

SCOTT COUNTY COVID-19 BUSINESS RECOVERY PROGRAM GUIDELINES

A recovery fund to support and assist local small businesses adversely impacted by the COVID-19 pandemic





SCOTT COUNTY COVID-19 BUSINESS RECOVERY PROGRAM GUIDELINES

The Scott County Board of Commissioners has allocated \$5.5 million to support local small businesses that have had financial hardship as a result of the COVID-19 pandemic, specifically targeting local businesses who have not received assistance from other pandemic related programs and businesses who have impacts that have exceeded other assistance received.

The local business assistance is being offered through the following target areas:

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| (1) Licensed in-home childcare providers | Target Funding: \$1,000,000 |
| (2) Small for-profit businesses | Target Funding: \$3,500,000 |
| (3) For-profit farming operations. | Target Funding: \$ 700,000 |

Scott County, in collaboration with the Scott County Community Development Agency (CDA), are working with NextStage (Program Administrator), a local non-profit business, to collect and review the applications, and award program grants. This initiative is being funded by Scott County's allocation from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Scott County COVID-19 Business Recovery Program may **NOT** be used for the same expenses that were paid with funds from other COVID-19 related business assistance grant programs, including (but not limited to) the following:

- SBA Paycheck Protection Program (PPP)
- Economic Injury Disaster Loan (EIDL)
- Pandemic Unemployment Assistance (PUA)
- State of Minnesota Department of Employment and Economic Development (DEED) - Small Business Emergency Loan Fund (SBEL) or Minnesota Small Business Relief Grants
- State of Minnesota Peacetime Emergency Childcare Grants
- Local Scott County CDA, city, or township grants

For all the target area programs, funds can only be used for Federal CARES Act eligible COVID-19 related or incurred public health emergency business operating expenses, including expenses related to reopening as approved by NextStage, Scott County and the Scott County CDA.



Licensed In-Home Child Care Provider Terms and Eligibility

Scott County stands in support of our childcare providers who provide a critical service in our community and play a key role in our economy, enabling other residents in our community to continue working and/or return to work.

Licensed in-home childcare providers is one area of focus within the Scott County COVID-19 Business Recovery Program, with prioritization to providers who have not received previous assistance from the state of Minnesota Peacetime Emergency Child Care Grants.

Benefits available to Scott County in-home childcare providers under the program include:

- Licensed family childcare providers will receive up to \$4,500 for eligible expenses and cost of business interruption incurred from March 1, 2020 through June 15, 2020.

Eligible Day Care Providers

- Must be a licensed family childcare provider in Scott County as of March 1, 2020.
- Must be in good standing and they must not have been found responsible for fraud.
- Must not be operating on a conditional license, under revocation, or under temporary immediate suspension.
- Must not be prohibited from receiving public funds under MN Statute 245.095, which requires that any provider, vendor, or individual be excluded from receiving grant funds if excluded from another DHS program.
- Must demonstrate a direct financial impact to their business due to the COVID-19 pandemic.
- Eligible expenses may include costs associated with business interruption, claimed work space, supplies directly related to the COVID-19 pandemic, or other critical business expenses as approved by the fund administrator.

Applicants will be asked for documentation demonstrating a direct financial impact to their childcare business due to the COVID-19 pandemic.

As noted earlier, Scott County COVID-19 Business Recovery Program may NOT be used for the same expenses that were paid with funds from other COVID-19 related business assistance grant programs. Childcare providers who have qualified for and received Pandemic Unemployment Assistance (PUA) will be asked to report the total amount of PUA received between March 1, 2020 and June 15, 2020. A summary of other COVID-19 pandemic assistance/funding received will also be requested.



Upon notice of an approved application, applicants are required to submit the following **within 5 business days**:

- Evidence of revenue loss related to the COVID 19 emergency. Applicant should submit documentation that best demonstrates the impact and/or cost of business interruption and is deemed acceptable to Program Administrator. Some examples of acceptable documentation include:
 - 2019 Business Tax Return - Schedule C and Schedule SE if applicable.
 - Bank statements showing changed income from January-March and then March-June
 - Attendance records, if available
 - Monthly reports from their business accounting software that shows changes from January-March and then March-June.
- Any additional documentation or information deemed necessary by the fund administrator to determine eligibility, generate grant documents, disburse grant proceeds, or meet program reporting requirements.
- Failure to submit required documentation will result in forfeiture of grant award.

Application Process for Scott County In-Home Childcare Providers

- All eligible licensed in-home family childcare providers in Scott County will receive an email with a link to the application. Emails will be sent to the license holder for family childcare providers. Providers will have the option to decline the funds if they do not want to receive them.
- Scott County childcare providers can apply for the funding starting at **8 a.m. on Wednesday, August 19 Applications are due by 5 p.m. Thursday, August 27.**
- The fund administrator, NextStage, will notify approved applicants by email on or before September 4, 2020.

Note: Scott County and/or the Scott County CDA reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.



Small Business Terms and Eligibility

The small business focus area aims to provide emergency recovery support to small local businesses and for-profit farming operations in Scott County adversely impacted by the closures/restrictions that were imposed due to the COVID-19 pandemic. Providing this support is intended to aid in the ability of a small business with a physical location in Scott County to survive and rebound from the current pandemic crisis and help prevent business closures, job losses and potential future blight scenarios. Funds will help businesses pay for critical expenses such as current payroll obligations, rent payments, mortgage payments, utilities, payments to suppliers, and costs to comply with public health requirements as a result of the COVID-19 pandemic.

Benefits available to Scott County small businesses under the program include:

- Up to \$7,500 for self-employed entrepreneurs that have no employees and have a physical location for their business in Scott County other than their personal residence.
- Up to \$15,000 grant for small businesses based on economic injury from COVID-19 and eligible expenses.
- Up to \$25,000 grant for local for-profit farming operations based on economic injury from COVID-19 and eligible expenses.

Eligible Small Businesses and For-Profit Farming Operations

- Must be a locally owned and operated for-profit business, including for-profit farming operations, with a physical establishment in Scott County
- Must employ the equivalent of 50 or fewer full-time workers.
- Must be licensed, in good standing with the Minnesota Secretary of State and Minnesota Department of Revenue as of March 1, 2020.
- Must be in good standing with Scott County and the city where the business is located.
- Must demonstrate a significant loss in revenue or financial hardship since March 15 as a result of the COVID-19 pandemic (no credit score or collateral requirements apply)



Certain businesses are ineligible, including:

- Home-based businesses; those without a separate physical establishment in Scott County
- Non-profit, religious, or member-based organizations
- Corporate owned chains; however, locally owned franchise businesses are eligible
- Businesses in default conditions prior to February 29, 2020
- Businesses that primarily derive income from gambling,
- Businesses that derive any income from adult entertainment
- Businesses that primarily sell pawned merchandise, guns, tobacco or vaping products
- Businesses that derive income from passive investments; business-to-business transactions; real estate transactions; property rentals or property management; billboards; or lobbying

Applicants will be asked for documentation demonstrating a direct financial impact to their business due to the COVID-19 pandemic.

As noted earlier, Scott County COVID-19 Business Recovery Program may **NOT** be used for the same expenses that were paid with funds from other COVID-19 related business assistance grant programs and must be compliant with Federal CARES Act regulations and US Treasury Guidance.

Upon notice of an approved application, applicants are required to submit the following **within 5 business days**:

- 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.
- Evidence of revenue loss related to the COVID 19 emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator. Some examples of acceptable documentation include comparable-period Sales Tax Reporting, Period Statements from 3rd-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.
- Evidence of employment prior to March 1st, 2020. Acceptable documentation may include 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.
- Any additional documentation or information deemed necessary by the fund administrator to determine eligibility, generate grant documents, disburse grant proceeds, or meet program reporting requirements.
- Failure to submit required documentation will result in forfeiture of funding award.



Application Process for Small Businesses and For-Profit Farming Operations

- Applications will be accepted starting at **8 a.m. on Wednesday, August 19**
Applications are due by 5 p.m. Thursday, August 27.
- Application link can be found at: **www.scottcda.org/resource/businessrecovery**
- If applications exceed the funding available, the fund administrator will select grant recipients using a lottery system.
- The fund administrator, NextStage, will notify approved applicants by email on or before September 4, 2020.

Note: Scott County and/or the Scott County CDA reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.