



Scott County COVID-19 Business Recovery Program FAQs for Small Businesses and For-Profit Farming Operations (Updated 9/4/2020)

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.

What is the definition of "permanent physical location"?

By law, only businesses with a permanent physical location in Scott County, Minnesota are eligible for this program. For the purposes of this program, permanent physical location means a non-mobile permanent facility such as an office, warehouse, storefront or other facility where the business carries on a substantial amount of administration or management of their business.

Businesses 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.

Facilities that are in the home, in a space within the home, or in a structure attached to the home of the business owner are considered a home-based business. Home-based businesses are ineligible for a grant from this program

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

Are for-profit farming operations considered home-based businesses?

No. For the purposes of this program, for-profit farming operations as defined by Internal Revenue Code 183 are not consider home-based businesses.

My business is a for-profit farming operation. Am I eligible for this program?

Yes. The Scott County Board of Commissioners has targeted \$700,000 in funding to assist for-profit farming operations. If you are selected to receive an award, you may be asked for information that verifies your farm is operated for profit and is not a so-called "hobby farm."

I am self-employed and/or an independent contractor. Am I eligible for this program?

Yes, as long as your business has a permanent physical location and your business is not considered a home-based business. Otherwise you are not eligible.



Besides myself, my business does not have any employees. Am I eligible for this program?

Yes, as a self-employed entrepreneur.

My business has zero employees and/or hires independent contractors for some of its functions. Am I eligible for this program?

Yes, as a self-employed entrepreneur.

I own my own business with employees and all of my employees are contract employees – do I qualify as a small business or as a self-employed entrepreneur?

Contract employees are not included in employee count for this program, therefore a business in this situation would be considered a self-employed entrepreneur. To be considered a small business for this grant program you must have two (2) to fifty (50) full time equivalent W-2 employees.

I am self-employed or an independent contractor, but my work is performed at the permanent physical location of another business. Am I eligible for this program?

No. For the purposes of this program, your businesses does not have a permanent physical location and is not eligible for this program.

What documentation will I be asked to provide?

After you have been selected for an award, you will be asked by NextStage, the program administrator, for documentation that verifies you are eligible to receive a grant. Some examples of documentation you may be asked to provide include – but are not limited to – the following: sales tax reporting, period statements from third-party sales platforms, merchant services statements, point of sale or register reports, third-party payroll processor reports, federal form 941/employer's quarterly federal tax return, or other state or federal payroll-related filings.

If I am selected, what kind of documents will I have to sign to get this grant money?

You will have to sign a document certifying you are eligible to receive this grant and that the grant will be used for eligible uses only.

What can the funds be used for?

Grant funds shall be used for working capital to support payroll expenses, rent, mortgage payments, utility bills, and other similar expenses that occur or have occurred since March 1, 2020, in the regular course of business.

Can the funds be used to purchase equipment?

No. Grant funds shall be used for working capital expenses that occur in the regular course of business. The purchase of equipment is not regarded as a working capital expense.



Can the funds be used to pay back taxes including property taxes?

No.

Under any circumstances will I have to pay the grant back?

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 check on a random selection of grant recipients. Grant recipients who are found to have violated the terms of the application process or grant agreement may be required to refund the county.

Is the amount of the grant taxable to the recipient business?

Please consult your accountant, lawyer, or other tax advisor. Scott County, the Scott County CDA, and NextStage are unable to provide tax advice.

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.

I received forgivable loans, grants, and/or Pandemic Unemployment Assistance (PUA) between March 1 and May 31, 2020. Do I count these as revenue for this program? What if these funds were sufficient to make up for any revenue losses I experienced during this time period?

Generally, yes, you should count the proceeds of forgivable loans, PUA benefits, or grants as revenue. If this revenue was sufficient that your business did not experience additional revenue loss year-over-year between March 1 and May 31, 2019 vs. 2020, then your business should not apply to this program.

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 must meet all other eligibility requirements, including demonstrating financial hardship after factoring PUA benefits into your self-employment revenue.

My business has more than one location in and out of Scott County. Do I apply with information only from my Scott County location, or from all my locations combined?

If the business is one entity with multiple locations, apply with the information from the organization as a whole. If the different locations are set up as individual entities, then only the information for the location(s) in Scott County should be used on your application.