

Sarasota County CARES

Coronavirus Aid, Relief and Economic Security (CARES) Act
U.S. Treasury Coronavirus Relief Fund (CRF)

Sarasota County CARES Small Business Relief Grants

Program Overview

The CARES Act provides that payments from the Coronavirus Relief Fund may only be used to cover costs that:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on Dec. 30, 2020.

The provision of grants to small businesses and nonprofits, in an amount not-to-exceed \$20,000 per business or nonprofit, is to reimburse the costs of business interruption caused by required closures due to the COVID-19 public health emergency.

The program provides grants for the recovery and stabilization of small businesses negatively impacted by the COVID-19 emergency, so long as funds remain available.

Eligibility Criteria

Applicants that meet ALL the following criteria may qualify:

- ✓ Applicants must have had 100 or fewer full-time-equivalent employees, including the owner(s), at the time of application.
- ✓ Applicants must have been negatively impacted by the COVID-19 emergency; and have the proper, required documentation to demonstrate the negative impact.
- ✓ Applicants must be businesses with a principal location in Sarasota County that is legally operating and licensed within Sarasota County and the state of Florida as of March 1, 2019.
- ✓ Applicant must be a for-profit non-publicly traded company, or a not-for-profit 501(c)(3) or 501(c)(6) organization. Additional information for specific reimbursements may be required.
- ✓ All for-profit business owners and all 501(c)(3)(6) board directors and/or officers, as applicable, of the applicant must be U.S. citizens or lawful permanent residents.
- ✓ Business is current on all payroll taxes, sales and unemployment taxes, property taxes and federal income taxes.
- ✓ Business has no current unpaid code enforcement liens or violation of any state, federal or local laws.
- ✓ Business commits to following all recommended CDC guidelines for COVID-19 safety.
- ✓ No for-profit business owners and no 501(c)(3) or 501(c)(6) board directors and/or officers have been convicted of, pleaded guilty or nolo contendere to any felony involving fraud, dishonesty, bribery, embezzlement or a false statement in a loan application or an application for federal financial assistance within the past five years.
- ✓ No 501(c)(3) or 501(c)(6) organization and no for-profit business owners or business entity are presently involved in any bankruptcy or are planning to file for bankruptcy prior to Dec. 30, 2020.

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The following entities are not eligible for this program

- Sarasota County businesses that are a subsidiary or partially owned by a publicly traded company or hedge fund.
- Entities with open legal actions in which Sarasota County is an opposing party, or entities with active code enforcement final orders or liens.
- Businesses with any owners or 501(c)(3) or 501(c)(6) organizations with any board directors and/or officers who have been convicted of, or pleaded guilty or nolo contendere to any felony involving fraud, dishonesty, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance within the past five years.
- Entities that are presently suspended or debarred from participation in transactions by any federal department or agency.
- Any 501(c)(3) or 501(c)(6) organization or for-profit business or business owners who are presently involved in any bankruptcy or are planning to file for bankruptcy prior to Dec. 30, 2020.
- For-profit businesses with any owners or 501(c)(3) or 501(c)(6) organizations with any board directors and/or officers that are not U.S. citizens or lawful permanent residents of the U.S, as that term is defined in the Immigration and Nationality Act at 8 U.S.C. 1101(a)(20).

Eligible expenses

Grant funding pursuant to this Sarasota County CARES Small Business Relief Grant shall only be used for reimbursement of eligible expenses. Eligible expenses include:

- Rent payments.
- Mortgage payments (except for real estate taxes).
- Utilities payments (water, sewer, electric, gas, solid waste collection, phone, internet).
- Anything needed to protect employees or customers from exposure to COVID-19.
- Personal protective equipment (PPE).
- COVID-19 testing costs.
- Supplies and equipment for facilitating social distancing or otherwise adapting the business to help comply with the CDC's guidelines related to COVID-19.
- Payroll expenses.
- Marketing related to reopening.
- Inventory costs for perishable items related to reopening.

Tips for applicants

- **Collect your documents first** and then visit www.scgov.net/CARES.
- **Don't rush to submit** – the fastest way to get approved is to make sure your application and all documents are accurate and complete.
- **Double-check** that your documents are scanned and ready to upload with document signatures where applicable.
- **If your application needs additional information or corrections, you will be contacted.** But remember that a complete and accurate application will speed review and approval.
- **Track your progress** within the approval process using the case number that is assigned to you by the Neighborly portal.

TAKE YOUR TIME. Submit a full application, including all required documentation, for the quickest response. Grant awards will be based on the submittal of complete and eligible applications, not based on how early an application is submitted – submitting an incomplete application will delay the review process.

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Frequently asked questions about the program

How much funding is available for small businesses?

Entities may receive up to \$20,000 for eligible expenses related to business interruption and operational expenses incurred due to COVID-19, as funds remain available. At this time, the Sarasota County Commission has approved \$10 million of the Coronavirus Relief Fund to be allocated to economic recovery for small businesses and nonprofits.

Where did this funding come from?

These funds come from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, through the Coronavirus Relief Fund. Congress designated a portion of these funds to go to local governments to meet urgent financial needs incurred due to the COVID-19 pandemic within communities. These federal funds are being administered by the Florida Division of Emergency Management (FDEM).

When is the application deadline?

The application period will remain open while funds remain available, and no later than Dec. 15, 2020, unless the covered period is otherwise extended by the federal government.

If approved, how quickly will I receive assistance?

Due to the widespread impact of the pandemic on our local community, we anticipate a high volume of requests for assistance. Complete applications with all required documentation will be reviewed as quickly as possible. It may take several weeks from the date of application submission until an approved applicant receives payment reimbursement for eligible expenses. If an incomplete application is submitted with incorrect information or missing documentation, there may be a delay in processing your application. Sarasota County is committed to helping our small businesses and nonprofits in need of aid as quickly as possible.

If I receive a Small Business Relief Grant, do I have to pay it back?

No, these funds are to be administered on a reimbursement basis only. They do not have to be repaid. Your application will include a funding request for eligible expenses incurred due to COVID-19. You will be required to upload your receipts/invoices/bank statements to demonstrate that expenses have been paid before you will be eligible to receive reimbursement through this grant program.

Questions about eligibility

What can I use these funds to pay for?

The program will assist businesses that have suffered economic damages from business interruption caused by COVID-19 since March 1, 2020, that were not covered by insurance or reimbursed from any other funding source. Funds can only be used to reimburse the costs of COVID-related impacts.

Eligible expenses include:

- Rent payments.
- Mortgage payments (except for real estate taxes).
- Utilities payments (water, sewer, electric, gas, solid waste collection, phone, internet).
- Anything needed to protect employees or customers from exposure to COVID-19.
- Personal protective equipment (PPE).
- COVID-19 testing costs.

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- Supplies and equipment for facilitating social distancing or otherwise adapting the business to help comply with the CDC's guidelines related to COVID-19.
- Payroll expenses.
- Inventory costs for perishable items related to reopening.
- Marketing costs related to reopening.

How do I know if my business has had negative financial impacts due to COVID-19 in order to qualify for this assistance?

Your business must attest and document the lost revenue and/or additional business expenses. For example, you can consider how much revenue you expected to earn this year since March 1, 2020 and compare that amount to how much you actually earned. You can also consider whether your business had new or increased expenses due to COVID-19. If you received insurance and/or reimbursement from any other funding source that has covered or will cover revenue losses and/or additional expenses, that must be included in your application and will be taken into account in determining your eligibility. To align with the guidance from the U.S. Treasury on the use of these funds, you cannot receive a duplication of benefit, meaning you cannot use these program funds for a purpose that you have already received funding for or will receive funding for.

If my business has already received funding from another source, am I still eligible?

You may still be eligible for this funding. If you have received funding or will receive funding from any other local, state, federal or private funding source, you must disclose this information in your application. You will be asked to provide supporting documentation and a brief explanation for each funding source listing the following information:

- Description of the funding source.
- Whether you have applied for or received the funds.
- The amount applied for or received.
- The purpose and/or use of the funds.
- Amount of that particular funding unused as of the date of this application.

Are nonprofits eligible to apply for this funding?

Yes, 501(c)(3) and 501(c)(6) entities are eligible to submit applications for the Small Business Relief Grant Program to request funding on a reimbursement basis for eligible expenses related to business interruption and operational expenses incurred due to COVID-19.

What types of businesses are eligible?

For-profit business types that may qualify include:

- Sole proprietors/self-employed
- C-Corporations
- S-Corporations
- Limited Liability Corporations (LLCs)
- Partnerships

Nonprofit organization types that may qualify include:

- 501(c)(3) organizations
- 501(c)(6) organizations

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Are home-based businesses eligible?

Yes, home-based businesses may qualify. You will be required to submit your 2019 IRS Form 8829 to demonstrate expenses for business use of your home.

Am I eligible if I meet some, but not all, of the eligibility requirements?

No, a business must meet **ALL** eligibility requirements to be eligible.

How long does my business need to have been in business to be eligible?

You must have an active state business registration from the Florida Division of Corporations, or be able to provide operating verification documentation to demonstrate that your business was operating prior to March 1, 2019, and meets all applicable regulatory requirements from Sarasota County or the municipality in which your business is located in Sarasota County. You will be required to submit information about your business from 2019.

Are all business industries eligible?

All businesses that can demonstrate they have had a negative financial impact due to COVID-19 and that meet **ALL** the program's eligibility requirements may apply for funding assistance for eligible expenses on a reimbursement basis only. Submitted applications with required documentation will be reviewed for completeness and verified for accuracy.

My business is in the City of Sarasota, City of North Port, City of Venice or Town of Longboat Key. Am I eligible?

Yes, you may still be eligible if your business is in one of the municipalities that is also part of Sarasota County. If you are located in the part of the Town of Longboat Key that is in Manatee County, you are not eligible for this program.

I have not filed my 2019 tax return yet. What do I do?

You may submit an application and request assistance for guidance on the completion of your required documentation. Alternatively, you can wait until you complete and file your 2019 return. The end of the extension period for business tax returns is Sept. 15, 2020. For personal returns, the extension period ends Oct. 15, 2020. Based on the estimated number of businesses that will qualify for these grants, we expect to have sufficient funds to award grants to qualified businesses beyond those dates.

My business is not located in Sarasota County, but I live within Sarasota County. Do I qualify?

No, not at this time. The program provides funding to businesses with a principal location in Sarasota County.

My business has more than 100 employees. Do I qualify?

Maybe. Your business must have 100 or fewer full-time-equivalents (FTEs), including the owner(s). If your business has more than 100 employees, you must provide an employee count verification to demonstrate that you have 100 or fewer FTEs. For example, if your business has 120 employees, but half of those are part-time, you may qualify if your employee count for FTEs is 100 or less.

My business received the Sarasota County Small Business Resiliency Loan. Am I eligible?

Maybe. If you received a Small Business Resiliency Loan (SBRL) from the county, you may be eligible to receive a grant from this program if you have expended all of the funds from the SBRL program and can demonstrate that the purpose/use for which you are requesting the grant funds is different than the that of the SBRL program. This documentation is required to ensure there is no duplication of benefit. Additionally, if you have repaid the SBRL in full then you may be eligible to receive this grant. If you have not expended the SBRL in full, you are not be eligible for this grant program.

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What are the eligibility requirements regarding citizenship status?

All for-profit business owners and all 501(c)(3) or 501(c)(6) board directors and/or officers, as applicable, of the applicant entity must be U.S. citizens or lawful permanent residents, as the term is defined in the Immigration and Nationality Act at 8 U.S.C. 1101(a)(20).

What are the eligibility requirements regarding bankruptcy?

If you are a 501(c)(3) or 501(c)(6) organization that is presently involved in any bankruptcy or are planning to file for bankruptcy prior to Dec. 30, 2020 then you are ineligible. This eligibility requirement does not apply to 501(c)(3) or 501(c)(6) board directors or officers.

If you are a for-profit business entity or business owner who is presently involved in any bankruptcy or are planning to file for bankruptcy prior to Dec. 30, 2020 then you are ineligible.

What are the eligibility requirements regarding code enforcement liens?

Any applicant entity with active code enforcement liens from Sarasota County is ineligible. You must resolve any unpaid liens from the county against your business prior to submitting your application if you wish to qualify.

What are the eligibility requirements regarding felonies?

Businesses with any owners or 501(c)(3) or 501(c)(6) organizations with any board directors and/or officers who have been convicted of or pleaded guilty or nolo contendere to any felony involving fraud, dishonesty, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance within the past five years are ineligible.

Questions about the application process

How do I apply?

Applicants may apply online at www.scgov.net/CARES and by selecting the "Business Assistance" icon. You will be required to register on the Neighborly software portal. Confirm your email and sign in to access the business assistance application. You will be required to submit supporting documentation with your application. Please review this required documentation list, available online at www.scgov.net/CARES, prior to completing your application.

I own more than one business in Sarasota County. Can I apply for more than one grant?

Yes. You may qualify for a grant for each legal business entity. Each entity must have a unique business name. You must provide separate financial statements and supporting documentation for each business.

I have a parent holding company that owns several businesses. How should I complete the application process?

You will file a separate application for each of the "child" companies. Use the tax form filed by the "parent company" to report income to the IRS (Schedule C, 1065, 1120 or 1120S) as the "Payroll Documentation" in the required documentation section of the application for each of the child companies. You will also need to file a 2019 and 2020 Profit and Loss statement (P&L) for each child company to demonstrate a negative financial impact due to COVID-19. Each child company must have a unique business name. All approved grant payments for reimbursement should be sent to the business address of the parent company, as listed on the application in the Business Information section and as it appears on the business registration. The parent's taxpayer identification number (TIN) should be used for the W-9 information on all of the applications.

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How does the application and approval process work?

The entity submitting an application for assistance will do so via the Neighborly software portal, which can be accessed online at www.scgov.net/CARES by selecting the "Business Assistance" icon. Once the applicant submits an application, it will be reviewed for completeness during an initial review. If the application is determined to be complete, with all required documentation, then it will be sent for a second review for accuracy. If the information provided is verified and validated to be accurate, it will be sent for a final review for payment to be issued. The approval process may take several weeks; however, applicants will be notified as the status of their application changes. This notification will be sent via email, but applicants may also login to the Neighborly portal to check the status of their application. Final approval or denial email notifications will be sent to the applicant after several thorough and comprehensive reviews have been completed.

Applicants are encouraged to use the online portal to check the status of their application. Once an application is approved and processed for payment, the business owner will receive a check via U.S. mail to the principal business address provided in the application that must match the address on the business registration.

How quickly will I receive my grant once approved?

Once an application reviewed for completeness and verified for accuracy, businesses can expect to receive their grant funds after due diligence has been completed by the Clerk of the Circuit Court and County Comptroller. Depending on the number of applicants, it may take several weeks from the start of application review until eligible business applicants will receive the approved funding.

My application was denied. What now?

Your email notification that your application was denied should have included the details for how this decision was made.

If you were denied because information on your application was incorrect or documentation was missing, and you believe that you are able to provide the necessary updates to correct this information or provide the missing documentation, then you may be able to reopen your application to submit these items for review.

If you were denied because you do not meet the eligibility requirements, we sincerely appreciate your application. Your business and its role in the Sarasota County economy are very important.

Would these grant funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code?

Yes. Per the [IRS](https://www.irs.gov), 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.

I have not incurred expenses up to \$20,000 at this time, but I likely will have done so before the deadline. Can I submit multiple applications over time to ensure I receive the full \$20,000?

Grant awards are capped at \$20,000 per business. Applicants are strongly encouraged to submit one application to meet all needs since we can predict when all funds will be exhausted. You may have the opportunity to request more than one draw on the \$20,000; however, this could result in a delay in receiving the additional requested funds.