

Mille Lacs County COVID-19 Economic Relief Fund Guidelines

The purpose of the Mille Lacs County COVID-19 Economic Relief Fund is to provide temporary working capital support to local small businesses and individuals adversely affected the COVID-19 pandemic including any business interruption caused by a required closure.

Businesses and individuals are also strongly encouraged to apply for all other available COVID-19 related funding such as the Small Business Administration Economic Injury Disaster Loan, the Paycheck Protection Program, the Minnesota Small Business Guarantee Program, Pandemic Unemployment Assistance Program, etc. Businesses and individuals applying for funds through these programs are still eligible to receive a grant from the County, but may not use County grant funds for eligible expenses covered by other Local, State or Federal funds.

The Applicant recognizes and agrees that the Mille Lacs County retains absolute authority and discretion to decide whether to accept or deny any particular Grant Application, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the Grant Application are incurred by the Applicant at its sole risk and expense.

Eligibility Requirements - Businesses

Eligible Businesses must meet all of the following criteria as of March 1, 2020 to be eligible for grant funds:

1. Be able to demonstrate that the business was directly and adversely affected by the COVID-19 pandemic.
2. Have a physical commercial or industrial location in Mille Lacs County. Home-based businesses - except for licensed childcare providers - are not eligible.
3. Be registered with the Minnesota Secretary of State and not be debarred by the State of Minnesota.
4. Employ the equivalent of 50 or fewer full-time workers.
5. Be current on all taxes, bills, or charges due to the County from February 1, 2020 or prior.

Ineligible businesses include the following (this is a non-exclusive list):

- Non-profit organizations;
- Independent contractors and the self-employed;
- A business manufacturing, distributing, selling or conducting related activities of sexually explicit materials;
- A business that derives income from passive investments without operational ties to operating businesses or a business primarily focused on speculative activities that develop profits from fluctuations in price rather than the normal course of trade;
- A business that earns more than half of its annual net revenue from lending activities;
- A business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants;
- A business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted; and
- A business engaged in gambling enterprises, unless the business earns less than 50% of its annual net revenue from lottery sales;

Eligibility Requirements – Individuals

Eligible Individuals must meet all of the following criteria as of March 1, 2020 to be eligible for grant funds:

1. Must be a permanent resident within Mille Lacs County.

2. Have two forms of identification showing proof of residence. One of these forms of identification must be a government issued I.D. with current address.
3. Be current on all taxes, bills, or charges due to the County from February 1, 2020 or prior.

Ineligible individuals include the following (this is a non-exclusive list):

- Non-permanent residents of Mille Lacs County

Amount of Grant and Use of Grant Funds

Eligible businesses and individuals may receive a one-time grant of up to \$10,000 based on demonstrated need and for use on eligible expenses. The minimum grant amount is \$1,000.

Funds can be used for mortgage or rent payments, payroll for current employees, working capital and operational costs such as inventory and delinquent utility payments.

All **businesses** applying for this grant should be able to distinguish between direct and indirect costs. Direct costs encompass the costs involved with creating, developing, and releasing a product (e.g., manufacturing supplies, equipment, raw materials, labor costs, and other production costs). Indirect costs are costs *not directly* related to the development of your business's product or service (e.g., utilities, office supplies, office technology, marketing campaigns, accounting services, employee benefit and perk programs, and insurance costs). Both types of costs are eligible for consideration, but indirect costs should not exceed 50% of the award amount. This requirement does not apply to individuals.

Funds cannot be used for direct expenses related to crop or livestock production, purchasing machinery or vehicles, moving expenses, or land acquisition costs.

The County will determine in its discretion the appropriate amount of a grant and the eligible costs and expenses for each eligible business and individual.

Application Process

- Applicants must submit a digital application form via the web available here:
<http://www.millelacs.mn.gov/2699/Economic-Relief-Grant-Program>
- Completed digital applications must be received by **5:00 p.m. on October 2, 2020** to be considered.
- Completed applications should be emailed to EconomicReliefGrant@millelacs.mn.gov.
- No paper applications will be accepted.
- Applicants should include the following information:
 - Basic details about the business or individual;
 - Narrative descriptions and estimated calculations of the negative impacts on the business or individual due to COVID-19; and
 - Information on the intended use of the grant funds.
- Following notice of an approved application, business applicants must submit the following within 5 business days:
 - 2019 Federal Business Tax Return or appropriate Business Tax Schedule, or substitute documentation of revenue if 2019 Return is not yet completed;

- Evidence of revenue loss related to COVID 19 or other documentation demonstrating the impact the COVID-19 pandemic.
- Any additional documentation or information deemed necessary by County Administration to determine eligibility, generate grant documents, disburse grant proceeds, or meet program reporting requirements.
- Following notice of an approved application, individual applicants must also submit the following within 5 business days:
 - Current mortgage statement, if applicable, showing the monthly payment amount, principal balance, and any applicable interest rate;
 - Current lease agreement, if applicable, showing the term and monthly payment;
 - Certification that no foreclosure or tax forfeiture proceedings have been initiated regarding the property;
 - Any additional documentation or information deemed necessary by County Administration to determine eligibility, generate grant documents, disburse grant proceeds, or meet program reporting requirements.
- The failure to submit required documentation will result in forfeiture of grant award.
- All grant recipients are considered sub-recipients of Federal pass-through funds. There are certain information collecting requirements that must be met by pass through entities awarding grants. *See* 2 USC § 200.331. In circumstances where this information is not available, the “best information available to describe the Federal award and subaward” is required. *Id.*

Reporting

Business owners and individuals receiving grant funds must sign an agreement form acknowledging that the business will use the grant funds only for eligible costs and expenses not already covered by other Federal, State or Local funds and agreeing to provide a report to the County on the use of the grant funds within 60 days of receiving grant funds and permitting Mille Lacs County to have access to the business’s records and financial statements as necessary for Mille Lacs County to meet its reporting requirements to the state and Federal governments. The County may require business owners to provide proof that grant funds were used only for eligible costs and expenses. Upon the satisfactory provision of this report and any requested proof provided to Mille Lacs County, the grant process will be complete.

Pursuant to Minnesota law, any funds improperly spent may be recouped by the state and federal government from Mille Lacs County as a pass-through entity. Accordingly, any funds improperly spent by a sub-recipient may also be recouped by Mille Lacs County within 60 days of the Minnesota Commissioner of Revenue certifying that amount must be repaid by Mille Lacs County.