



# COVID-19 Relief and Recovery Grant Program

City of Delta Junction

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# Introduction

The Council of the City of Delta Junction on 08/04/2020 approved a program for distributing CARES Act Funding received by the City.

The City of Delta Junction will be working diligently to try to provide funding to as many small businesses and non-profits affected by the COVID-19 Public Health Emergency as possible.

# Overview



The City of Delta Junction received \$459,281 from the Federal Government, passed through the State of Alaska for the expenditures in response to and to aid in the economic recovery from the COVID-19 Public Health Emergency. The City has evaluated a method for distributing the economic recovery funds, identifying how to best support the long-term recovery of our local economy. This approach includes a distribution plan for expenditure of these funds, approved by the City Council and designed to identify broad categories, governmental, private, and nonprofit where help is needed due to impacts associated with the COVID-19 Public Health Emergency.

\$159,281 – City Resiliency and Management. This allocation will include the City of Delta Junction expenses (past and present) intended to mitigate and prevent the impacts of COVID-19.

\$300,000 – Small Business and Nonprofit Entity Recovery Grants (“SBNRG”). This apportionment includes grant awards to qualifying Delta Junction area businesses or nonprofits affected by COVID-19 to offset impacts and/or to provide mitigation. The City will administer the SBNRG grant program to determine eligibility and requirements that may apply. The SBNRG grant program guidelines are included in this document.

## General Information



The SBNRG grant funds must be fully spent by December 30, 2020.

The applicant must certify that the information provided is true and accurate and that they agree to assist in the verification of information provided in the application and to provide additional information to the City, if requested.

The review committee will determine whether the application is complete and the business or nonprofit is eligible under the program requirements. The committee will not judge the need or use of the money. SBNRG grants are capped at no more than \$10,000 per applicant, although the City encourages applicants to only request what they truly need so that funds can be available for the maximum number of applicants.

An applicant denied by the review committee may appeal to the City Administrator (in writing). Any appeal must be filed in writing by 5 p.m. the 10<sup>th</sup> calendar day after the day the applicant received notice from the City.

It is the City's intent, to the extent allowed by law, that the review committee's work and discussions, and the applications themselves, will not be available to the public. The names of the business and nonprofits that receive grants and the amount each receives will be considered public record.

The City reserves the right to amend any criteria or procedures as may be required if new state or federal guidelines are issued.

The SBNRG is designed to provide a simple process that maximizes timely support to the maximum number of local businesses and non-profits with as few restrictions as possible to assist economic recovery, while insuring accountability.

## **Eligibility Criteria**

1. The applicant must have a physical place of business situated within the City or the surrounding area defined as REAA #15 as shown on the attached map (“Delta Junction Area”) with primary business activity occurring within the Delta Junction Area. Examples include but are not limited to an office, home-based business, restaurant, or store.

2. The applicant must be considered a small business as defined by the State of Alaska AK CARES Grant Program, which states that a small business have, on average, 50 or fewer full-time equivalent employees.

3. All applicants must be negatively impacted by the COVID-19 pandemic either through rapid expansion or adaptation to serve the community or because of forced closure in the name of public health or negatively impacted business activity. Applicants must certify and provide a brief explanation of how the business suffered or suffers revenue loss because of the COVID-19 pandemic.

## **Disqualifiers**

1. Applicants cannot be a marijuana related business. The Federal Government considers selling of cannabis to be illegal. Federal law precludes using money supplied by the US Treasury in support of illegal activities. As such, direct marijuana businesses and indirect marijuana businesses which derive any of their gross revenue from sales and services to direct marijuana services are ineligible.

2. Business cannot have filed for bankruptcy.

## **Grant Spending**

Requirements:

Grant funds received must be fully expended by December 30, 2020.

Grant funds may be used for:

1. Payment of rent or required monthly loan payments (i.e., mortgage);
2. Payments of essential wages, taxes, and normal benefits to employees essential to maintain business;

3. Normal operating costs that are included in “cost of goods sold” on business’s income statement (raw materials for manufacturers, component pieces for assemblers, items for resale for retailers, food for restaurants, etc.);
4. Normal operating expenses that are included in “operating expenses” on businesses’ income statement (utilities, insurance, professional services, etc.);
5. Normal draw or wages on a weekly or monthly basis to owner;
6. Purchase of personal protective equipment required by the business; or
7. Expenses incurred to replenish inventory or other necessary re-opening expenses.
8. Impacts, including, though not limited to, loss of sales due to mandatory shutdown, inventory loss, additional operating expenses of reopening and protecting staff and customers, including funds already spent for those purposes.

1. Any expense that would not be considered an eligible business expense by IRS rules;
2. Political contributions;
3. Bonuses to owners or employees;
4. Wages to any member of owner’s family who is not a bona fide employee;
5. Charitable contributions;
6. Gifts or parties;
7. Draw or salary to owner that exceed the amount that they were paid on a weekly or monthly basis for the same period in 2019;
8. Pay down or pay off debt by more than required in underlying debt instrument; or
9. Any expense considered ineligible under the State of Alaska CARES Act grant program.

Grant funds may not be used for:

## Small Business



A business must have been in existence as of January 1, 2019, to qualify.

The program is open to all qualifying businesses, regardless of whether they have applied for or have obtained any other state or federal COVID-19 related assistance.

The program will exclude from eligibility:

- C Corporations traded on a US stock exchange or a corporate-equivalent entity traded on a foreign stock exchange, and businesses owned in whole or majority owned by such a publicly traded corporation.
- National chains that own and operate their premises in the Delta Junction Area (however, locally-owned and operated franchise

businesses in the Delta Junction Area are eligible).

- Businesses currently in bankruptcy.
- Marijuana businesses.

Applicants are required to self-certify that they have been affected by the COVID-19 public health emergency and resulting economic impacts. The intent of the federally funded CARES Act program is to assist communities and businesses that suffered economic harm from the public health emergency.

Businesses will not be required to detail specifically (in dollars) how they have been affected.

Businesses are asked how they plan to use the money, making clear that the application question is voluntary and for informational purposes only, to gauge community need and effectiveness of the program.



# Nonprofits



The grants for nonprofits would be to help meet the needs of and repair the economic damage to nonprofits caused by the COVID-19 public health emergency.

The program is open to nonprofits that provide services to the residents of the Delta Junction Area.

## Eligibility rules:

- The grants will be available to IRS-certified 501 nonprofits.
- The nonprofit must have been in operation and serving the Delta Junction Area since at least January 1, 2019.
- A majority of the group's local board of directors or local advisory board and its officers must be Alaska residents. A local affiliate of a national organization must

have a local advisory or governing board.

- Faith-based nonprofits are eligible, so long as they provide services, which are promoted and available to the general public without regard to religious affiliation.
- Nonprofit organizations “that are principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities” are not eligible (as per 13 CFR § 120.110(k) in the Code of Federal Regulations).

## Process

1. The deadline for applications to be turned in is September 18, 2020.
2. Business information provided in the SBNRG application will be kept confidential to the extent authorized by law.
3. Applications are available online and may be printed and emailed to covid19grants@deltajunction.us, mailed to City of Delta Junction at PO Box 229, Delta Junction, AK 99737, ATTN: COVID19 Grant, or dropped off to the City of Delta Junction City Hall at 2288 Deborah St., Delta Junction, AK 99737. Please secure your application within a sealed envelope if mailed or dropped off.
4. The application must be submitted with a W-9 form from the Internal Revenue Service.
5. Upon receipt of a complete application and verification of eligibility requirements, a grant payment may be

disbursed to the applicant. Applicants will be notified via email once their application has been approved.

6. Applicants who submit incomplete applications or whose requests are denied will be notified via email.
7. A 1099 Misc. income form will be provided by the end of the year.
8. A business may only apply one time for this grant.
9. It is the responsibility of the applicant to determine whether the proceeds from the grant are taxable, or the receipt of a grant under this program precludes eligibility for any other grant or aid programs.
10. Grants under this program are subject to audit. Businesses are required to maintain records for a period of 6 years.
12. Grants are capped at no more than \$10,000 per applicant.

13. The City reserves the right to interpret the terms of the SBNRG program.