

# KOOCHICHING COUNTY SMALL BUSINESS RELIEF FUND

## PROGRAM GUIDELINES

Koochiching County and the Koochiching Economic Development Authority understand the challenges that many small businesses currently face. As an integral part of our community we want to support small businesses financially impacted by closures or restrictions related to COVID-19. For businesses operating within Koochiching County we have developed an economic assistance grant using federal CARES Act Relief Funds. The intent of the federally funded CARES Act program is to assist communities and businesses that suffered economic harm from the public health emergency. Impacts include, though are not limited to, inventory loss, business interruption costs, and additional operating expenses of reopening and protecting staff and customers.

Funds will be used to help businesses cover costs that:

1. Are necessary expenditures incurred due to business interruption due to the Coronavirus Disease 2019 (COVID-19)
2. Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. Were incurred during the period that begins on March 1, 2020, and ends on December 1, 2020

Providing this support will increase the capacity of small businesses with a physical location in Koochiching County to survive the current crisis and will help prevent potential business loss.

We understand there is a cost to reopening businesses safely. These grant funds can be used to ensure businesses can afford to operate while maintaining the social distancing guidelines for the safety of employees and customers.

The Relief Fund will be administered by the Koochiching Economic Development Authority (KEDA), which currently provides business assistance to small businesses in Koochiching County. In addition to the Koochiching County Small Business Relief Fund, businesses are strongly encouraged to apply for all available COVID-19 related funding and obtain assistance with the grant application or other small business needs through the Northeast Small Business Development Center and KEDA. To schedule an appointment and learn more about the services provided by the Northeast Small Business Development Center, please click on the following link <https://www.nesbdc.org/> or call 218-283-8585.

### **Grant Award:**

- Up to \$10,000 grant
- If CARES Act funding remains available a business may apply again, but need to be expenses not covered in the first round of funding

### **Eligible Uses of Program Grant Funds:**

- Costs of business interruption caused by required closure due to COVID-19
- Rents and utility costs during the period a business is closed to follow any stay-at-home order as required by Executive Order 20-04 and later clarified by Executive Order 20-08 or during a period of time the business opted to close for the safety of staff and customers
- Costs incurred during reopening process
- Costs for the purchase of items meant to protect the public and employees, such as protective masks and hand sanitizer, and other costs incurred by installing required safety measures in order to reopen a business
- Costs incurred or building modifications due to COVID-19
- Costs for marketing of safe business practices
- Other expenditures related to the cost of business interruption caused by COVID-19

If a business has received funding from any other source, such as through either the Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan (EIDL), grant funds must be used to cover different expenses over and above specific uses of those other funds.

**Ineligible Uses of Program Grant Funds:**

- Business-associated costs for which the Recipient has received or expects to receive reimbursement from other federal, state, or regional funds (e.g. Economic Injury Disaster Loan, Unemployment Insurance, or the Paycheck Protection Program)
- Damages covered by insurance
- Payroll or benefit expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency
- Workforce bonuses other than hazard pay or overtime
- Severance pay or legal settlements

**Eligibility Requirements:**

- Must have 50 or less full-time employees. For the purpose of this program, a Full Time Equivalent will be equal to at least 32 hours per week. For those working less than 32, divide the number of hours by 32 to calculate FTE (i.e. 24 hours per week/32 = 0.75 FTE) (Proof of employment numbers with form such as Form 941 or other payroll-related filing with state or federal government will be reviewed)
  - Corporations, Partnerships, LLCs, Sole proprietors, and home-based businesses are eligible
- Must have an active business registered with the State of Minnesota (Copy of Active Status with the Secretary of State – Minnesota will be reviewed)
- Must have a physical, commercial location, whether owned or leased, in Koochiching County
- Must have experienced an actual financial hardship (Profit and Loss Statement for Last Year and for this Year To Date will be reviewed) due to COVID-19 and utilize grant proceeds to mitigate these impacts

**Ineligible Businesses:**

- Corporate chains, multi-state chains (Franchises are eligible)
- Businesses that primarily sell pawned merchandise, guns, tobacco or vaping products
- Businesses that primarily generate revenue from gambling activities and businesses that generate any part of income from adult-oriented activities
- Businesses that derive income from passive investments; business-to-business transactions; real estate transactions; property rentals or property management; billboards; or lobbying

**Application Process:**

The program is open to all qualifying businesses, regardless of whether they have applied for or have obtained any other COVID-19 related assistance, if there are additional costs incurred that are considered eligible with these funds.

- Completed Application forms can be completed online at <https://www.businessupnorth.com/koochiching-county-relief-fund-application-questions/> or emailed to [keda@businessupnorth.com](mailto:keda@businessupnorth.com) or dropped off at the KEDA office
- Incomplete applications will not be considered or be given less priority

Applicants are required to self-certify that they have been affected by the COVID-19 public health emergency and resulting economic impacts.

The review committee will determine whether the application is complete, and the business is eligible under the program requirements.

KEDA will not voluntarily make confidential financial information public. Because the source of the funding is federal CARES Act funds, the granting agencies retain the right to inspect KEDA records relating to the program. KEDA will keep and maintain complete copies of applications as required by state or federal law. Business names and amounts of funding are public record.

Grant funds received must be fully expended by November 1, 2020. Any unused funds or funds that the County deems used for ineligible costs must be returned.

Because these funds are coming from CARES Act funds, there are federal reporting requirements that both the County and KEDA will be required to complete. To assist with this process, all successful applicants will be required to complete and submit a final report no later than November 15, 2020 that describes how the funds were used, how many employees were impacted, and the use of funds.

If you are approved, you will need to sign an award agreement and receipt of payment.