



The City of Anoka

Small Business– Grant Program Overview and Eligibility

Purpose: To assist small businesses facing financial hardship, business interruption, and/or lost revenue due to the COVID-19 pandemic with financial assistance for necessary expenditures. This grant is designed to provide a direct incentive for small businesses to keep their employees on the payroll, provide for economic assistance with operating expenses and promote overall economic stability to those businesses facing the impacts of closure due to the COVID-19 pandemic.

Section 601(d) of the Social Security Act outlines that expenses associated with the provision of economic support in connection with the COVID-19 public health emergency would include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. The City of Anoka has further reviewed the Frequently Asked Questions as of July 8th, 2020 published by the United States Department of the Treasury (Treasury) which specifically addresses the ability of a state or local government to establish a program that provides economic support aimed at assisting small businesses with the costs of business interruption. The State of Minnesota has aligned their guidance on eligible expenses for pass-through funds with Treasury guidance. The grant will be designed to provide reimbursement for such costs based on the eligibility requirements outlined below.

General Eligibility: The following entities, which must be located and designated as a place of business within The City of Anoka jurisdiction (*the business address identified on legal documents is used to determine the location of the business*), affected by COVID-19 are eligible to apply. Businesses which do not qualify for the City of Anoka’s grant program may be eligible for the Anoka County grant program.

- Any small business that employs less than 50 Full Time Equivalent (FTE) employees at the primary place of business in Anoka, including the owner and otherwise meets the eligibility criteria. For purposes of program requirements, full and part-time employees are considered to be a headcount of one,
- Small businesses that have a “brick-and-mortar” physical location within Anoka,
- Businesses that were directly impacted by Minnesota Governor’s Orders [20-04](#) and [20-08](#). Including:
 - Restaurants, food courts, cafes, coffeehouses and other places of accommodation offering food and beverage for on-premise consumption;
 - Bars, taverns, brew pubs, breweries, microbreweries, distilleries, wineries, tasting rooms, clubs, and other places of public accommodation offering alcoholic beverages for on-premise consumption;
 - Hookah bars, cigar bars, and vaping lounges offering their products for on-premise consumption;
 - Theaters, cinemas, indoor and outdoor performance venues, and museums;
 - Gymnasiums, fitness centers, recreation centers, indoor sports facilities, indoor exercise facilities, exercise studios, tanning establishments, body art establishments, tattoo parlors, piercing parlors, businesses offering massage therapy or similar body work, spas, salons, nail salons, cosmetology salons, esthetician salons, advanced practice esthetician salons, eyelash salons, and barber shops;
 - Amusement parks, arcades, bingo halls, bowling alleys, indoor climbing facilities, skating rinks, trampoline parks, and other similar recreational or entertainment facilities, and
 - Country clubs, golf clubs, boating or yacht clubs, sports or athletic clubs, and dining clubs.

The City of Anoka retains the right to award grants or determine grant award amounts based upon additional criteria if necessary.

Ineligible businesses include:

- Self-employed contractors or gig-workers who do not operate out of a brick-and-mortar location,
- Gambling concerns, including casinos, racing operations or other activities whose purpose involves gambling,
- Government entities/departments,
- Businesses suspended or debarred from doing work with the federal government,
- Businesses that derive income from passive investment; real estate transactions; property rentals or property management; billboards or lobbying,
- Home-based businesses, and
- Any business not required to close under Executive Order 20-04 or 20-08 including commercial daycares, home based daycares, automotive repair, medical professionals, and professional services such as lawyers and accountants

Covered Period: Necessary costs incurred between the period of March 1, 2020 and October 9, 2020 by an eligible applicant who has been experiencing financial hardship as a direct result of COVID-19 are covered under this grant program.

Amount Applicants Eligible For:

The City of Anoka intends to distribute grants with an initial award ceiling of \$10,000. Awards will be made to applicants who submit a complete application, meet the minimum program criteria, and may be further based upon other criteria such as eligible expenses and size of the applicant (i.e., number of employees).

Application Process: Applicants must complete the Small Business – Grant Program Application via the online portal and submit required documentation. Please note that incomplete applications will not be considered for award. The following documentation/certifications will be required for submittal:

- Certificate of incorporation or other legal documentation with the official business address (i.e., articles of organization, certificate of limited partnership, certificate of limited liability partnership, articles of incorporation, W-9, DBA, etc.)
- IRS 941 for calendar year 2019 OR a third-party payroll report with employee listing/count for calendar year 2019
- Certification that you have experienced financial hardship due to business interruption caused by business closures
- Certification that you operate a business that falls within one of the categories outlined in executive order 20-04 and 20-08 and was required to close

Applicant Requirements: Applicants must certify that:

- The funds will be used to retain workers, make fringe payments, make mortgage interest payments, and lease payments or other eligible expenditures as listed below.
- That applicant met all of the eligibility requirements noted above and agrees to comply with the terms and conditions outlined in the online application.
- Applicant must retain documentation (e.g., invoices, payroll records, time-sheets, etc.) supporting qualifying expenditures incurred under this grant.
- By accepting the funds, applicant agrees to spend the funding on eligible expenditures listed below. This grant may not be used to replace lost revenue.
- The grant amount requested cannot have been previously reimbursed by another Federal program such as the Paycheck Protection Program (PPP) or another state, county or city program. For example, if the applicant received a PPP loan and used it to cover payroll expenses from March, April and May of 2020, this grant may not be used to cover payroll expenses for March, April or May of 2020 but could be used to cover payroll expenses for June of 2020. Using two sources of

funds to cover the same expense during the same time period is considered “double-dipping” and is strictly prohibited. If this occurs, applicants will be required to pay back grant funds to the City.

Non-Exhaustive List of Eligible and Ineligible Expenditures: The below represents a non-exhaustive list of eligible and ineligible expenditures under this program:

- Eligible expenditures include:
 - Payroll and fringe benefit costs
 - Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
 - Mortgage or loan payments (but not mortgage prepayments or property taxes) for business properties
 - Rent payments for business properties (excluding the property tax portion of common area maintenance - CAM)
 - New or expanded technology applications and Wi-Fi services to facilitate work-from home efforts
 - Personal Protective Equipment, sanitation supplies and equipment, testing for employees.
 - Measures to protect, prevent and mitigate the spread of COVID-19 (e.g., modifications or enhancements to infrastructure to support social distancing and allow businesses to comply with public health measures). This would include improvements or additions to outdoor services (patios, tables, tents, etc.) but does not include reimbursement of any lost revenue as a result of any measures taken.
 - Employee testing.

- Ineligible expenditures include:
 - Lobbying for any purpose.
 - Repayment of principal loans or debt (mortgage or loan payments for business properties are allowed).
 - Payment of partial mortgage/utility costs based on IRS rules for home-based businesses.
 - Certain taxes and fees including those that are considered revenue for federal, state, or local governments, including property taxes.
 - Replacement of lost revenue.

Key definitions:

- Home-based business: A business whose primary office or place of business is in the owner's home.
- Business interruption: A period of time when a business cannot operate due to the COVID-19 public health emergency and a mandated government closure or stay at home order.
- Covered period: March 1, 2020 through October 9, 2020.

Guidance:

[Treasury's Initial Guidance:](#)

Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:

Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures

[Treasury FAQ's as of August 10, 2020:](#)

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer

only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.