

Small Business Relief Grant Program



Updated July 27, 2020

The purpose of the Dakota County Small Business Relief Grant Program (“Program”) is to provide temporary financial support to small businesses in Dakota County adversely impacted by the COVID-19 pandemic and the COVID-19 peacetime emergency. The goal of the Program is to help businesses through the current economic crisis and prevent blight in neighborhoods that may result from disinvestment.

Terms

- Businesses may apply one time for an emergency grant up to \$10,000, based on economic hardship from COVID-19.
- Funds shall be used exclusively for the following eligible expenses:
 - Up to three months of operating expenses, including payroll, rent/lease payments, mortgage payments, utilities, payments to suppliers, or other critical business expenses as approved by the Program Administrator.

Eligible Businesses

Businesses must meet all the following criteria as of March 1, 2020 to be eligible:

- Have equivalent of 50 full-time (or equivalent) or fewer employees
- Be locally owned and operated for-profit organization with a physical, location, whether owned or leased, located in Dakota County
- Be majority owned by a permanent resident of Minnesota
- Be in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue
- Be in good standing with Dakota County and the city in which the business is located
- Demonstrate the business was adversely affected by Executive Orders related to COVID-19 business restrictions
- Demonstrate financial hardship as a result of the COVID-19 outbreak

Ineligible Businesses

- Businesses that do not have a physical address in Dakota County
- Home based businesses (except for licensed childcare providers)
- Non-profit organizations
- Businesses that derive any income from adult-oriented uses
- Businesses in default conditions prior to February 29, 2020
- Businesses deriving income from passive investments without operational ties to operating businesses
- Businesses primarily focusing on speculative activities based on fluctuations in price rather than the normal course of trade
- Businesses earning more than half of its annual net revenue from lending
- Businesses engaging in pyramid sales, where a participant's primary incentive is based on the sales of an ever-increasing number of participants
- Businesses engaging in activities prohibited by federal law or applicable law in the local jurisdiction of the business
- Businesses engaging in gambling enterprises, unless the business earns less than 50% of its annual net revenue from lottery sales

Businesses that have applied for and/or were awarded any COVID-related federal funding, such as the Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) or Paycheck Protection Program (PPP) are eligible for this grant.

However, to serve as many businesses as possible, duplication of state and local COVID-related emergency funds is not allowed. Businesses that have been awarded or have received COVID-related emergency funds through the State of Minnesota from either the Small Business Emergency Loan (SBEL) or DEED Small Business Relief Grant Program are ineligible for this grant.

Application Process

- Applications will be accepted beginning **Monday, July 27th through Friday, August 14th**
- Application link is posted in English and Spanish online at:
<https://www.dakotacda.org/community-development/small-business-relief-grants/>
- If applications exceed available funding, a randomization process will be used to determine final grant recipients.
- All applicants will be notified by email on or before Wednesday, August 26.
- Upon notice of an approved application, the following documentation must be provided to the Program Administrator within **five business days**:
 - **Revenue verification.** 2019 Federal Business Tax return or appropriate business tax schedule – based on entity type.
 - Businesses that have not yet completed a 2019 Federal Return are eligible to apply and substitute other documentation of revenue, and will need to provide their 2019 Federal Return when completed

- **Impact and loss of revenue verification.** Evidence of negative impact and loss of revenue due to COVID-19 pandemic and peacetime emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator.
 - Examples of acceptable documentation include: Sales Tax Reporting; monthly profit and loss statements; comparable point of sales, cash register reports, merchant statements or other sales records

- **Employee verification.** Evidence of employment prior to March 1, 2020. Acceptable documentation may include: company's 2019 federal form W3; period reporting from a 3rd party payroll processor; applicant's Federal Form 941/Employer's Quarterly Federal Tax Return; or other State or Federal payroll-related filing.

- **Evidence of grant eligible expenses that occurred in past three months,** (e.g. rent/lease agreement, utility statements, supplier invoices, payroll, tax payments, payments to suppliers, etc.). Provide documentation that expenses total or exceed the amount requested in grant application

- Failure to submit required documentation will result in forfeiture of grant award.
- Upon notice review and acceptance of additional documentation, the business will enter into a grant agreement with Dakota County.
- Terms will be included in the grant agreement, including the reporting requirement to provide information to the CDA 90 days after execution of grant on status of business and actual use of grant funds.

Note: Dakota County and Dakota County CDA reserve the right to revise these guidelines as needed to best address the impact of the current pandemic.