv) any other conditions that it determines necessary and reasonable to the Minority Contractor's participation in the Program. Additionally, each

Program Application and Minority Contractor will be reviewed based upon the following criteria, which include, but are not limited to:

1. General creditworthiness of the Minority Contractor and the individual who will execute any Guaranty Agreement on behalf of the Minority Contractor, as required below.
2. The Minority Contractor's capacity to bid upon, perform and complete public and private contracts within the industry, including, but not limited to, demonstrated completion of past projects.
3. The Minority Contractor's number of years in business and/or the experience of the Minority Contractor's principals, directors, officers and employees in the industry.
4. The Minority Contractor's legitimate need for obtaining credit facilities through the Program due to the general inability of the Minority Contractor to obtain traditional credit facilities and/or obtain traditional credit facilities at terms consistent with other contractors in the industry.
5. Preference may be given to prior participation and/or completion of a Business Assistance Program, as set forth below.
6. Preference may be given to Certification by the State of Ohio's Minority Business Enterprise (MBE) Program, State of Ohio's Disadvantaged Business Enterprise (DBE) Program, State of Ohio's Encouraging Diversity in Growth and Equity (EDGE) program, State of Ohio's Veteran-Friendly Business Enterprise (VFBE) Program, the U.S. Small Business Administration's 8(a) Business Development Program, or a similar certification from a local political subdivision of the State of Ohio.
7. Preference may be given to businesses with a higher number of employees employed by or to-be-hired by the Minority Contractor, including therein, the number of such employees who reside in Summit County and the number of such employees who are low-to-moderate income.
8. Preference may be given to whether the business is located in a Job Hub as designated by the County of Summit, low-to-moderate income area, opportunity zone, or other officially-recognized distressed Census tract, area or district.

The MCCAP Review Committee will adopt a resolution recommending to the WRCF Board the participation of any Minority Contractor in the program that it determines appropriate, together with any limitation and/or conditions as set forth in this paragraph. Upon receipt of the recommendation for participation of a Minority Contractor in the Program, the Board of the WRCF will review the same and may approve said participation. In the event the Board of the WRCF elects to reject the recommendation of the MCCAP Review Committee, it will return the recommendation to the MCCAP Review Committee for further review and/or revisions to its recommendation.

Participation in the Program by Minority Contractors shall be limited to no more than fifteen (15) Minority Contractors at any time, provided, however, that the total collective credit limit among all Minority Contractors not to exceed \$325,000, and the limitation on the number of Minority Contractors shall be adjusted downward in the event the credit limit cap is met. The Board of the WRCF, upon the recommendation of the MCCAP Review Committee may amend this limitation as it determines necessary and appropriate.

Annually, commencing with the meeting in the 4th quarter of 2021, the MCCAP Review Committee will review all Minority Contractors then-participating in the Program and determine whether it is appropriate for the Minority Contractor to continue participating in the Program. In the event that the MCCAP Review Committee determines that the Minority Contractor should no longer participate in the Program, for any reason whatsoever, then the MCCAP Review Committee will make such recommendation to the Board of the WRCF, stating the reason for its recommendation. The Board of the WRCF may then accept or reject the recommendation of the MCCAP Review Committee at its next meeting. In determining continued participation, the MCCAP Review Committee and the Board of the WRCF will consider, in addition to any other factors they may consider, in their sole discretion, whether the Minority Contractor no longer is in need of the Program because of its financial health, sustainability and ability to obtain bonding and credit through traditional means, or, in the alternative, that the Minority Contractor is no longer a suitable credit risk for the Program.

In addition to the annual review process set forth above, the Board of the WRCF may, at any time, determine that a Minority Contractor may no longer participate in the Program for any reason, in the Board's sole discretion, that it determines appropriate, including, but not limited to, (i) breach of, or default under, the Program Agreement or any other Agreement provided for in these Guidelines, (ii) bankruptcy, receivership or liquidation of substantially all of the Minority Contractor's assets, (iii) mispending or misappropriation of Program funds, (iv) litigation against the Minority Contractor, (v) illegal activity or illegal use of the Minority Contractor's business assets or Program funds, (iv) the ownership structure of the Minority Contractor changes such that the Minority Contractor is no longer at least 51% owned by one or more individuals who identify as a racial or cultural minority, woman, LGBTQ veteran or disabled individual, as recognized by State, federal or local statute or ordinance. .

Once admitted to participate in the Program, the Minority Contractor must sign the Program Agreement and must abide by the terms of the Program Agreement and any other Agreements set forth herein or therein, at all times during its participation in the Program. The Program Agreement shall be in the form attached hereto as Exhibit B. From time to time the MCCAP Review Committee will review the Program Agreement form and update as necessary.

CREDIT FACILITIES AVAILABLE UNDER PROGRAM

Minority Contractors participating in the Program will have initially have access to three types of credit facilities to support projects wherein the contractor intends to submit a bid and/or has been awarded a contract. Those credit facilities are: (i) bid, performance and payment bond premium assistance, (ii) capital for the purchase of materials, and (iii) capital for labor costs. Additionally, the WRCF will subsequently adopt further guidelines to create and operate a

component of the Program whereby it will provide for such bonds to be issued to Minority Contractors upon payment of appropriate premiums.

In the event the Minority Contractor desires to utilize any of the three aforementioned credit facilities, it shall submit a Project Funding Request to the staff of the WRCF setting forth the details of the project, the requested credit facility, and the details of the requested credit facility. Upon receipt of a Project Funding Request, the WRCF staff will review the same and the Executive Director will make a determination as to whether to approve or disapprove the Project Funding Request and the request for the credit facility therein. Such approval will be limited by the total limit of the credit extended to the Minority Contractor and/or any limitation on the number of projects that may be funded for the Minority Contractor at and given time. Upon approval or disapproval, the Executive Director will notify the Minority Contractor of the same. Minority Contractors are encouraged to submit Project Funding Requests prior to submitting a bid or quote for a project, but Project Funding Requests will be accepted at any time prior to Minority Contractor executing a contract to provide materials or services for a project (funding for bid bonds must be applied for an approved prior to submitting any bid or quote requiring the same).

Upon approval, the following provisions shall govern each of the aforementioned credit facilities:

1. Bond Premium

Following approval of the Project Funding Request, the Minority Contractor will be able to access capital as a loan to pay the premiums of bid, performance or payment bonds. Additionally, an approved Project Funding Request may enable the Minority Contractor to access capital as a loan to pay a portion of the premium for bid, performance and payment bonds, and to further access capital as a grant to pay the remaining portion of the premium for bid, performance and payment bonds. In submitting a Project Funding Request for capital to pay the premium of bid performance or payment bonds, the Minority Contractor is encouraged to request capital for all types of bonds pertaining to a particular Project on a single Project Funding Request, if possible.

To access capital as to pay premiums of bid, performance and payment bonds, the Minority Contractor shall:

- a. Provide the WRCF with a copy of the bid materials, agreements, or other documents setting forth both the requirement for the bond and the amount of the required bond.
- b. Documentation from a financial, insurance or surety company documenting the amount of the premium for the bond required by the documentation provided in the preceding subsection (a).
- c. Execute and deliver a Joint Payment Agreement with the WRCF and the owner or general contractor of the project, in the form attached hereto as Exhibit C.

- d. Execute and deliver a Promissory Note to the WRCF in the form attached hereto as Exhibit D.
- e. Execute and deliver a Personal Guaranty in favor of the WRCF in the form attached hereto as Exhibit E. The Personal Guaranty shall be executed and delivered by the principals and other persons substantially involved in the operation of the business.
- f. Execute and deliver a CDBG Addendum and any other necessary documents whereby the Minority Contractor agrees (i) to abide by all necessary requirements of the receipt of CDBG funds, and (ii) to be located in a low to moderate census tract as identified in the most recent ACS data, or create or retain a job for at least one full time equivalent low to moderate income individual for each \$25,000, or fraction thereof, loaned to the Minority Contractor for the project.

Following submittal of the aforementioned documents and approval of the same by the WRCF, the Minority Contractor may draw upon the credit facility to pay the premium on a bid, performance or payment bond. In order to draw upon the credit facility for a bid bond, no additional documentation will be required, but Minority Contractor will provide WRCF with all information necessary to pay the premium cost directly to the financial, insurance or surety company issuing the bond. In order to draw upon the credit facility for a performance or payment bond, the Minority contractor must submit documentation to the WRCF evidencing the award of the contract to the Minority Contractor and provide all information necessary for WRCF to pay the premium cost directly to the financial, insurance or payment bond. The WRCF will then directly pay the financial, insurance or surety company issuing the bond within ten (10) business days of receipt of said documentation from the Minority Contractor, unless sooner payment is necessary, and, in that event, WRCF will use all reasonable efforts to make the payment in the shorter timeframe.

The WRCF, in cooperation with the Minority Contractor, will submit pay requests to the owner or general contractor for the project as provided for in the agreement between the Minority Contractor and the owner or general contractor, and the owner or general contractor will make such payment directly to WRCF to pay any costs of WRCF's financing as set forth herein and to reimburse WRCF for previously made payments for the bond premiums. Following (i) the receipt of payment from the owner or general contractor, (ii) the payment of any costs of WRCF's credit facility as set forth herein, and (iii) reimbursement to WRCF of all previously made payments for bond premiums, any excess proceeds will be paid by WRCF to the Minority Contractor to cover project management and overhead within five (5) business days.

2. Capital for the Purchase of Materials

Following approval of the Project Funding Request, and award of a contract by either an owner or general contractor for the project, the Minority Contractor will be able to access capital for the purchase of materials. To do so, the Minority Contractor shall:

- a. Provide the WRCF with a list of the material supplier(s) from which the Minority Contractor will purchase supplies for the project.
- b. Execute and deliver a Joint Payment Agreement with the WRCF and the owner or general contractor of the project, in the form attached hereto as Exhibit C.
- c. Execute and deliver a Promissory Note to the WRCF in the form attached hereto as Exhibit D.
- d. Execute and deliver a Personal Guaranty in favor of the WRCF in the form attached hereto as Exhibit Exhibit E. The Personal Guaranty shall be executed and delivered by the principals and other persons substantially involved in the operation of the business.
- e. Execute and deliver a CDBG Addendum and any other necessary documents whereby the Minority Contractor agrees (i) to abide by all necessary requirements of the receipt of CDBG funds, and (ii) to be located in a low to moderate census tract as identified in the most recent ACS data, or create or retain a job for at least one full time equivalent low to moderate income individual for each \$25,000, or fraction thereof, loaned to the Minority Contractor for the project.

Following submittal of the aforementioned documents and approval of the same by the WRCF, the Minority Contractor may draw upon the credit facility to pay material suppliers. In order to draw upon the credit facility, Minority Contractor must submit to the WRCF appropriate documentation, including, but not limited to, invoices, lien waivers, certified payroll records, tax exemption certificates for public projects, etc. evidencing that payment is due to a material supplier. The WRCF will verify with the project owner or general contractor, or designee, that the material has been provided, and WRCF staff may conduct site visits to ensure that the work is progressing and to confirm when the project is completed. The WRCF will then directly pay the material supplier within ten (10) business days of receipt of said documentation from the Minority Contractor.

The WRCF, in cooperation with the Minority Contractor, will submit pay requests to the owner or general contractor for the project as provided for in the agreement between the Minority Contractor and the owner or general contractor, and the owner or general contractor will make such payment directly to WRCF to pay any costs of WRCF's financing as set forth herein and to reimburse WRCF for previously made payments to material suppliers for material costs. Following (i) the receipt of payment from the owner or general contractor, (ii) the payment of any costs of WRCF's credit facility as set forth herein, and (iii) reimbursement to WRCF of all previously made payments to material suppliers for material costs, any excess proceeds will be paid by WRCF to the Minority Contractor to cover project management and overhead within five (5) business days.

3. Capital for Labor Costs

Following approval of the Project Funding Request, and award of a contract by either an owner or general contractor for the project, the Minority Contractor will be able to access capital for labor costs. To do so, the Minority Contractor shall:

- a. Provide the WRCF with a list of the labor supplier(s) from which the Minority Contractor will contract for the provision of labor and/or a list of the employees that the Minority Contractor will employ on the project.
- b. Execute and deliver a Joint Payment Agreement with the WRCF and the owner or general contractor of the project, in the form attached hereto as Exhibit C.
- c. Execute and deliver a Promissory Note to the WRCF in the form attached hereto as Exhibit D.
- d. Execute and deliver a Personal Guaranty in favor of the WRCF in the form attached hereto as Exhibit E. The Personal Guaranty shall be executed and delivered by the principals and other persons substantially involved in the operation of the business.
- e. Execute and deliver a CDBG Addendum and any other necessary documents whereby the Minority Contractor agrees (i) to abide by all necessary requirements of the receipt of CDBG funds, and (ii) to be located in a low to moderate census tract as identified in the most recent ACS data, or create or retain a job for at least one full time equivalent low to moderate income individual for each \$25,000, or any fraction thereof, loaned to the Minority Contractor for the project.

Following submittal of the aforementioned documents and approval of the same by the WRCF, the Minority Contractor may draw upon the credit facility to pay for labor costs. In order to draw upon the credit facility, Minority Contractor must submit to the WRCF appropriate documentation, including, but not limited to, invoices, lien waivers, certified payroll records, tax exemption certificates for public projects, etc. evidencing that payment is due to a labor supplier. The WRCF will verify with the project owner or general contractor, or designee, that the labor has been provided, and WRCF staff may conduct site visits to ensure that the work is progressing and to confirm when the project is completed. The WRCF will then directly pay the labor supplier for contracted labor or the Minority Contractor for employee labor within ten (10) business days of receipt of said documentation from the Minority Contractor.

The WRCF, in cooperation with the Minority Contractor, will submit pay requests to the owner or general contractor for the project as provided for in the agreement between the Minority Contractor and the owner or general contractor, and the owner or general contractor will make such payment directly to WRCF to pay any costs of WRCF's financing as set forth herein and to reimburse WRCF for previously made payments for labor costs. Following (i) the receipt of payment from the owner or general contractor, (ii) payment of any costs of WRCF's credit facility as set forth herein, and (iii) the reimbursement to WRCF of all previously made payments for labor costs, any excess proceeds will be paid by WRCF to the Minority Contractor to cover project management and overhead within five (5) business days.

PROGRAM AND PROJECT FEES; INTEREST RATES

No fee shall be charged to any Minority Contractor applying to participate in the Program, and no fee shall be charged for any participant's ongoing participation in the Program.

The WRCF will charge a fee equal to 2.5% of any credit facility approved and subsequently drawn upon by any Minority Contractor. The fee of 2.5% will be calculated on the amount of the credit facility authorized, regardless of the amount actually drawn by the Minority Contractor. The fee shall be paid to WRCF as follows:

1. For projects with one pay request submitted to the owner or general contractor, the entire fee shall be paid out of the proceeds of the payment from the owner or general contractor.
2. For projects with two pay requests submitted to the owner or general contractor, 25% of the fee shall be paid out of the proceeds of the first payment from the owner or general contractor, and the balance of the fee shall be paid out of the proceeds of the second payment from the owner or general contractor.
3. For projects with three pay requests submitted to the owner or general contractor, 25% of the fee shall be paid out of the proceeds of the first and second payments from the owner or general contractor, and the balance of the fee shall be paid out of the proceeds of the third payment from the owner or general contractor.
4. For projects with four or more pay requests submitted to the owner or general contractor, 25% of the fee shall be paid out of the proceeds of each of the first four payments from the owner or general contractor.

No interest shall accrue or be payable on any of the credit facilities loaned from WRCF to any Minority Contractor.

BUSINESS ASSISTANCE PROGRAMS

Generally, Minority Contractors are expected to have completed, or be willing to participate towards completion of, a certified/accredited program designed to teach small and/or disadvantaged contractors the fundamentals and/or best practices of operating a business (“Business Assistance Program”). As part of the Program Application, each Minority Contractor must identify any such Business Assistance Program it has completed or is participating in, or, in the alternative, must indicate that it is willing to participate towards completion of a Business Assistance Program. Additionally, the MCCAP Review Committee may require participation towards completion in a Business Assistance Program as a condition to any Minority Contractor’s participation in the Program. Additionally, at the annual review of any Minority Contractor’s continued participation in the Program, the MCCAP Review Committee may make continued participation in the Program conditioned upon the Minority Contractor’s participation towards completion in a Business Assistance Program, regardless of whether the Minority Contractor has previously participated in, or completed, a Business Assistance Program in the past.

Examples of such Business Assistance Programs include, but are not limited to:

1. Assistance from the State of Ohio Minority Business Development Center
2. Minority Contractors Business Assistance Center (MBAC)

3. The MORTAR Entrepreneurship Academy
4. Generating Real Opportunity and Wealth (GROW) Program
5. ATHENA PowerLink
6. Greater Akron Chamber Business Owner Roundtable Participation

On an ongoing basis, the MCCAP Review Committee will review and approve such programs for inclusion in this requirement.