

## Owatonna CARES Business Grant Program

### **PURPOSE**

The City of Owatonna (City) and Steele County (County) recognize the hardships and impact COVID-19 has had on business within the community. In an effort to support local businesses and help them sustain operations during this difficult time, the Owatonna CARES Business Grant Program will provide grants up to \$10,000 to assist eligible businesses adversely affected by the pandemic.

The City and County have each set aside funds for the Owatonna CARES Business Grant Program, a total of \$1 million is anticipated to be available. Grant funds will be awarded to businesses in most need of assistance after the application deadline. The program is subject to funding availability from the City and County. The City retains the authority and discretion to approve or deny an application, and reserves the right to subsequently add further priorities, change eligibility criteria, or discontinue the program in response to changing circumstances.

### **ELIGIBLE BUSINESSES**

Businesses must meet all of the following criteria as of March 1, 2020 in order to be eligible for the Owatonna CARES Business Grant Program:

1. Private, for profit business with a physical establishment in the City
2. Be in good standing with the Minnesota Department of Revenue and Secretary of State, the County, and the City. If applicant is found not to be in good standing, they will be given one (1) week to rectify the situation
3. Ability to demonstrate the business was adversely affected by an Executive Order related to COVID-19 or experienced a significant financial hardship as a direct result of COVID-19
4. Business has been in operation since November 1, 2019
5. Employs 50 or less full-time equivalent (FTE) employees

*\*\*NOTE: Businesses that received any federal relief funds such as the Small Business Administration (SBA), Economic Injury Disaster Loan (EIDL), or Paycheck Protection Program (PPP) are still eligible for the Owatonna CARES Business Assistance Program, BUT if awarded grant funds, must use City funds for other eligible expenses.*

### **INELIGIBLE BUSINESSES**

Certain businesses are ineligible for the Owatonna CARES Business Grant Program, including:

1. Business that derived income from passive investments without operational ties to operating business; real estate transactions; property rentals or property management

2. Business that primarily focus on speculative activities based on fluctuations in price rather than the normal course of trade
3. Businesses that derive more than 51% of their income from gambling
4. Businesses that derive any income from adult oriented entertainment
5. Home-based businesses; those without a physical establishment
6. Non-profit organizations
7. Prohibited businesses by federal, state, or local law
8. Those that have received State CARES small business funding
9. Business in default prior to February 29, 2020

## **PROGRAM GUIDELINES**

### **Amount:**

Business may apply for a one-time grant award not to exceed \$10,000. The City will review each applicant's request for grant funds to determine the level of assistance that will be provided.

### **Timeline**

Applications will be open to businesses starting August 31, 2020. Applicants will have until 5:00 pm on September 21, 2020 to submit the required application and associated materials. Applications will be reviewed when submitted and a determination will be made if they are eligible and amount of funding that is eligible. If incomplete, applicants will have one (1) week after being contacted to submit additional information and/or materials.

The City will award grant funds and notify businesses during the week of October 5, 2020. Once a business is notified, the City will distribute the funds by check within 3 business days.

If grant funds are used solely for reimbursement of expenses previously incurred, the applicant will file a Certification of Expenses form with the City prior to funds being released. If grant funds are being used for expenses yet to be incurred but no later than November 15, 2020, the applicant will file a Certification of Expenses form with the City no later than November 30, 2020 stating how awarded funds were used.

All grant funds allocated to businesses must be utilized by November 15, 2020.

### **Uses**

Funds cannot be used to replace lost revenues or pay for taxes under the Federal Guidelines. Funds may be used to cover operating expenses, including payroll, rent/lease payments, mortgage payments, utilities, payments to suppliers, or other critical business expenses

including business consulting to modify business operations as a result of the public health emergency and as approved and authorized by the program.

Use of funds subject to verification to ensure compliance as required under the Federal CARES Act program requirements.

### **Right to Deny or Termination**

The City retains the right to deny funds or terminate any agreement under the Owatonna CARES Business Grant Program if a grant applicant is found to be in violation of any conditions set forth in the grant guidelines or grant agreement.

### **Reporting**

As a condition for receiving grant funding, all grant recipients are required to submit a Certification of Expenses form to the City upon funds being issued or before November 30, 2020 specifying how the entirety of the grant funds were utilized and providing evidence in the form of paid invoices, statements, or similar documentation.

### **Indemnification**

All grant recipients shall be required to indemnify the City of Owatonna and any officers acting on their behalf.

## **APPLICATION PROCESS**

Prior to applying, please review the Program Guidelines to determine if your business is eligible.

1. Application forms will be accepted from August 31 to September 21, 2020
2. Application forms may be completed and submitted on <https://www.ci.owatonna.mn.us/>
3. Application requirements will include:
  - Basic details about the business.
  - Gross receipts or sales information.
  - Information on current operations including whether the business is currently closed or is providing reduced services.
  - Narrative descriptions and estimated calculations of the negative impacts of the business due to COVID-19.
  - Information about other grants received.
  - Proposed use and amounts of funding requested.
  - Supporting documentation and application attachments.
4. Upon submission of application, applicants will receive an email confirmation receipt of application.

5. The application will be reviewed for eligibility upon receipt. If additional information or documentation is necessary City staff will contact the applicant. You will be notified if your application is complete or not. All applicants will be given one (1) week after being contacted to submit any additional information.