



## CARES Act NONPROFIT RELIEF GRANT - FAQ

### 1. How is the Coronavirus Relief Fund (CFR) being funded?

*The U.S. Department of Treasury (Treasury), as authorized under the Coronavirus Aid, Relief and Economic Security (CARES) Act, established a \$150 billion relief fund to aid states, local, and tribal governments with populations over 500,000 people in their efforts to respond to the nationwide public health emergency caused by the coronavirus pandemic and COVID-19 outbreak. Funding has been allocated from Treasury to the State of Minnesota, and, in turn, The City of St. Anoka as "pass-through" funds. Based on eligibility, small businesses physically located within The City of St. Anoka are eligible to apply for funding.*

### 2. Can a nonprofit organization submit an application for COVID-19 related costs that have not been incurred yet?

*Yes, costs to implement proactive approaches to get infrastructure into place including PPE, capital equipment, additional staffing, etc. could be submitted and approved as long as the costs will be incurred by October 9<sup>th</sup>, 2020. The City of Anoka may request receipts and will require certification that costs are COVID-19 related.*

*The City of Anoka reserves the right to award amounts for any duration of the covered period, up to the entire timeframe (March 1, 2020 - October 9, 2020) if funds allow.*

### 3. What nonprofits can apply?

*All nonprofits may apply, excluding those that fall into the following categories:*

- Nonprofits suspended or debarred from doing work with the federal government,*
- Nonprofits that derive income from passive investment; real estate transactions; property rentals or property management; billboards or lobbying,*
- 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,*
- Home-based nonprofits, and*
- Any nonprofit not required to close under Executive Order 20-04, 20-08, 20-09*

### 4. My nonprofit employs one or more individuals on a part-time or seasonal basis. Are we eligible to apply?



*Yes. Organizations must have had at least one (1) full-time employee (FTE) and no more than fifty (50) full-time employees (FTE). Employees must be compensated.*

**5. How should my nonprofit calculate our FTE's?**

*You will be required to submit an IRS Form 941 from Q4 of 2019 or proof of payroll for verification to assist with calculating the number of full-time employees (FTE's) you have. To calculate the number of full-time employees, use the following examples as guidance.*

- *Ex. If you have one employee that works, on average, 10 or less hours per week, this employee should be considered as a headcount of 1 employee.*
- *Ex. If you have one employee that works, on average, 11-20 or less hours per week, and another employee that works an average of 21 hours per week, this should be considered as a headcount of 2 employees.*
- *Ex. If you have three employee that works, on average, 21-30 or less hours per week, this employee should be considered as a headcount of 3 employees.*
- *Ex. If you have an employee that works, on average, 30 or more hours per week, this employee should be considered as a headcount of 1 employee.*

**6. My nonprofit does not have a physical location in the City of Anoka, but the majority of the people we serve are in the City. Can we apply?**

*Nonprofits must have a physical "brick and mortar" location in the City of Anoka. If there is a parent business/company or a second location outside of Anoka, only the entity located in Anoka can apply to receive a grant. Grant funds issued must be used for local business expenditures.*

**7. My nonprofit changed executive leadership recently, can we apply?**

*The City of Anoka will not disqualify an applicant if there was a change in leadership, as long as the nonprofit, itself, was established for at least six (6) months prior to March 1, 2020.*

**8. Are nonprofit childcare providers able to apply?**

*No, childcare providers, including childcare centers and home-based providers, are not eligible.*

**9. Are sole-proprietorships eligible to apply?**

*Sole-proprietorships and home-based businesses are not eligible to apply.*

**10. My nonprofit is resolving an issue with the Minnesota Secretary of State, can I apply?**

*If there is an issue pending with the Minnesota Secretary of State, nonprofits may still apply for the grant, but will need to demonstrate the issue has been satisfactorily resolved in order to be eligible and receive grant funds.*



11. My nonprofit is resolving a property tax issue, can I apply?

*If there is a pending property tax issue, the City of Anoka will hold your relief check until the property tax issue is resolved. Relief funds CANNOT be used to resolve the tax issue.*

12. I received a Paycheck Protection Program (PPP) grant/loan, can I apply?

*Yes, although the funds allocated under this program cannot be used to cover the same expenses of that PPP funding or other federal program funds that have been used. Applicants will be responsible for complying with the terms and requirements of the loan and grant programs from ALL sources. Receiving PPP funds will not disqualify nor discount consideration within this program.*

13. I received a US Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) and/or grant to cover similar expenses, can I apply?

*Yes, although the funds allocated under this program cannot be used to cover the same expenses of that EIDL funding or other federal program funds that have been used. Applicants will be responsible for complying with the terms and requirements of the loan and grant programs from ALL sources. Receiving EIDL funds will not disqualify nor discount consideration within this program.*

14. I received a State, Anoka County or community foundation grant to cover similar expenses, can I apply?

*Yes, although the funds allocated under this program cannot be used to cover the same expenses of those agreements. Applicants will be responsible for complying with the terms and requirements of the loan and grant programs from ALL sources. Receiving additional grant funds will not disqualify nor discount consideration within this program.*

15. What is meant by “cannot be used to cover the same expenses of those agreements”?

*Funds cannot be used on the same purchase or expense. Ex. You ordered 10,000 masks in July and paid an initial amount of the invoice with SBA EIDL funds. You **cannot** pay the remainder of that bill with the City of Anoka Nonprofit Grant Relief funds. You **could**, however, order an additional 5,000 masks for the winter months and pay that new invoice with the Nonprofit Grant Relief funds.*

*If you have questions about eligible expenses, please reach out at least two business days prior to applying.*



16. What is the total amount of funds that will be awarded? Are there limits on number of awards or award amounts?

*Awards will be capped at \$10,000 and issued until program funds are expended.*

17. What the eligible costs under this program?

*Eligible Costs:*

- *Payroll expenses related to COVID-19 mitigation or response*
- *Commercial lease or mortgage, excluding government leases and property taxes*
- *Personal Protective Equipment (PPE)*
- *Cleaning supplies, hand sanitizers, etc.*
- *Social distancing equipment and signage, including physical barriers*
- *COVID-19 screening equipment*
- *Other similar COVID-19 related expenses*

*If you have any questions about eligible costs, please reach out to us two business days prior to submitting your application*

18. What are the restrictions on “commercial” lease or mortgage payments?

*Lease or mortgage payments must be for a “brick and mortar” business location within the Anoka City Limits. Home mortgages are NOT eligible under this program. Lease and mortgage agreements must be for commercial properties.*

*Additionally, payment must only be made on the principle amount. Potentially escrowed property taxes are NOT eligible under this program.*

19. What are the ineligible costs under this program?

*Ineligible Costs:*

- *Costs covered by other federal, state and local COVID-19 related grant or loan programs*
- *Legal expenses*
- *Food, travel, conferences*
- *Normal business operating expenses*
- *Loss of revenue*
- *Other non-COVID-19 related expenses and payments*
- *Property taxes, other associated tax assessments*

*If you have any questions about ineligible costs, please reach out to us two business days prior to submitting your application.*



**20. What documentation/verification is required to submit?**

*A comprehensive application will be completed. The application will require, at a minimum, the following pieces of information:*

- *Proof of location and business purpose*
- *Number of FTE and attached verification*
- *Proof of financial need and justification*
- *Budget narrative*

*As you navigate the application and reporting process, we will be available to assist you. If you have a question or concern about a required—just ask!*

**21. Will funding allocations be prioritized or vetted based on number of employees and/or people served?**

*CARES dollars will be vetted and prioritized to fill the gaps that remain for businesses where other funding streams fall short. This is critical in ensuring equity and access for populations disproportionately impacted by COVID-19.*

**22. I was forced to close under Executive Order—how will my application be reviewed?**

*If your nonprofit was required to close per Minnesota Governor’s Executive Orders 20-04, 20-04, or 20-09 then you will automatically qualify for this relief program. All of your **eligible** expenses will be considered for relief funding.*

**23. What is the timeline for applications, decisions and disbursement?**

**Application Process**

Application Window Opens:	September 9 <sup>th</sup>	9 am CST	
Informational Session #1:	September 10 <sup>th</sup>	10 am CST	[sign up today!]
Informational Session #2:	September 14 <sup>th</sup>	12pm CST	[sign up today!]
Application Deadline:	October 9 <sup>th</sup>	12 pm CST	

**Review Process**

Review Period Opens:	October 9 <sup>th</sup>	1 pm CST
Review Period Closes:	October 15 <sup>th</sup>	5 pm CST
Decision Notification:	October 16 <sup>th</sup>	12pm CST

**Disbursement Process**

Paper Checks Issued:	Beginning October 23 <sup>rd</sup>	
Spending Deadline:	October 9 <sup>th</sup>	5 pm CST



#### 24. How will funds be disbursed?

Funds will be disbursed via paper check beginning Friday, October 23<sup>rd</sup>, 2020. Checks will be mailed to recipients.

#### 25. How will applications be evaluated?

*Only complete applications will be considered. There will not be a follow-up period for clarification or to collect missing information. Furthermore, **all minimum qualifications** must be met prior to consideration for funding. The minimum qualifications are:*

- *At least 1 but not more than 50 FTE*
- *Business is based in City of Anoka*
- *Business isn't in one of the ineligible categories*
- *Costs incurred are directly related to COVID-19*

#### 26. Who do we contact for more information?

Point of Contact: Darin Berger, Housing & Redevelopment Manager

Phone Number: (763) 576-2724

Email Address: DBerger@ci.anoka.mn.us

#### 27. Will this grant be considered taxable income?

*Yes. Please see [IRS guidance](#). The City of St. Anoka will be responsible for issuing a 1099 for tax reporting purposes*

#### 28. At what rate would grant funds be considered taxable?

*The IRS states the following: "The receipt of a government grant by a business generally is not excluded from the business's gross income under the Code and therefore is taxable. However, a grant made by the government of a federally recognized Indian tribe to a member to expand an Indian-owned business on or near reservations is excluded from the member's gross income under the general welfare exclusion." This can be found at the following link:*

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

*For more information regarding business tax rates, please visit this link on the IRS website:*

<https://www.irs.gov/businesses/small-businesses-self-employed/business-taxes>