

**Anoka County State Funded Business and Non-Profit Relief Grant Program
Frequently Asked Questions (FAQS)**

1. When and how do organizations apply?

Applications will open January 14th and remain open until early March. The application link will be posted on www.anokacountysuccess.org

2. My business or non-profit was restricted from operating at full capacity or closed by Executive Order 20-99

If your business was restricted by Executive Order 20-99 you will be prioritized in the review.

This includes the following categories of businesses:

- Restaurants, bars
- Wineries, distilleries and breweries
- Gyms, personal fitness and yoga studios, martial arts
- Indoor events and entertainment
- Organized sports businesses and nonprofits (adult and youth)
- Pools

Please visit https://mn.gov/governor/assets/EO%2020-99%20Final%20%28003%29_tcm1055-454294.pdf to see if your organization fell into this category.

3. My business is a home-based business. Am I eligible to apply for this program?

Yes, as long as the home-based business has at least one or more W-2 employees besides the owner.

4. What is the definition of a home-based business?

According to IRS Publication 587 a home-based business is one that uses the owner's home or property (or space within the homestead property) as its principal place of business. That is:

- used regularly and exclusively for administration or management of a trade or business, and
- The owner has no other fixed location outside of their home/property where the business carries on a substantial (more than 50%) amount of administration or management.

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5. Do sole-proprietors or self-employed individuals qualify for this program?

Yes, as long as they have a physical establishment outside their home as home-based organizations are only eligible if they have one or more W-2 employees besides the owner.

6. Which non-profits are eligible to apply?

Nonprofits, nonprofit arts organizations, nonprofit museums, and nonprofit fitness centers, that earn revenue similar to businesses, including but not limited to ticket sales and membership fees, are eligible for grants. In addition, nonprofits must meet all other eligibility outlined in the Anoka County COVID Relief Grant Guidelines. The guidelines can be found on <http://www.anokacountysuccess.org/covid-19-anoka-county-business-resources/>.

7. I received a Paycheck Protection Program (PPP) loan or an Economic Injury Disaster Loan (or any other federal SBA loan or grant, including an EIDL Advance). Am I still eligible to apply for a grant from this program?

Yes, but you must disclose receipt of and the amount of the loans/grants.

8. If I receive a grant from this program, how does that affect my Paycheck Protection Program loan?

Please refer this question to your PPP loan servicer or financial advisor.

9. If a business received a COVID relief grant from the Department of Employment and Economic Development (DEED) or their local municipality, can they apply for this program?

Yes, but they must FULLY disclose what grants they received and how much they received. The County has to award grants based on need, and this will be taken into consideration. Grant funds can only be used for expenses not covered by the prior grants.

10. What if a business applied for a COVID relief grant from the Department of Revenue, but is not sure if they were awarded funds yet, can they apply for this program?

Yes – However business should disclose if they applied and how they plan to use the funding. Grant funds can only be used for expenses not covered by the prior grants.

11. Can organizations send in a paper or email application?

No. Due to the large volume of applications, we can only accept applications submitted through the online form. Our grant administrators and the county's economic development department will be

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offering technical assistance with the online applications. If you need assistance, please visit the following website first to find options for your organization <https://www.anokacountysuccess.org/covid-relief-grant-application-assistance/>

12. What happens after organizations submit their application?

Anoka County will be processing the review of all state funded COVID relief grants internally. The county will be processing grants on a first-come, first-served basis, while also prioritizing organizations that closed or were directly impacted by Executive Order 20-99. In order to honor both of these processes, the county will batch applications approximately every two weeks for review. The county will notify applicants of their approval or denial before March 15, 2021.

13. Does it matter when organizations submit their application?

Yes, the county will be processing grants on a first-come, first-served basis, while also prioritizing organizations that closed or were directly impacted by Executive Order 20-99. In order to honor both of these processes, the county will batch applications approximately every two weeks for review.

The County will download applicant data from the two-week period, and sort based on industry type to prioritize those impacted by Executive Order 20-99 first. All other organizations will remain in the queue for review at a later priority, and will then be reviewed based on the date in which they applied (earliest applications to be reviewed first, and then later applications) until all funds are exhausted or March 15, 2021 – whichever comes first.

14. I need help filling out my application. Where can I get help?

Anoka County has a list of community development partners that can provide technical assistance to organizations. In addition, there is a video explaining the application process online. You may use any other assistance provider you wish, but no assistance provider, whether free or fee-based, can guarantee you will receive a grant. For a list of these providers and a video on how to fill out the application, please visit <https://www.anokacountysuccess.org/covid-relief-grant-application-assistance/>

15. I need the application translated into another language. Where can I get help?

Contact Jacquell Hajder at Anoka County to request translation assistance
Jacquell.Hajder@co.anoka.mn.us.

16. How will grant selections be made?

Anoka County will be processing the review of all state funded COVID relief grants internally. This process will allow staff to ensure the funds go towards the hardest hit organizations – those directly or indirectly

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impacted by Executive Order 20-99. In addition, the grant amounts are customized to the business or nonprofit's severity of need for relief and the number of employees the organization had as of February 1, 2020, or date of opening for new businesses.

17. I own or I am part-owner of multiple businesses or non-profits that could be eligible for an award. Can each of those business apply to receive a grant?

Yes, so long as each location is physically located in Anoka County and the organization operates as a locally owned business, franchise, or nonprofit and not a multi-state corporate chain. Business or non-profits with multiple locations will need to submit a separate application for each location and provide financials specific to that location (refer to question #26 where financial hardship is defined).

18. Are cooperatives eligible to apply for this program?

If cooperatives are structured to generate and distribute profits for the benefit of members or owners, they are eligible to apply for this program.

19. My business leases space within the permanent physical location of another business (for example, a chair in a barbershop or a store within a mall, etc.). Is this considered a permanent physical location?

Yes.

20. I am a permanent resident of Anoka County, but my business or non-profit has a permanent physical location outside of the county. Is my business or non-profit eligible for this program?

No. Organizations are required to have permanent physical location in Anoka County.

21. How do I know if I am in good standing with the Secretary of State? What does "in good standing" mean?

"In good standing" means that your business or non-profit is current and active with any required business or non-profit registrations with the Office of the Secretary of State as of March 1, 2020 and that no Minnesota tax liens have been filed against your business or non-profit with the Minnesota Secretary of State.

You can look up your registration. Please have your file number available when filling out the grant application.

Note that, depending on your business structure, you may not be required to be registered with the Secretary of State. In that case, you will be deemed "in good standing" with the Minnesota Secretary of

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State. For example, if you are a sole proprietorship operating under your own name, you do not have to be registered with the state.

<https://mbisportal.sos.state.mn.us/Business/Search>

22. What if my business or nonprofit is not in good standing with the Secretary of State? Is my business eligible for this program?

No.

<https://mbisportal.sos.state.mn.us/Secured/SearchUCC>

23. Do I need to show that my business or non-profit is “in good standing” when I apply for a grant?

No, but you will need to answer on the application if you are in good standing. This will be verified by our grant reviewers so applicants need to fill this question out truthfully.

<https://mbisportal.sos.state.mn.us/Business/Search>

24. I don't know if I have a tax lien against my business or non-profit. How do I find out?

You can visit the Office of the Secretary of State website to look for tax lien filings. There is typically a fee for this look up. The County reviewers will also be conducting this search to verify

<https://mbisportal.sos.state.mn.us/Secured/SearchUCC>

25. My business is a home-based child-care provider. Do I need to be registered with the Secretary of State to be eligible for this program?

Not necessarily. If your business operates under your own name and not an assumed name or an LLC, S corporation or other business formation, you do not need to be registered with the Secretary. However, one or more W2 employee other than the owner must be employed by the business to be eligible.

26. How is financial hardship defined? What level of financial hardship must my business or non-profit demonstrate to qualify for this program?

Your organization should demonstrate its inability to cover its operational expenses from 2020 as compared to 2019, as a result of the COVID-19 outbreak. This may be demonstrated by providing Profit & Loss statements, or similar documentation, for at least the quarters ending July 1 through December 30, 2019, and for year 2020. For new businesses, the inability to cover operational expenses may be considered from date of opening through present. An organization must not receive a grant that exceeds their total expenses in 2020 and any projected (fixed) expenses for first quarter 2021.

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27. I started my business or non-profit after July 1, 2019. I am unable to compare revenues between January 1 and July 30 of last year and this year. Am I eligible to apply for this program?

Yes, you are still eligible to apply. New organizations should demonstrate the inability to cover their operational expenses from date of opening through present, as a result of the COVID-19 outbreak. An organization must not receive a grant that exceeds their total expenses in 2020 and any projected expenses for first quarter 2021.

28. How is revenue defined? My business or non-profit often doesn't get paid for work until 2-3 months after we complete it.

For the purposes of this program, we can accept either accrual or cash basis accounting when calculating revenues over the relevant time period. Whatever method is used, it should be consistent between the two years being compared. Applicants not only need to submit their revenue statements for the second half of 2020 and 2019, but also their expenses (profit and loss statements).

29. I am self-employed. I received – or am receiving – unemployment benefits through the Pandemic Unemployment Assistance program. Am I ineligible for this program?

Not necessarily. However, your business or non-profit must meet all other eligibility requirements, including demonstrating financial hardship after factoring PUA benefits into your self-employment revenue.

30. I am self-employed, and I'm receiving unemployment benefits through the Pandemic Unemployment Assistance Program. If I receive a grant from this program, how will that affect my unemployment benefits?

Please refer to Unemployment Insurance rules and procedures for how to report a grant as income when you request your weekly benefit.

31. Can my business or non-profit receive more than one grant?

No. You can only receive one grant per business or non-profit – unless the business has multiple locations that operate financially separate from one another.

32. I own a business or non-profit with multiple locations. Can each of the locations be eligible to apply and receive a grant?

Yes, so long as each location is physically located in Anoka County and the organization operates as a locally owned business, franchise, or nonprofit and not a multi-state corporate chain. Business or non-

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profits with multiple locations will need to submit a separate application for each location and provide financials specific to that location (refer back to #26 where financial hardship is defined).

33. How is Full Time Equivalent Employees (FTE) defined?

Full Time Equivalent Employee (FTE) is defined as an employee that works 40 hours per week. If an employer has one employee that works 30 hours and another that works 10 per week, that equals one (1) FTE.

34. My business only employs part-time employees. Am I disqualified from this program?

No.

35. What is the definition of "permanent physical location"?

For the purposes of this program, permanent physical location means a non-mobile permanent facility outside of the home such as an office, warehouse, storefront or other facility where the business carries on a substantial amount (more than 50%) of administration or management of their business.

Businesses or non-profits that operate exclusively through a mobile operation, such as a mobile food stand, food truck, etc., are not considered as having a permanent physical location and are considered a home-based business.

Facilities that are in the home, in a space within the home, or in a structure on the same property as the home of the business or non-profit owner are considered a home-based business. Home-based businesses are eligible for a grant from this program, but must have at least one W-2 employee in addition to the owner.

For the purposes of this program, for-profit farming operations as defined by Internal Revenue Code 183 are not consider home-based businesses.

36. If I am awarded a grant, how will I get grant funds?

Once you have been selected and your application has been reviewed and found to be eligible by one of our grant administrators, you will be notified, and a check will be issued within two weeks from the County through the mail to your mailing address.

37. What documentation will I be asked to provide?

At the time of grant application, you will be asked for documentation that verifies you are eligible to receive a grant. That will include 2019 tax return or year-end financials, proof of the number employees (list of employee positions and average hours worked), A Federal W9 Form, and 2019 and 2020 profit/loss

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or revenue/expense statements from July 1 – December 30th. This should not be bank statements, but quick books, an accountant report, a ledger, etc. **New organization only, do not need to submit a 2019 tax return and 2019 financial comparisons if they do not have them.

38. Will my documentation provided be released to the public?

Pursuant to Minnesota Statutes section 13.599 the data that you submit in your application may become public data, which may include the name of your business and the amount of the grant awarded to you. However, security data, as defined in Minnesota Statutes section 13.37 which includes “checking account numbers, tax returns, and other data that would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, . . . illegal disclosure, trespass or physical injury” will not be made public.

39. What can grant funds be used for?

Grant funds should be considered revenue and the business or nonprofit must use grant funds for operational expenses and not capital expenses. Organizations should consult their tax advisor or refer to the link below for further clarification on what is considered a capital or operational expense.

40. Can the funds be used to pay business-related insurance deductibles?

Yes.

41. Can the funds be used to repair my facility or equipment?

It depends. Funds can only be used for operational expenses not capital expenses. Most routine repairs and maintenance to existing fixed assets are considered operational; however, substantial improvements are not. For more information on repairs versus capital expenses, please consult your tax advisor. You may also refer to the IRS link below.

See IRS Publication 535 (2019):

https://www.irs.gov/publications/p535#en_US_2019_publink1000208615

42. Can the funds be used to pay back taxes including property taxes for my business/non-profit?

Yes, so long as the period of back taxes is related to the COVID-19 pandemic.

43. Will I have to repay the grant?

This is a grant - not a loan - and you will not be required to pay it back. However, the county reserves the right to audit the use of funds and may conduct an audit of your application. Grant recipients who are

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found to have violated the terms of the application process or grant agreement may be required to refund Anoka County.

44. Is the amount of the grant taxable to the recipient business or non-profit?

Please consult your accountant, lawyer, or other tax advisor.

45. What kind of businesses or non-profits are not eligible for a grant through this program?

Please refer to the county's business and non-profit relief grant guidelines which can be found online at <http://www.anokacountysuccess.org/covid-19-anoka-county-business-resources/>.

46. Do I have to create or retain jobs for a grant?

No, there are no job creation requirements for the Small Business Relief Grants.

47. Can the funds be used for business or non-profit acquisition and/or the purchase of land or building?

No.

48. How long will this program last?

Until all funds are administered to eligible businesses and non-profits or until March 15, 2021 – whichever comes first.

49. I still have questions and I am not finding answers in this FAQ. Where do I send my questions?

You can send your questions to jacquel.hajder@co.anoka.mn.us. We will be reading all questions that come in, responding as quickly as possible and updating the FAQ sheet regularly. Due to the large volume of questions, we ask that you only email your questions verses calling. Please provide a return email and phone number with the question so we can follow up on your questions.