



Carver County Homebased Business Assistance Fund

(A subset of the Carver County Small Business Emergency Assistance Program)

October 2020

Purpose

Small businesses are critical to Carver County's economy. Approximately 86 percent of all businesses within the county employ less than 20 people, and many of these businesses have been directly impacted by the COVID-19 pandemic.

The purpose of the Homebased Business Assistance Fund is to provide emergency financial assistance, through a \$5,000 beneficiary payment, to homebased businesses located in Carver County who have been affected by the COVID-19 pandemic. The goal of program is to assist and stabilize businesses through this economic crisis.

Funding

Beneficiary payments worth up to \$5,000 will be awarded to businesses who have seen a direct financial impact due to the COVID-19 pandemic via a randomization process.

Funds awarded may not be more than 50% of total revenue for the business in the previous year.

Eligible Businesses

To be eligible, businesses must meet all of the following criteria as of March 1, 2020:

- Be a locally owned and operated for-profit business operating out of a residential address in Carver County.
- Have 40 or fewer employees.
- Have \$2 million or less in annual revenue.
- Be open and operating on or before January 1, 2020.
- Be in good regulatory standing with the State of Minnesota, Carver County, and city in which the business is located. This includes being current on applicable licenses, in compliance with city regulations, and being current on property taxes.
- Be able to demonstrate a loss of revenue of at least 10 percent since March 15, 2020 (no credit score or collateral requirements apply).
- Must be able to document that the home-based business is a primary source of income.

Certain businesses are ineligible, including:

- Businesses without a physical establishment in Carver County
- Non-profit organizations
- Corporate or multi-state chains. Franchisees are considered eligible businesses.
- Businesses in default conditions prior to March 1, 2020.
- Businesses that primarily derive income from any of the following: gambling; adult entertainment; passive investment; real estate transactions; property rentals/property management; billboards; or lobbying.
- Businesses that primarily sell pawned merchandise, guns, tobacco or vaping products.

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

In order to serve as many businesses as possible, businesses who have been awarded COVID related emergency funds through the State of Minnesota Small Business Emergency Loan program or the Small Business Relief Grant program are ineligible for this funding.

Eligible Uses

Funds can be used for the following expenses:

- Payroll
- Utilities
- Payments to suppliers
- Other critical non-payroll business expenses (including, but not limited to expenses related to re-opening, personal protective equipment, and others) as approved by the fund administrator
- Funds cannot be used towards living expenses, such as rent or mortgages

Application Process

The application and award process will be as follows:

- Applications will be accepted from October 6 to October 16, 2020.
- All applications must be completed online. The link to the online form will be available at www.carvercda.org. Please contact Elise Durbin at the Carver County CDA at 952-556-2778 or elised@carvercda.org, if you need assistance filling out the electronic application.
- If applications exceed the funding available, recipients will be selected using a randomized selection process.
- Approved applicants will be notified by October 19.
- Upon notice of an approved application, applicants will be required to submit the following within five business days and prior to receiving any funds:
 - 2019 Federal Business Tax Return or appropriate Business Tax Schedule-based upon entity type. Businesses that have not yet completed a 2019 Federal Tax Return are eligible to apply and substitute other documentation of revenue.
 - Evidence of revenue loss related to the COVID-19 pandemic. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to the fund administrator. Examples of acceptable documentation include Sales Tax Reports, Period Statements from 3rd party Sales Platforms, Merchant Services Statements, and Point of Sale or Register Reports.

- Evidence of employment prior to March 1, 2020. Documents deemed acceptable 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.
 - Documentation of eligible expenses incurred, including proof of payment, if applicable.
 - Federal Form W-9
 - Any additional documentation deemed necessary by the fund administrator to determine eligibility or to meet program requirements.
- Failure to submit required documentation will result in forfeiture of the beneficiary payment.
 - Upon acceptance of the documentation noted above, the business will enter into an agreement with the Carver County Community Development Agency prior to the disbursement of funds.
 - Terms will be included in the agreement, including expense documentation and reporting requirements.

NOTE: The Carver County Community Development Agency reserves the right to revise these guidelines as needed to best address the impact to businesses of the current pandemic.