

# Owatonna

## CARES Act Grant Programs

- 1. I'm a sole proprietor or part owner that is not paid via payroll but rather I take regular draws from my business. Would this qualify as eligible expense for this grant program?** Yes. Expenses incurred that are related to COVID may be reimbursable as qualified expenses whether paid as payroll or as an owner's draw from business assets. Just like for payroll to be reimbursed, documentation shall be provided. The application must document the draws previous to COVID to the extent to show this is a recurring payment structure and then provide documentation for any draws that are being asked to be eligible for reimbursement. Note that only expenses from March 1-November 15, 2020 are eligible expenses for reimbursement under this grant program.
- 2. Can the grant be used to pay taxes?** No. Payment of taxes are not eligible expenses under the Federal Guidelines this includes but is not limited to property tax, payroll tax, and sales tax.
- 3. What time frame eligible expenses?** March 1, 2020 through November 15, 2020.
- 4. My business lost revenues due to COVID and Executive Orders. Is lost revenue an eligible expense?** No. Only actual expenses are qualified costs.
- 5. What is financial hardship?** Financial hardship has two alternative definitions: Either 1) your business experienced 10% revenue loss year-over-year between March 1 and May 31, 2019 vs. 2020 or 2) your business was restricted from operating above 50% capacity by executive orders in effect on May 18, 2020. Meeting at least one of these conditions is sufficient to meet the criteria of experiencing financial hardship as a result of the COVID-19 outbreak.
- 6. If I am selected, how will I received the funds?** The City will mail checks to recipients. Preparing checks is faster than setting up electronic payments.
- 7. How quickly will I received funds if I apply?** The applicant will be notified via e-mail during the week of October 5th. If all expenses have been incurred, then a Certification of Expenses form shall be submitted prior to release of funds and a check sent within three business days. If eligible expenses are for future expenses up to November 15, 2020, then the check will be mailed within three business days after notification. The Certification of Expenses form will be submitted no later than November 30, 2020.
- 8. Can I apply if I have received CARES business grant funding form DEED (State of MN)?** No. If a business has received a CARES grant fund from the state, then they are ineligible for the City CARES program.

9. **Can I apply if I have received federal EIDL or PPP funding?** Yes. However, only eligible expenses that have not been reimbursed by those programs are considered eligible for the City CARES Program. You will have to provide evidence of such if awarded funds.
10. **What documentation is required at the time I apply?** You will have to submit documentation of financial hardship caused by COVID-19 public health emergency as well as financial statements and taxes and invoices and other document to demonstrate the need of your request and to document the eligible expenses. All documents are required upon submittal. Incomplete applications will cause ineligibility. You will be notified of your application status upon review and be given 1 week to submit any missing information.
11. **I am a sole proprietor. Do I qualify for the grant program?** Yes, as long as you meet all eligibility requirements.
12. **I need help filling out the application or have a question about the process. Who can I contact?** For questions please email [OwatonnaCares@ci.owatonna.mn.us](mailto:OwatonnaCares@ci.owatonna.mn.us).
13. **Tell me more about the selection process for For-Profit, Private Businesses.** Applications will be reviewed as they are submitted. Grant funds will be awarded to businesses in most need of assistance after the application deadline. Each applicants' revenue loss year-over-year between March 1 and May 31, 2019 vs. 2020 will be compared against each other. Once all applications have been reviewed, the businesses with the highest need will be award grant funds until the program funds are exhausted. Some grants may be less than the maximum of \$10,000 based on the requests received and the qualified and verified eligible costs.
14. **Is my data kept private?** The data submitted in relation to this application will become government data and is subject to federal and state data laws. Some of the data may be considered private or nonpublic prior to the award of financial assistance, while some limited data may be considered private or nonpublic even following the award. The City will not publicize your business plans, customer lists, income tax returns, design / market / feasibility studies, income and expense reports, or any other data classified as private or nonpublic under Minn. Stat. §13.591. Application data submitted by organizations that are not selected for grant funding will only be released upon request and as required by Minn. Stat. Chapter 13 or other applicable state/federal law. Application or evaluation data may also be shared with any entity that has a legal right to the data under Minnesota or federal law, including under court order.

- 15. I own or partially own multiple businesses in the City of Owatonna. Can I apply for more than one grant?** Yes. There is no limit on the number of business entities that may apply for a grant. You can apply for each business entity located in the City of Owatonna if the businesses are separate and distinct. Separate and distinct means that the business has separate EIN tax numbers, separate filings with the State or County, separate accounting budgets and taxes and are operated completely separate from one another. Only one application will be accepted for each business entity.
- 16. I applied for and received a grant from another source (nonprofit, foundation, etc.) that is non-CARES dollars. Can I still receive a grant from the City through this program?**  
Yes.
- 17. I received a Paycheck Protection Program loan or an Economic Injury Disaster Loan or any other federal SBA loan or grant (including an EIDL Advance). Am I still eligible for a grant from this program?**  
Yes. However, funding for activities are subject to Federal Guidance on the CARES program. At this time, only eligible expenses that have not been reimbursed by those programs are considered eligible for City CARES Program. You will have to provide evidence of such if awarded funds.