

## Small Business Relief Fund

### Guidelines for Self-Employed Entrepreneurs

*May 14, 2020*

The purpose of the Hennepin County Small Business Relief Fund (HC SBR) is to provide temporary financial support to small local businesses in Hennepin County adversely impacted by the COVID-19 pandemic. Our goals are to assist businesses in surviving the current economic crisis and neighborhoods in preventing blight. Grant funds must be used for eligible expenses incurred as a result of business interruption caused by required closures during the COVID-19 pandemic.

The HC SBR Fund is administered through Open to Business by the community-based non-profit organization, Metropolitan Consortium of Community Developers (MCCD), which provides technical assistance and access to capital to businesses throughout Hennepin County. Business owners with questions or who need assistance filling out the HC SBR Fund application are encouraged to contact one of the community-based business technical assistance navigators listed [on our website](#).

#### **Grant Amounts**

- Grant minimum of \$1,500 up to \$3,000 for businesses with no employees other than an owner, self-employed entrepreneurs
- Amount will be based on eligible expenses of COVID-related business interruption that are not reimbursed by any other city, state, or federal funding sources

#### **Eligibility**

To be eligible, a business must be a locally owned and operated for-profit business located in Hennepin County with no additional employees and meet ALL of the following:

- Must demonstrate business interruption caused by COVID-19 required closures
- Must show eligible business expenses described below in excess of \$1,500 that have not or will not be reimbursed under any city, state, or federal program, including Pandemic Unemployment Assistance (PUA), the Small Business Administration (SBA)

# HENNEPIN COUNTY

HOUSING AND REDEVELOPMENT AUTHORITY

Economic Injury Disaster Loan (EIDL) or Paycheck Protection Program (PPP)

- Must have gross annual revenue of \$1 million or less
- Must have been operating for at least 6 months prior to March 20, 2020
- Must be licensed in good standing
- Must be current on property taxes prior to May 15, 2020, if applicable

Eligibility of home-based businesses:

- Home-based businesses may apply, but must be able to document that the home-based business is a primary source of income. Among home-based businesses, priority will be given to self-employed entrepreneurs who have not received Pandemic Unemployment Assistance (PUA) or Unemployment Insurance (UI) funds.
- Home-based businesses may only use funds for direct business expenses such as payments to suppliers and may not use funds toward living expenses.

Priority will be given to:

- Businesses and self-employed entrepreneurs with a physical establishment, which for the purposes of this fund include shared commercial space, multi-tenant space, co-working space, rented space in a salon or barbershop, within a commercial kitchen, or similar shared commercial setting.
- Businesses in industries required to close as a result of state-issued executive orders
- Businesses that have not received funding from another source

Ineligible businesses include:

- Non-profit organizations
- Corporate chains, multi-state chains
- Businesses that:
  - Have one or more full-time employees
  - Were in default conditions prior to February 29, 2020
  - Primarily derive income from gambling or adult entertainment
  - Derive income from passive investments or registered lobbying
  - Have no current or historical financial statements
  - Have received COVID related funding assistance from a city or from the Minnesota



# HENNEPIN COUNTY

## HOUSING AND REDEVELOPMENT AUTHORITY

Small Business Emergency Loan (SBEL) in excess of \$2,500

### Eligible Expenses

- Funds can be used for operating expenses from March 1, 2020-June 1, 2020, depending on the duration and degree of business interruption, including rent payments, mortgage payments, utilities, payments to suppliers, or other critical non-payroll business expenses as approved by the fund administrator.
- Other eligible expenses includes items allowing the business to adjust to business interruption and/or maintain some level of operations during the COVID-19 crisis, such as upgrades to online sales platforms, improvements allowing for social distancing, or other expenses as approved by the fund administrator.
- Loss of revenue, costs of living, and payment of local or state taxes, including property taxes are ineligible.

### Application Process

- Applications will be accepted beginning May 19 through **May 29, 2020 at noon**
- Applicants are asked to complete an application form on [our website](#).
- Please [contact MCCD](#) or one of the community-based business technical assistance navigators listed [here](#) if you need assistance filling out the electronic application form.
- If applications exceed the funding available, the fund administrator will select grant recipients using a randomized lottery system.
- Approved applicants will be notified by email on or before June 5, 2020.
- **Upon notice of an approved application**, applicants will be required to submit the following within 5 business days and prior to receiving funds:
  - 2019 Federal Business Tax Return or appropriate Business Tax Schedule. Applicants that have not yet completed a 2019 Federal Business Tax Return are eligible to apply and substitute other documentation of revenue, and will need to provide their 2019 Federal Return when completed to qualify for grant reimbursement.
  - Evidence of business interruption related to the COVID-19 pandemic. Applicants should submit documentation that best demonstrates the impact and is deemed acceptable by the fund administrator. Some examples of acceptable documentation



# HENNEPIN COUNTY

## HOUSING AND REDEVELOPMENT AUTHORITY

include Sales Tax Reporting, Period Statements from 3<sup>rd</sup>-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.

- Documentation of eligible expenses incurred, including proof of payment, if applicable.
- Any additional documentation or information deemed necessary by the fund administrator to determine eligibility, generate grant documents, disburse grant proceeds, or meet program reporting requirements.
- Failure to submit required documentation will result in forfeiture of grant award.

**Note:** The Hennepin County Housing and Redevelopment Authority reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.

