

# Small Business Relief and Reopening Grants

## Frequently Asked Questions (FAQ)

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**1. I have applied for COVID-related emergency small business funding through a city in Hennepin County, but do not yet know if I will receive funding. Should I apply for a Hennepin County Small Business Relief and Reopening grant?**

Yes. Applicants may receive funding from another City funding source, though you will need to document that funds are not being used for the same expenses.

**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, am I eligible to apply and receive a Small Business Relief and Reopening grant?**

Yes, but Hennepin County Small Business Relief and Reopening grant funds must be used to cover different expenses over and above specific uses of federal funds.

**3. I have received a grant from the Hennepin County Small Business Relief Fund. Am I eligible to apply and receive a Small Business Relief and Reopening grant?**

Yes. However first priority will be given to businesses that have received \$5,000 or less from local, county, and state sources. A business may receive no more than \$15,000 in cumulative funding from Hennepin County Small Business COVID relief and recovery programs to-date. For example, if a business previously received \$10,000 from the Hennepin County Small Business Relief fund, the business would be eligible for an additional \$5,000 grant Hennepin County Small Business Relief and Recovery fund, providing the business has additional eligible expenses.

Small Business Relief and Reopening Funds may not be used to cover expenses funded by

another city, county, or state program.

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

No. This fund is only available to businesses with 1-50 employees other than the owner.

**5. I employ more than 50 employees, but they total time worked is equivalent to 50 employees. Am I eligible for this fund?**

No. Eligible businesses may employ a maximum of 50 people, regardless of the total hours worked.

**6. 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, those without a fixed, permanent, physical location outside the home, are not eligible to receive a Hennepin County Small Business Relief and Reopening grant. There must be a designated commercial space that is rented or owned where the primary operations of the business are conducted.

**7. 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.

**8. My business is a home-based business that is a licensed child care provider. Am I eligible for this program?**

No. Home-based businesses are not eligible for this program. Information about other sources of funding that may be available to you can be found here:

<https://mn.gov/mmb/childcare/providers/> .

**9. I am self-employed and/or an independent contractor. Am I eligible for this program?**

No. To be eligible, businesses must employ at least one employee other than the owner.

**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.

For the purposes of this program, for-profit farming operations as defined by Internal Revenue Code 183 are not considered home-based businesses.

**11. My business is a for-profit farming operation. Am I eligible for this program?**

Yes. If you are selected to receive an award, you may be asked for information that verifies your farm is operated for profit and is not a so-called "hobby farm."

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

A completed online application with all questions answered is all that is required initially; no additional documentation is needed with the online application. If your application is selected via the randomized selection process (i.e., the lottery system) and verified, additional documentation will be requested.

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

Businesses will be asked to provide documentation of eligible costs incurred, including proof of payment, if applicable. Additional documentation or information may be deemed necessary to determine eligibility, disburse funds and/or meet reporting requirements, such as documentation of employees, a W9, most recent tax return or equivalent documentation, itemized budget 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.

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

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

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

The fund administrator will work with you to verify that your business has been impacted by the interruption from the COVID crisis and will verify the amount of eligible expenses are at least \$2,500 (minimum grant amount is \$2,500) not covered by another source of city, state, or federal, funds up to a maximum of \$15,000 in operating costs and expenses related to reopening your business safely. Final award amount will be based on your business's eligible expenses and will consider the amount of CARES Act funding that has been received from city, county, and state sources. No business may receive more than a total of \$15,000 from Hennepin County in combined small business grants to-date.

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

Grant funds can be used for operating expenses such as commercial rent, commercial mortgage payments, utility bills, and other similar business expenses incurred between March 15, 2020 through August 30, 2020, during the current period of business interruption

due to COVID-19. Grant funds can also be used for costs associated with safely reopening and/or pivoting business operations to accommodate social distancing, to implement appropriate cleaning/sanitation/protection protocols, and institute other operational and communications changes for workers and customers. Construction costs to contractors are limited to no more than \$2,000.

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

Applicants will be reviewed by Hennepin County and its program administrator, NextStage, for compliance with eligibility requirements. Applicants that have not received over \$5,000 from Hennepin County, city, or state COVID-19 related funding sources will be prioritized to receive funds. If applications exceed available funding, applicants will be randomized via lottery system after prioritization criteria have been applied.

**18. 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). A list of navigators and business assistance providers is also posted on our web site [here](#).

**19. 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.

**20. 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.

**21. How do I know if I am in good standing? What does "in good standing" mean?**

"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.

Note that, depending on your business structure, you may not be required to be registered with the Secretary of State. In that case, you will be deemed "in good standing" with the

Minnesota Secretary of State. For example, if you are a sole proprietorship operating under your own name, you do not have to be registered with the state.