

## **CARES Act Business Relief Grant - FAQ**

### Can a business submit an application for COVID-19 related costs that have not been incurred yet?

*Yes, costs to implement proactive approaches to get infrastructure into place including PPE, capital equipment, additional staffing, etc. could be submitted and approved as long as the costs will be incurred by November 15<sup>th</sup>, 2020. The City of East Bethel may request receipts and will require certification that costs are COVID-19 related.*

*The City of East Bethel reserves the right to award amounts for any duration of the covered period, up to the entire timeframe (March 1-November 15) if funds allow.*

### What businesses can apply?

*All businesses may apply, excluding those that fall in the following two categories:*

- *Businesses that derive income from passive investments; property rentals or property management; billboards; or lobbying.*
- *Businesses deriving any income from gambling or adult entertainment*

### My business employs one or more individuals on a part-time or seasonal basis. Are we eligible to apply?

*Organizations must have had at least one (1) full-time employee (FTE) and no more than 150 full-time employees (FTE). Employees must be compensated.*

### How should my business calculate our FTE?

*Consider your part-time employees (15-30 hrs) as .5 FTE and your full-time employees (30+ hrs) as 1 FTE. You will be required to submit an IRS Form 941 from Q4 of 2019 or proof of payroll for verification.*

### My business does not have a physical location in the City of East Bethel, but the majority of our customers are in the City. Can we apply?

*Businesses must have a physical "brick and mortar" location in the City of East Bethel. If there is a parent Business/company or a second location outside of East Bethel, only the entity located in East Bethel can apply to receive a grant and grant funds issued must be used for local business expenditures.*

### My business changed ownership within the last 12 months, can we apply?

*East Bethel will not disqualify an applicant if there was an ownership change, as long as the business itself has been established prior to March 1, 2020.*

## Are for profit childcare providers able to apply?

*Yes, if they meet the program eligibility standards. Childcare providers, including child care centers and home-based providers.*

## Are sole-proprietorships eligible to apply?

*YES. This includes home-based service providers.*

## My business is resolving an issue with the Minnesota Secretary of State, can I apply?

*If there is an issue pending with the Minnesota Secretary of State, Applicant may still apply for the grant, but will need to demonstrate the issue has been satisfactorily resolved in order to be eligible and receive grant funds.*

## My business is resolving a property tax issue, can I apply?

*If there is a pending property tax issue, the City of East Bethel will hold your relief check until the property tax issue is resolved. Relief funds CANNOT be used to resolve the tax issue.*

## I received a Paycheck Protection Program (PPP) grant/loan, can I apply?

*Yes, although the funds allocated under this program cannot be used to cover the same expenses of that PPP funding or other federal program funds that have been used.*

*Applicants will be responsible for complying with the terms and requirements of the loan and grant programs from ALL sources. Receiving PPP funds will not disqualify nor discount consideration within this program.*

## I received a US Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) to cover similar expenses, can I apply?

*Yes, although the funds allocated under this program cannot be used to cover the same expenses of that EIDL funding or other federal program funds that have been used.*

*Applicants will be responsible for complying with the terms and requirements of the loan and grant programs from ALL sources. Receiving EIDL funds will not disqualify nor discount consideration within this program.*

## I received a State, Anoka County or community foundation grant to cover similar expenses, can I apply?

*Yes, although the funds allocated under this program cannot be used to cover the same expenses of those agreements. Applicants will be responsible for complying with the terms and requirements of the loan and grant programs from ALL sources. Receiving additional grant funds will not disqualify nor discount consideration within this program.*

## What is meant by “cannot be used to cover the same expenses of those agreements”?

*Funds cannot be used on the same purchase or expense. E.g. - You ordered 10,000 masks in July and paid an initial amount of the invoice with SBA EIDL funds. You **cannot** pay the remainder of that bill with Community Organization Assistance funds. You **could**, however, order an additional 5,000 masks for the winter months and pay that new invoice with Community Organization Assistance funds.*

*If you have questions about eligible expenses, please reach out at least two business days prior to applying.*

## What is the total amount of funds that will be awarded? Are there limits on number of awards or award amounts?

*Awards will be capped at \$10,000 or distributed on an equal or proportionate basis, whichever funds all the eligible applications. However, businesses are encouraged to submit needs and proof of need for all expenses, even those beyond \$10,000. The City reserves the right to make awards above \$10,000.*

## What the eligible costs under this program?

*Eligible Costs:*

- *Payroll expenses related to COVID-19 mitigation or response*
- *Commercial lease or mortgage, excluding government leases and property taxes*
- *Personal Protective Equipment (PPE)*
- *Cleaning supplies, hand sanitizers, etc.*
- *Social distancing equipment and signage, including physical barriers*
- *COVID-19 screening equipment*
- *Other similar COVID-19 related expenses*

*If you have any questions about eligible costs, please reach out to us two business days prior to submitting your application*

## What are the restrictions on “commercial” lease or mortgage payments?

*Lease or mortgage payments must be for a “brick and mortar” business location within the East Bethel City Limits. Although sole-proprietors and home-based businesses are included in the Business Relief Grant Program—home mortgages are NOT eligible under this program. Lease and mortgage agreements must be for commercial properties.*

*Additionally, if the payment must only be made on the principle amount. The [potentially] escrowed property taxes are NOT eligible under this program.*

## What the ineligible costs under this program?

### *Ineligible Costs:*

- *Costs covered by other federal, state and local COVID-19 related grant or loan programs*
- *Legal expenses*
- *Food, travel, conferences*
- *Normal business operating expenses*
- *Loss of revenue*
- *Other non-COVID-19 related expenses and payments*
- *Property taxes, other associated tax assessments*

*If you have any questions about ineligible costs, please reach out to us two business days prior to submitting your application.*

## What documentation/verification is required to submit?

*A comprehensive application will be completed. The application will require, at a minimum, the following pieces of information:*

- *Proof of location and business purpose*
- *Number of FTE and attached verification*
- *Proof of financial need and justification*
- *Budget narrative*

*A comprehensive grant reporting process will be completed. This process will require, at a minimum, the following pieces of information:*

- *Project or program information*
- *Reporting on expenditures*

*As you navigate the application and reporting process, we will be available to assist you. If you have a question or concern about a required—just ask!*

## Will funding allocations be prioritized or vetted based on number of employees and/or people served?

*CARES dollars will be vetted and prioritized to fill the gaps that remain for businesses where other funding streams fall short. This is critical in ensuring equity and access for populations disproportionately impacted by COVID-19.*

## I was forced to close under Executive Order—how will my application be reviewed?

*If your business was required to close per Minnesota Governor's Executive Orders 20-04, 20-04, or 20-09 then you will automatically qualify for this relief program. All of your **eligible** expenses will be considered for relief funding.*

## How will funds be disbursed?

*Funds will be disbursed via paper check on November 10, 2020.*

## How will applications be evaluated?

*Only complete applications will be considered. There will not be a follow-up period for clarification or to collect missing information. Furthermore, **all minimum qualifications** must be met prior to consideration for funding. The minimum qualifications are:*

- *At least 1 but not more than 50 FTE*
- *Business is based in City of East Bethel*
- *Business isn't in one of the ineligible categories*
- *Costs incurred are directly related to COVID-19*

*If minimum qualifications are met, then the application will be reviewed and recommended for funding.*

## Who do we contact for more information?\*

**Point of Contact:**

**Phone Number:**

**Email Address:**

\*The City will respond to questions within two business days. Please ensure all questions are submitted no later than October 2, 2020 to guarantee a response.