

# HENNEPIN COUNTY

## MINNESOTA

### Small Business Relief Frequently Asked Questions (FAQ)

For restaurants, bars, and other food service establishments; fitness, event and entertainment venues impacted by Executive Order 20-99

*Responses below are subject to change prior to December 1. Please revisit this page frequently for updates.*

*UPDATED November 24, 2020*

*November 24 revisions: new questions 24-28 added; revisions to question 4, 14 and 17*

*November 21 revisions: new questions 1, 11, 23; revisions to questions 21*

**1. NEW Nov 21: My business type was impacted by Executive Order 20-99, but I don't see it listed. Am I still eligible?**

The impacts of Executive Order 20-99 and the restrictions to limit the spread of the virus are far-reaching, and no list can be exhaustive. To be eligible, a business must be a privately held, locally owned, for-profit entity operating in a physical (non-home based) establishment that was directly impacted by the referenced executive order. If these and all other criteria listed apply to your business, you may submit an application and in response to the question "Which of the following categories includes your business?" select "other," and type in your business type. Your application will be considered, and determinations will be made based on business types.

**2. I have received federal emergency funding through another source of federal funds such as the Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan (EIDL) or Advance, 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 Relief grant?**

Yes, but Hennepin County Small Business Relief 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 Relief funds to cover that same HVAC system.



**3. 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 meets the eligibility criteria for this round that has received a prior Hennepin County Small Business Relief grant may receive an additional \$10,000, provided you have additional expenses of at least \$10,000 not covered by any other local, state, or federal source of funds.

**4. REVISED Nov 24: When did my business need to be established?**

A business must have generated revenue by March 1, 2020 in order to be eligible.

**5. I am self-employed with no additional employees. Do I qualify for this fund?**

Yes, sole proprietors with no additional employees/self-employed entrepreneurs are eligible provided all other criteria are met.

**6. My business is a restaurant and I employed more than 100 employees on March 1, but the total time worked is equivalent to 100 employees. Am I eligible for this fund?**

Yes. Businesses that employ more than 100 individuals with many part-time employees may still be eligible, provided the total is fewer than 100 full-time equivalent employees (FTEs). The same method applies to gyms, other fitness and entertainment venues closed by Executive Order 20-99 that employ fewer than 50 full-time equivalent employees (FTEs).

**7. My business operates from my home, or at a mobile location such as a food truck. Am I eligible to apply and receive funds?**

No. Home-based businesses and food trucks are ineligible. Farm-based wineries, cideries, etc, are considered to be commercial establishments for the purposes of this application and are eligible. Businesses that offer outdoor recreation facilities, outdoor event venues, or outdoor performance spaces are not eligible.

**8. What is the definition of a home-based business?**

According to IRS Publication 587 a home-based business is one that uses the owner's home (or space within the home) as its principal place of business. That is:

1. It is used regularly and exclusively for administration or management of a trade or business, and
2. The owner has no other fixed location where the business carries on a substantial amount of administration or management.

**9. 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 \$15,000 (or \$10,000 for prior Hennepin County small business grant recipients) are eligible, provided that their business has a permanent physical location outside of their home and meets all other eligibility criteria. For the purposes of this grant, food trucks, vending machines, and

other mobile food service provision is not considered a permanent physical location.

**10. What is the definition of "permanent physical location"?**

Only businesses with a permanent physical location in Hennepin County 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 on the same property as the home of the business owner are considered a home-based business. Home-based businesses are ineligible for a grant from this program.

**11. NEW Nov 21: I had a permanent, physical location but I was forced to terminate my lease this year due to COVID. Am I eligible for this grant?**

Yes. You must provide a valid documentation showing that your business was operated from a rented or owned commercial space outside of your home as of March 1, 2020.

**12. 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, a copy of the first page of your 2019 tax return, and a copy of your restaurant or liquor license (if applicable). 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.

**13. REVISED Nov 24: 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.

**14. REVISED Nov 24: 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 a copy of applicable business licenses.

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.

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

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

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

Grants will be issued in fixed amounts of \$15,000 for businesses who have not received prior grant funding from Hennepin County's Small Business Relief Fund, or \$10,000 for prior recipients of funds. Failure to disclose receipt of prior funds will be grounds for disqualification from funding.

**17. REVISED Nov 24: What are considered eligible expenses?**

Grant funds must be used for operating expenses such as commercial rent, commercial mortgage payments, utility bills, supplier payments, personal protective equipment and other similar business expenses incurred between March 1, 2020 through December 30, 2020, during the current period of business interruption due to COVID-19. Grant funds can also be used for costs associated with implementing safety and public health guidance and/or pivoting business operations to accommodate social distancing, to implement appropriate cleaning/sanitation/protection protocols, to implement new technology or systems to allow online transactions and/or curbside pickup, or to institute other operational and communications changes for workers and customers due to COVID-19.

Payroll costs and property taxes are NOT eligible expenses.

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

Applicants will be reviewed by Hennepin County and its program administrator for preliminary eligibility requirements. If applications exceed available funding, applicants will be randomized via lottery system after prioritization criteria have been applied.

**19. I need help filling out this application or I have a general question about the application process. Who should I contact?**

Please contact [economic.development@hennepin.us](mailto:economic.development@hennepin.us).

**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 federal 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 Nov 21: 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 and that no Minnesota tax liens have been filed against your business with the Minnesota Secretary of State.

[You can look up your registration](#). Please have your file number available when filling out the grant application.

**23. NEW Nov 21: My business does not have \$15,000 of eligible expenses (or \$10,000 for prior Hennepin County Small Business Relief grant recipients) 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 prior Hennepin County grant recipients) 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. NEW Nov 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. NEW Nov 24: My business began generating revenue in February 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. NEW Nov 24: 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. NEW Nov 24: Are grant funds taxable income?**

Hennepin County cannot provide tax advice and we encourage you to consult with your tax advisor.

The IRS has provided guidance you may find useful at

<https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>

**28. NEW Nov 24: My liquor license is valid, but the license shows as “expired” or “delinquent” because the city suspended fees in 2020 to provide some financial relief due to COVID-19. Should I upload a copy anyway, and will my application be accepted?**

Yes, please upload a copy of the license you have. We are aware of this issue and have verification we need through collaboration with city partners. Your application will be accepted.