

## **Maine Jobs & Recovery Small Business Grant Program**

### **Frequently Asked Questions (FAQs)**

#### **What is the Maine Jobs & Recovery Small Business Grant Program?**

This program is an initiative of the Maine Jobs & Recovery Plan. The program provides grants for small businesses and non-profit organizations targeted at supporting capital intensive businesses that still need immediate short-term help to sustain operations.

The State of Maine plans to use \$5 million for expense-based grant relief to help businesses and nonprofits with significant expenses related to COVID-19 impacts.

These expenses include:

- Interest on deferred loans - the loans must be in deferral as a direct result of the pandemic
- Costs incurred as a result of reopening after COVID-19 related closure (such as PPE, workforce safety training, and installation of physical safety measures)
- Increased costs of doing business as a result of COVID-19 (such as infrastructure tools to improve remote access (contactless check in/out, take out)
- HVAC improvements, creation or addition of indoor or outdoor space for social distancing purposes, and increased costs due to supply chain disruptions or increased demand)

#### **When is the Application due?**

Applications will be accepted from November 1<sup>st</sup> through 11:59 PM EST November 26, 2021. We strongly urge applicants to begin the application process as soon as possible. Applicants sometimes have questions or technical issues and need time to resolve these issues in advance of the deadline. Applications will not be accepted after the deadline.

#### **Who is eligible for the program?**

##### **To qualify for a Maine Jobs and Recovery Small Business Grant your business/organization must:**

- Demonstrate a need for financial relief based on lost revenues of at least 20% between March 2020 – June 30, 2021 due to COVID-19. To be eligible, applicants must have at least 20% of lost revenue in the year that the expense occurred. For example, in order to be able to include an expense from 2020 the organization must show a 20% loss from 2019. If the organization need reimbursement for an expense for January to June 30, 2021, the organization must be able to demonstrate a 20% revenue loss from the same time period in 2019
- Be a for-profit business or non-profit organization, except:

- Professional Services with NAICS Codes starting in 5411 or 5412
- 501(c)(4), 501(c)(6)
- K-12 schools, including charter, public and private, institutions of higher education
- Municipalities, municipal subdivisions, and other government agencies
- Foundations and charitable trusts
- Trade associations
- Credit unions
- Insurance trusts
- Scholarship funds and programs
- Gambling
- Adult Entertainment
- Country clubs, golf clubs, other private clubs
- Cemetery trusts and associations
- Fraternal orders
- Hospitals and nursing facilities
- Have significant operations in Maine (business/organization headquartered in Maine or have a minimum of 50% of employees and contract employees based in Maine)
- Be current and in good standing with all Maine State payroll taxes, sales taxes, and state income taxes (as applicable) through June 30, 2021
- Be a Business/Organization incorporated or purchased before January 2021
- Be in good standing with the Maine Department of Labor
- Not be in bankruptcy
- Not have permanently ceased all operations and intend to continue as a going concern
- Be in consistent compliance and not be under any current or past enforcement action with COVID-19 Prevention Checklist Requirements (<https://www.maine.gov/decd/covid-19-prevention-checklists>)
- Employ a combined total of 250 or fewer employees and contract employees throughout 2020
  - If, for a period greater than two weeks within 2020, your business/organization exceeded 250 employees and contract employees then your business/organization is not eligible. For the purposes of this calculation, count 1 employee or contract employee if they are employed, on average, at least 30 hours of service per week or 130 hours of service per month. Count 0.5 for each part-time employee who is employed, on average, less than this).

For non-profit organizations: Only organizations that file Form 990 or Form 990-EZ are eligible to apply.

### **Is the 20% revenue loss for 2020 or 2021 in comparison with 2019?**

In order to be able to include an expense from 2020, the organization must show a 20% loss from 2019. If the organization needs reimbursement for an expense for January to June 30, 2021, the organization must be able to demonstrate a 20% revenue loss from the same time period in 2019.

### **What if I started my business after 2019?**

Businesses incorporated or purchased before January 2021 which do not have 2019 tax records for comparison with the loss period in 2020 or January through June 2021 will be contacted by the SBDC for follow-up.

### **What expenses are allowable?**

Grant relief is intended to help businesses and non-profits with significant expenses related to COVID-19 impacts. These expenses include:

- Interest on deferred loans - the loans must be in deferral as a direct result of the pandemic
- Costs incurred as a result of reopening after COVID-19 related closure (such as PPE, workforce safety training, and installation of physical safety measures)
- Increased costs of doing business as a result of COVID-19 (such as infrastructure tools to improve remote access (contactless check in/out, take out)
- HVAC improvements, creation or addition of indoor or outdoor space for social distancing purposes, and increased costs due to supply chain disruptions or increased demand)

Applicants may claim expenses in one or more categories.

Payroll expenses are not eligible for this program.

### **Is bad debt an eligible expense?**

No, bad debt is not an eligible expense.

### **Is payroll eligible?**

No, payroll is not eligible under this program.

The Maine Jobs and Recovery Small Business Grant Program is intended to assist in covering losses incurred as a direct result of the COVID-19 pandemic and related public health response. Businesses/organizations will be liable for any misuse of funds.

Examples of unallowable expenses include (list is not all-inclusive):

- Depreciation expense
- Entertainment
- Lobbying
- Goods and Services for Personal Use
- Fines, Penalties, Damages and other Settlements

Funds must be spent on operations that are strictly within Maine.

### **How much will be awarded to the grant program?**

The Maine Department of Economic and Community Development is putting forward \$5 million of the \$20 million allocated to the program in total for grants targeted at supporting capital intensive businesses that still need to immediate short-term help to sustain operations.

We anticipate a \$50,000 award cap. The award cap is subject to change based on need and volume of applications. The minimum award will be \$250. If the qualified application amount exceeds the available funding, we will pro rate the awards.

The remaining \$15 million will then be made available in April 2022 in order for businesses and non-profits to easily utilize tax returns to demonstrate financial impact of the pandemic on their businesses and, therefore, qualify for a funding based on need.

### **Is there a definition of Small Business?**

To qualify as a small business, applicants must employ a combined total of 250 or fewer employees and contract employees throughout 2020 or January – June 30, 2021.

- If, for a period greater than two weeks within 2020, your business/organization exceeded 250 employees and contract employees then your business/organization is not eligible. For the purposes of this calculation, count 1 employee or contract employee if they are employed, on average, at least 30 hours of service per week or 130 hours of service per month. Count 0.5 for each part-time employee who is employed, on average, less than this).

### **Are new businesses eligible to apply for this program?**

To qualify, applicants must be a Business/Organization incorporated or purchased before January 2021.

### **Will this cover expenses incurred over the past year or for things we will do in early 2022?**

This is a reimbursement program so will only cover expenses incurred from March, 2020 – June 30, 2021 assuming the organization meets the eligibility criteria.

### **If my business/organization receives a grant, is the amount received taxable?**

The grants are taxable income and subject to audit (including 2019, 2020, and 2021 tax documents to demonstrate 20% loss in revenue). This grant is considered reportable income.

### **I have several businesses in Maine. Can I file more than one Application?**

A group of affiliated entities should only submit one grant application. Please coordinate with other affiliated entities prior to submitting an application.

For purposes of the Maine Jobs and Recovery Small Business Grant Program, your business/organization is considered affiliated with any other business/organization that:

- Has the same Federal Taxpayer Identification Number (including Social Security Number)
- Has the same corporate parent or grandparent
- Is majority owned (more than 50%) by the same owner or group of owners

### **Is the information I provide protected?**

The security of your sensitive information is important to us which is why all information is stored securely and only accessible by personnel designated by the Maine Department of Economic and Community Development. All sensitive information, including Personally Identifiable Information (PII) is encrypted at-rest and in-transit throughout the process. Information collected by this system will not be shared or used for any other purposes besides grant selection and distribution except as may be required by Maine's Freedom of Access Act, 1 M.R.S Section 401 et seq. It is likely that some of the information provided will be accessible under Maine's Freedom of Access Act (1 M.R.S. Section 401 et seq.); however, proprietary information, tax or financial information, and PII will not be disclosed. After submitting your application, a confirmation email shall be sent with a copy of the submitted application excluding all sensitive PII.

**If I am having trouble or concerns, who can I reach out to for assistance?**

Please call: 1-800-872-3838 and press 3

- Or email: [BizAwards.DECD@maine.gov](mailto:BizAwards.DECD@maine.gov)
  - Please allow up to three business days for someone to get back to you as DECD is experiencing a high volume of calls and emails.