

Maine Economic Recovery Grant Program Phase Two

Frequently Asked Questions

Answers to frequently asked questions regarding the Maine Economic Recovery Grant application and program. Application due October 23, 2020.

What is the Maine Economic Recovery Grant Program?

This program provides grants for businesses and non-profit organizations that demonstrate a need for financial relief based on lost revenues or expenses related to the disruption of business operations caused by the COVID-19 pandemic. Grants will be distributed based on a business/organization's demonstrated losses as a pro-rated percentage of the total losses reported by qualified applicants. The grants are intended to assist in sustaining the viability of Maine businesses and non-profits. The program is not intended to replace lost profits. This program hopes to assist in the stabilization of Maine's economy and accelerate the transition from short-term relief to regaining our state's focus on Maine's 10-year Economic Development Strategy, anchored in talent and innovation.

What is different in Phase Two from Phase One?

In response to feedback received from impacted businesses, we have broadened eligibility in Phase Two to include businesses less than a year old and businesses with up to 250 full time equivalent employees or contractors. We have also identified additional technical assistance resources including ...

When is the Application due? Applications will be accepted from September 23rd through 11:59 PM EST October 23, 2020. **We strongly urge applicants to begin the application process as soon as possible. Do not wait until the last day before the deadline to begin the application. 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 Economic Recovery Grant your business/organization must:

- Demonstrate a need for financial relief based on lost revenues or expenses incurred since March 1, 2020 due to COVID-19 impacts or related public health response;
- Demonstrate an expected 20% loss in revenue minus expenses for 2020;
- Be a for-profit business or non-profit organization, except:
 - Professional Services (NAIC Codes starting with 54)

- Professional Services with NAIC codes starting in 5414, 5418 and 5419 are eligible to apply
 - 501(c)(4), 501(c)(6)
 - K-12 schools, including charter, public and private
 - 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
 - Hospitals¹
- 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 July 31, 2020;
- **New Businesses/Organizations** Incorporated or Purchased before March 31, 2020 are eligible to apply.
- Be in good standing with the Maine Department of Labor;
- Not be in bankruptcy;
- Not have permanently ceased all operations;
- 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>); and
- 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).

¹ Alternate funding available through the Department of Education and Department of Health and Human Services for hospitals, nursing facilities, and institutions of higher education.

- If awarded funds as part of Phase 1 of the Maine Economic Recovery Grant Program, your business/organization is ineligible for Phase 2.

How will the funds be distributed to the qualified applicants?

Maine Economic Recovery Grants will be distributed based on a business's/organization's demonstrated January – June 2020 losses due to COVID-19 as a pro-rated percentage of the total losses due to COVID-19 reported by all qualified applicants for the same time period. All grant amounts are subject to review and adjustment pending applicant volume and magnitude of reported losses.

How much will be awarded to the grant program?

The Maine Economic Recovery Grant Program is funded with \$200 million made available to Maine under the federal CARES Act Coronavirus Relief Fund to provide economic relief due to the COVID-19 pandemic. The maximum grant awarded to a business or non-profit organization is \$100,000.

If I receive a grant, what can the funds be spent on?

The Maine Economic Recovery 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. The grants are subject to audit.

- Suggested business/organization expenses may include but are not limited to:
 - Payroll costs and expenses;
 - Rent or mortgage payments for business facilities (unless otherwise waived by lessor/lender);
 - Utilities payments;
 - Purchase of personal protective equipment required by the business;
 - Business related equipment;
 - Investments that will support your organization's long-term sustainment;
 - Expenses incurred to replenish inventory or other necessary re-opening expenses; and
 - Necessary operating expenses
- 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.

What is a qualified business interruption?

The business or nonprofit must have suffered business interruption due to COVID-19 required closures, which may include but is not limited to:

- Reduced sales or suspended operations
- Increased costs related to COVID-19 prevention measures
- Disrupted supply network leading to shortage of critical inventory or materials

Where can I find additional information on the Maine Economic Recovery Grant Program?

Information regarding the Maine Economic Recovery Grant Program and all relief funding opportunities that are available through the CARES Act grant to the State of Maine can be found at <https://www.maine.gov/decd/economic-recovery-grants>.

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.

When will grants be awarded and when can I expect to receive awarded funds?

If your business/organization is determined to be eligible and selected for a grant, notice of grant amount will be sent out via mail by mid-November 2020. Awards will be distributed by the seven regional Economic Development Districts (EDDs) by the end of November 2020 and will be sent to by eligible recipients via mail.

How will grants be distributed?

Grants will be distributed by the seven regional Economic Development Districts (EDDs) through a check sent via the U.S. Postal Service.

If my business operates in multiple states, how do I know if my principal place of business is in Maine?

Your principal place of business is identified on your annual report filings with the Maine Secretary of State's Office.

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

This grant is considered reportable income; therefore, funding received from this grant must be included with reportable income at tax time. For applicable businesses, a Form 1099 will accompany any awarded grant monies.

Can I save my application as I work on it, or do I have to complete it in one sitting?

Applicants should complete the application in one sitting but a PDF version is available on the website so you can preview and prepare your questions ahead of time.

What tax lines must I prepare, prior to filling out the application?

2017, 2018, and 2019 Gross Receipts/Revenue:

- C Corporations: Line 11 on Form 1120
- S Corporations: Line 6 on Form 1120-S
- Partnerships: Line 8 on Form 1065
- Sole Proprietorships: Line 7 on Form 1040 Schedule C or Line 9 on Form 1040 Schedule F
- Non-Profits: Line 12 on Form 990 or Line 9 on Form 990EZ

2017, 2018, and 2019 Expenses:

- C Corporations: Line 27 on Form 1120
- S Corporations: Line 20 on Form 1120-S
- Partnerships: Line 21 on Form 1065
- Sole Proprietorships: Line 28 on Form 1040 Schedule C or Line 33 on Form 1040 Schedule F
- Non-Profits: Form 990 Line 18, Form 990EZ Line 17

2017, 2018, and 2019 Depreciation:

- C Corporations: Line 20 on Form 1120
- S Corporations: Line 14 on Form 1120-S
- Partnerships: Line 16c on Form 1065
- Sole Proprietorships: Line 13 on Form 1040 Schedule C or Line 14 on Form 1040 Schedule F
- Non-Profits: Form 990 Line 22 (Part IX), Form 990EZ Line 16 (Schedule O)

What if I have not filed my 2019 Tax Returns, am I eligible?

If you have not yet filed for Tax Year 2019 you may still apply. For application questions that request 2019 revenue, expenses, and depreciation, you would select 'N/A'. If you select 'N/A' for 2017, 2018, and 2019 revenue, expenses and depreciation, then there is no way to determine your loss due to COVID-19 and the related public health response and you are unlikely to receive a grant award.

What professional services are eligible to apply?

Professional services are services with NAIC codes starting with the 54 prefix are not eligible to apply unless the code starts with 5414, 5418 and 5419. Professional services that do not start with the 54 prefix are eligible.

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

Each business or group of affiliated entities should only submit one application. For purposes of the Maine Economic Recovery Grant, your business/organization is considered affiliated with any other business/organization that:

1. has the same Federal Taxpayer Identification Number (including Social Security Number)
2. has the same corporate parent or grandparent
3. is majority owned (more than 50%) by the same owner or group of owners

When you submit one application for several affiliated businesses together, be sure that you've first calculated all of the employees for the businesses and you don't exceed the eligibility limits listed above. For a combine application, please combine the financial information.

If you have submitted more than one application, you should notify the State of Maine Economic Recovery Grant Program at BizAwards.DECD@maine.gov ***Only your most recent submission will be considered.***

What is a DUNS number?

The Dun & Bradstreet (DUNS) Number is a unique nine-digit identifier for businesses.

If you don't have a DUNS number, you can get one here <https://www.grants.gov/applicants/organization-registration/step-1-obtain-duns-number.html> or by calling this number: 1-(800)-700-2733. If you aren't able to get a DUNS number prior to the grant application deadline, you may still apply. You will need to submit your DUNS number prior to receiving payment of the grant.

I didn't receive a confirmation email after I submitted my application?

Please check spam/junk email folder and your settings. Confirmation email will be from noreply@maine.gov with subject line "Maine Economic Recovery Grant Program Application Submission"

If after doing so, you feel as though application was not submitted, please resubmit application. If we receive multiple submissions from same application, ***only most recent submission will be considered.***

For the question on the application: "Amount of any grants or forgiven loans (or expected to be forgiven) that were not expended or accounted for in your revenue and expense lines from Jan - Aug 2020" what amount should be entered?

The amount that the application is looking for is: the amount of any grants or forgiven loans (or expected to be forgiven) that **has not yet been spent or not accounted for in your revenue and expense lines prior to August 31, 2020**. Please consult an accounting professional if you have specific questions about how you accounted for the funds.

I am seeing an error of “Grid view must contain rows,” how do I fix this?

In order to prevent receiving the error, “Grid view must contain rows,” please ensure that you have clicked “Add ____” in the amplifying information section in which you are working. The sections where this may appear are, “Individual Owners,” “Affiliated Businesses,” and the Maine Revenue Service Section. By clicking “Add _____,” it ensures your information was recorded.

My EIN/SSN is not being displayed in the review section and isn’t being saved in the form. Is this an issue?

The software is designed not to replicate your EIN/SSN for security reasons. If you entered it where asked and moved on to the next page, it was successfully recorded in your application.

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
 - 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.
- For Maine State Tax questions please contact the Maine Revenue Service Taxpayer Contact Center:
 - Email: taxpayerassist@maine.gov
 - Phone: 207-624-9784
- For Federal Tax questions please contact the Internal Revenue Service:
 - **Individuals**
800-829-1040
7 a.m. to 7 p.m. local time
 - **Businesses**
800-829-4933
7 a.m. to 7 p.m. local time
 - **Non-profit taxes**
877-829-5500
8 a.m. to 5 p.m. local time
- Or please reach out to your local economic development or non-profit support organization for assistance.

DECD's Business Answers program provides the Maine Resource Compass to connect businesses with available resources – you can find that living data base available on [the Business Answers page](#) and search for technical assistance resources.

DECD also maintains a searchable database of COVID-19 Resources found here: <https://startupSPACE.app/maine-resource-compass/recovery>



The SBA provides free business advice and counseling through three partner organizations in Maine. There is no wrong option and you connect with any and all of them at no cost to you.

[Maine SBDC](#) – Counselors are available statewide and you can request advising on the SBDC website. The website also has a wealth of information on starting a business.

[SCORE](#) – SCORE has chapters around the State, with the nation's best chapter for two years running located in Portland - <https://portlandme.score.org/>. SCORE is a free, volunteer-led service and has both general business mentors and subject area experts.

Maine Women's Business Center – WBC is also statewide and both WBC and SBDC are hosted by CEI - <https://www.ceimaine.org/advising/> - you can request a business advisor from CEI through their website and also access events and programs specific to women business owners.