

# HENNEPIN COUNTY

## MINNESOTA

### Small Business and Nonprofit Relief Fund Frequently Asked Questions (FAQ)

Application period: Monday, January 4 at noon through Thursday, January 14 at noon  
Resources available: \$24.6 million allocated by the State of Minnesota

Responses below are subject to change and will be updated often to address questions received.

#### **UPDATED January 8, 2021**

**1. Will every eligible applicant receive a grant?**

Funds are limited with a maximum of \$24.6 million available. Depending on the number of applications, there may not be sufficient funding for all eligible applicants. Submitting an application does not guarantee funding.

**2. My business or nonprofit type was impacted by an executive order, but it is not specifically listed as an example in the guidelines. Am I still eligible?**

Applicants must meet all eligibility criteria to qualify for funding.

To be eligible, a business must be a privately held, locally owned, for-profit or nonprofit that earns revenue like a business located in Hennepin County and either directly or indirectly impacted by [Executive Order 20-99](#) Section 7c iii, including restaurants, bars, breweries, distilleries, caterers, music and other indoor entertainment venues, performance venues, gyms, fitness studios or other indoor recreation venues, or businesses that primarily derive income from sales of goods and services to entities directly affected by EO 20-99 and resulted in decreased revenue of at least 30%.

For-profit businesses impacted by prior executive orders that reduced capacity and whose revenue decreased by at least 30% are also eligible, including customer-facing businesses such as personal care and salon businesses; retail businesses that sell household goods or services; other customer-facing businesses that rely on in-person transactions or services, such as dry cleaners or house cleaning businesses. Business types not explicitly and directly impacted by executive order must provide documentation of 30% decrease in year-over-year revenue (April-September).



If these and all other criteria listed apply to your organization, you may submit an application and select the entity type that is the best fit for your organization from the application drop-down menu. Your application will be considered, and determinations will be made by the program reviewer.

**3. I applied to Hennepin County's application round for restaurants, bars, gyms and other businesses impacted by Executive Order 20-99 that was open between November 23 and December 1 and did not receive a grant because the fund was oversubscribed. Do I need to submit a new application for this grant?**

You do not need to reapply. Your application will be reviewed automatically under the new program eligibility criteria. You may be asked to provide additional information and you may be denied for funding if the additional criteria are not met. For example, the State of Minnesota requires that recipients of this state-funded grant have no current tax liens on record with the secretary of state as of the time of application.

**4. I have received federal emergency funding through another source of federal funds such as the Paycheck Protection Program (PPP), a grant from the State of Minnesota, or funds from a city in Hennepin County. Am I eligible to apply and receive this Hennepin County Small Business and Nonprofit Relief grant?**

Yes, but Hennepin County grant funds must be used to cover different expenses than what other funds were spent on. For example, if you used federal funds to cover the cost of a new HVAC system, you cannot use Hennepin County Small Business and Nonprofit Relief funds to cover that same HVAC system.

**5. REVISED 12/31: I have previously received a grant from the Hennepin County Small Business Relief Fund. Am I eligible to apply and receive an additional grant through this application round?**

Yes. A business that has received a prior Hennepin County Small Business Relief grant may apply for an additional grant, provided you have additional expenses equal to or greater than the grant amount not covered by any other local, state, or federal source of funds. Applicants that have not received a Hennepin County grant previously, and those that applied to the prior application round for restaurants, bars, gyms and others directly impacted by EO 20-99 will be given first priority.

Applicants to the most recent round of Hennepin County Small Business Relief for restaurants, bars, fitness and entertainment venues (Round 4), do not need to reapply but will automatically be placed into the applicant pool and processed according to the [prioritization](#) in posted guidelines.

**6. My business will likely receive a direct COVID-19 business relief payment from the Minnesota Department of Revenue. Am I eligible for this grant also?**

Yes, businesses that receive a direct payment from the Minnesota Department of Revenue (DOR) are eligible to apply for this grant, provided the business has eligible expenses equal to or greater than the grant amount that will not be covered by the direct payment or any other source of funds. DOR is administering direct relief payments and will notify eligible businesses (restaurants, bars,

gyms, and bowling centers) through their e-Services account by December 31, 2020. For more information, please review information provided by DOR regarding [eligibility, payment amounts, and the timeline](#).

**7. When did my business need to be established?**

A business that started operations during the pandemic, but was directly impacted by Executive Order 20-99 Section 7c iii is considered eligible. Other types of businesses required to provide documentation of decreased revenue of at least 30% must be able to provide revenue documentation from 2019 as a comparison.

**8. My business is home-based. Am I eligible to apply and receive funds?**

Yes, if your home-based business has one or more W-2 employees other than an owner and you meet all other eligibility criteria. Food trucks and other mobile businesses are considered home-based businesses for the purposes of this application and are eligible, provided that have W-2 employees other than an owner.

Farm-based wineries, cideries, etc, are considered commercial establishments for the purposes of this application and are eligible.

**9. REVISED 12/30: My business operates an outdoor event venue. Am I eligible to apply and receive funds?**

Venues that provide outdoor events and entertainment such as racetracks, paintball, go-karts, mini-golf, performance venues, festivals, fairs, vendor fairs, and amusement parks were required to close by [EO 20-99 Section 7c iii D](#), and are eligible for grant funding provided they meet all other program criteria. Outdoor recreational facilities permitted to remain open under EO 20-99 Section 7 c iv may be eligible, provided they can demonstrate a 30% decrease in year-over-year revenue (April-September).

**10. I am a sole proprietor with no additional employees. Am I eligible for this program?**

Sole proprietors with a business that meets all other eligibility criteria, including eligible expenses not covered by other local, state, and federal sources of at least \$10,000 are eligible, provided that their business has a permanent commercial location outside of their home. For the purposes of this grant, food trucks, vending machines, and other mobile food service provision is not considered a permanent commercial location.

**11. What is the definition of "permanent commercial location"?**

For the purposes of this program, permanent commercial 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 considered home-based businesses for the purposes of this application.

Facilities that are in the home, in a space within the home, or in a structure on the same property as the home of the business owner are considered a home-based business.

**12. I had a permanent, commercial location but I was forced to terminate my lease this year due to COVID. Am I eligible for this grant?**

Yes. For the purposes of this application, you are deemed to have a permanent commercial location if you terminated your lease in response to the economic impacts of the COVID-19 pandemic. You must be able to provide documentation showing that your business operated from a rented or owned commercial space outside of your home as of March 1, 2020.

**13. What documentation is required at time of application?**

A completed online application with all questions answered is required. Documentation needed with the online application includes a W9 form, which means you will need your taxpayer identification number/EIN and the legal name of your business's taxpayer entity, and you must provide a copy of your 2019 tax return. If your business began operating in 2020 and was impacted by EO 20-99, contact [economic.development@hennepin.us](mailto:economic.development@hennepin.us) for additional guidance.

If your application is selected via the randomized selection process (i.e., the lottery system) and verified, you may be required to provide the same information again, and/or additional documentation.

**14. I have multiple businesses in Hennepin County. Can I receive funding for each of my businesses?**

First-time applicants for multiple locations may receive funding for multiple locations. Prior recipients of funds for multiple locations may receive additional grants through this application round for up to three of your business locations, provided that you submit separate applications for each business location.

**15. What documentation is required after the application, but prior to grant distribution?**

To ensure quick processing of applications if funding is available and timely disbursement of funds, businesses will be asked to provide only essential documentation. Essential documentation may include, but is not necessarily limited to, active registration with the Minnesota Secretary of State, a 2019 tax return, W9, and documentation of eligible expenses.

Additional documentation or information may be deemed necessary either before or after grant distribution, and you must agree to provide additional documentation upon request, including documentation of employees; itemized budget, invoices, and receipts for use of grant funds; and itemized sources and uses of any COVID-19 related relief funding received; IRS form 941, W3 or other documentation of payroll employees.

Prior to receiving funds, successful applicants must carefully review and sign a legally binding contract, and agree to abide by grant terms and requirements, which include complying with a request to audit the use of grant funds. Funds are provided as grants, so there is no process or documentation involved in loan forgiveness.

**16. How will my credit score affect my application?**

Credit score will not affect your eligibility or selection for funding.

**17. How is the award amount determined?**

Grants will be issued in fixed amounts between \$10,000 and \$15,000 based on whether a business has one or more W-2 employees other than an owner, and whether a business has a permanent commercial location or is home-based.

Prior recipients of Hennepin County Small Business Relief Grants are eligible to apply, but will be given lower priority. Failure to disclose receipt of prior funds will be grounds for disqualification from funding.

**18. What are considered eligible expenses?**

Based on state requirements, grant funds must be used for operating expenses such as payroll, commercial rent, commercial mortgage payments, property taxes, utility bills, supplier payments, legal fees, personal protective equipment, repairs to existing building(s) and equipment incurred to comply with public health guidance (<https://staysafe.mn.gov>). All costs must have been incurred between March 1, 2020 through December 30, 2020.

Replacement of lost revenue is not sufficient to receive grant funds. Applicants must certify and provide documentation of eligible expenses equal to or greater than the grant amount in order to receive funds.

**19. How will funding decisions be made?**

Applicants will be reviewed by Hennepin County and its program administrator for preliminary eligibility requirements and will be assigned a priority level according to the fund guidelines. If applications exceed available funding, applicants will be randomized via lottery system after prioritization criteria have been applied.

**20. Will I be required to pay back the grant if I receive COVID-19 funds from another state, local, or federal source or for other reasons?**

As long as the funds are not used to pay for the same costs as the other funds allocated, you may receive funds from other sources. You are responsible for meeting all terms of the grant agreement and will be subject to an audit by program administrators. If it is found that you are not in compliance, you will be required to return grant funds.

**21. Is the data I submit confidential?**

Under Minnesota law all data is public unless there is a specific exception. One exception is for financial data of businesses submitted to any governmental entity for the purpose of presenting

awards to businesses which data is classified as private or nonpublic data. In all cases, Hennepin County must follow all requirements in the Minnesota Data Practices Act.

**22. REVISED 12/31: How do I know if I am in good standing? What does "in good standing" mean?**

Registration with the Minnesota Secretary of State is required as a means of independent verification of your business. "In good standing" means that your business is current and active with any required business registrations with the Office of the Secretary of State as of March 1, 2020.

Make sure that the legal entity of your business, and not only a DBA of your business, is registered and in good standing. You can look up the status of your registration with the Office of the Secretary of State [here](#).

Based on state requirements, a business that has a tax lien filed against your business with the Minnesota Secretary of State is not eligible to receive funds and will be disqualified.

**23. My business does not have \$15,000 of eligible expenses (or \$10,000 for sole proprietors or home-based businesses with employees) not covered by other sources. Am I eligible?**

No. The current application round is for businesses that have a minimum of \$15,000 (or \$10,000 for sole proprietors or home-based businesses with employees) in eligible expenses above and beyond any other source of local, state, or federal funding. If your business earned less than the grant amount (or cumulative total of Hennepin County grants) in 2019, for example, you are not eligible for grant funds.

**24. My business has not filed a 2019 tax return. Am I eligible?**

According to IRS News Release [IR-2020-154](#), the deadline to file 2019 business taxes was July 15. For individuals, the deadline was October 15. If you have a valid extension on file with the IRS, you may upload a copy of the extension form and the first page of your 2018 tax return. Businesses that were established prior to January 1, 2020 but did not file a 2019 return or extension are not eligible for this grant.

Hennepin County reserves the right to give first priority to businesses that provide documentation of the 2019 tax return.

**25. My business began generating revenue in 2020. What documentation should I submit in lieu of my 2019 business tax return?**

Contact [economic.development@hennepin.us](mailto:economic.development@hennepin.us) for additional guidance.

**26. I own multiple businesses operating in several locations throughout Hennepin County, each of which meets the eligibility criteria. None of my businesses have received Hennepin County Small Business Grants before. Can I only apply for 3 of the 5 locations?**

First-time business applicants may submit an application for each individual business location. Business owners who have applied for and received grants for multiple locations may apply for a maximum of three additional locations in the current application round.

**27. Are grant funds taxable income?**

Hennepin County cannot provide tax advice and we encourage you to consult with your tax advisor. Grant funds may be subject to federal and state taxes.

**28. How can I determine if my nonprofit is eligible for this program?**

Nonprofits that earn revenue similar to their for-profit business counterparts and were impacted by Executive Order 20-99 Section 7ciii are eligible for this grant. This includes nonprofit theaters, concert venues, museums, arts organizations, fitness centers, and other organizations that generate revenue on an ongoing basis through a fee-for service model, such as ticket sales or membership dues that are not tax-deductible.

**29. REVISED 12/30: My nonprofit organization was not able to sell tickets for our annual fundraiser due to COVID-19. Are we eligible for the program?**

The current fund guidelines are based on language in the state’s COVID-19 relief package that defines eligible nonprofits as “Nonprofits, nonprofit arts organizations, nonprofit museums, and nonprofit fitness centers that earn revenue similar to businesses, including but not limited to ticket sales and membership fees.” For the purposes of this fund, eligible nonprofits are those that sell tickets or earn revenue on an ongoing basis through a fee-for-service model similar to for-profit businesses and were impacted by Executive Order 20-99 Section 7ciii.

Nonprofits that rely on multiple sources of funding including annual fundraisers with ticket sales, but do not earn revenue similar to businesses, and/or were not impacted by EO 20-99 do not meet the definition of eligibility.

**30. ADDED 12/30: I see that corporate and multi-state chains are ineligible for this fund. What is your definition of a corporate or multi-state chain?**

A group of more than three restaurants with the same owner or owner group with locations in multiple states throughout the United States. This includes businesses structured with different legal entities but that have the same owner or groups of owners.

**31. ADDED 12/30: I am self-employed and my work was greatly impacted by Executive Order 20-99. Do I qualify for this fund?**

The current fund is limited to sole-proprietors with a physical commercial location only. If you are a freelance writer or performer, a personal trainer, an Uber driver, or are otherwise self-employed without a permanent commercial location and no W2 employees, you are not eligible for this fund. The current fund guidelines are based on the state’s COVID-19 relief package requiring that grant funds be used for “operations expenses incurred during the COVID-19 pandemic” which include facility costs like commercial rent or mortgage payments, payroll, and other expenses. The current guidelines target organizations that tend to have higher operating costs that exceed the grant amount.

Self-employed and independent contractors may qualify for funding through expanded benefits offered under the recent stimulus legislation. More information can be found at: <https://www.uimn.org/applicants/needtoknow/news-updates/covid19-pua.jsp>.

**32. ADDED 12/31: My business has multiple locations in Hennepin County, and each has been impacted by an executive order and meets the criteria. However, overall, I have more than 150 employees. Does my business qualify for this fund?**

Yes, for the purposes of this application, each business location is evaluated independently for eligibility. The maximum employee count applies to each separate business location. This is consistent with how applications were evaluated in prior rounds of Hennepin County funding. Be sure to submit an application for each location that you want considered for grant funding, and list the other affiliated business locations in the Applicant Information section of the online application. First-time business applicants may submit an application for each individual business location. Business owners who have applied for and received grants for multiple locations may apply for a maximum of three additional locations in the current application round.

**33. REVISED 1/8: My business has been allowed to stay open under executive orders because it has been deemed critical (e.g., childcare provider, convenience store, hotel) but we have experienced decreased revenue over 30% due to COVID-19. Is my business eligible to apply?**

The current program guidelines are based on state guidance that grants are intended for businesses that “were impacted by an executive order related to the COVID-19 pandemic.” For the purposes of this grant, critical sector businesses that have been largely exempted from closures and restrictions in prior executive orders, including child care providers, home health care providers, hotels, convenience stores and others (see EO 20-04 Section 4, EO 20-33 Section 6, for examples) do not automatically meet the requirement of being directly impacted by a prior executive order.

However, individual businesses in categories that were exempted from closures or restricted capacity by executive orders but can still demonstrate a 30% loss in revenue due to COVID-19, meet all other program criteria, and that are not specifically listed as an “Ineligible Business” in the program guidelines, are still eligible to apply. Please note, however, that depending on the volume of applications, priority may be given to business types that were closed or required to operate under restricted capacity in accordance with an executive order.

### Still have questions or need help filling out the application?

For general questions not answered in the above FAQ, please contact [economic.development@hennepin.us](mailto:economic.development@hennepin.us). Given the high volume of inquiries, responses may take between 1-2 business days.

### Hennepin County’s Right to Modify Guidelines and Review Procedures

The information outlined above is intended to be general guidance. Hennepin County reserves the right to withdraw, cancel, suspend, and/or modify fund guidelines and to review procedures for any reason

and at any time with no liability to any prospective applicant for any costs or expenses incurred in connection with this application process or otherwise. Hennepin County reserves the right to accept or reject any or all applications received, to accept or reject any late applications, to request additional information as deemed necessary to review any application. Final grant decisions will be made by the fund administrator and Hennepin County after a thorough review of all application materials.