



CITY OF FARIBAULT
COVID-19 / CARES ACT

Small Business Relief Fund (SBRF) Policy and Program Guidelines

OVERVIEW:

The City of Faribault understands that the COVID-19 pandemic has had an immediate and detrimental impact on our small local businesses. In an effort to provide temporary relief, the City of Faribault has created the Small Business Relief Fund (SBRF). The SBRF is funded through CARES Act dollars, and is intended to provide one-time financial support to businesses experiencing financial hardship as a result of the COVID-19 pandemic, and help these businesses survive the current economic crisis.

Program Guidelines

The purpose of the City of Faribault Small Business Relief Fund (SBRF) is to provide temporary financial support to small local businesses in the community adversely impacted by the COVID-19 pandemic. Grant funds will help businesses pay for critical expenses such as rent payments, mortgage payments, utilities, payments to suppliers, and costs associated with reopening. Providing this assistance will help increase the capacity of small businesses with a physical location in Faribault survive the crisis and prevent potential blight within neighborhoods. This support will offset costs businesses incurred as a result of business interruption due to required closures, or voluntary closures to support social distancing during the COVID-19 pandemic.

Grant Amounts	
The City of Faribault will make \$500,000 available for direct business assistance grants.	
Maximum Grant Award:	\$10,000 <i>for businesses with 6-50 employees</i>
Maximum Grant Award:	\$5,000 <i>for businesses with 1-5 employees</i>

The SBRF will be administered by the Community and Economic Development (CED) Department. CED will work with business resource providers and economic development partners to provide outreach to our businesses to notify them that this one-time assistance is available. Business owners with questions or those that need assistance filling out the online application are encouraged to contact CED – at 507.333.0388, or via email at smarkman@ci.faribault.mn.us

These program guidelines adhere to federal rules and regulations associated with the CARES Act funding, and have been adopted by City Council Resolution 2020-105 approved on July 14, 2020.

Please note: The City Council of the City of Faribault reserves the right to revise these guidelines as needed to best address the impact of the current pandemic and to reflect any changes/additions/interpretations of the CARES Act.

Terms

One-time emergency grant of up to \$10,000 – to offset economic injury from the COVID-19 pandemic and fund eligible operating expenses. Businesses may use the grant funds to pay for non-payroll costs of business interruption caused by required closures, voluntary closures to support social distancing, and eligible expenses. Eligible non-payroll expenses include:

- Rent payments,
- Mortgage payments,
- Utilities,
- Payments to suppliers,
- Costs associated with reopening, and/or
- Other critical *non-payroll* business expenses as approved by CED and which are consistent with the intent of the program.

Eligible Businesses

Businesses must meet all the following criteria as of March 1, 2020 to be eligible. A business owner's immigration status does not impact eligibility. Eligible businesses must:

- Be a locally owned and operated for-profit business with a physical establishment inside the City of Faribault city limits.
- Have at least one W-2 eligible employee in addition to the owner as of March 1, 2020 and not more than 50 employees
- Have been operating for at least 6 months prior to March 1, 2020
- Be licensed and in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue
- Be current on property taxes prior to July 15, 2020, if applicable
- Demonstrate a significant loss in revenue since March 15, 2020 and can document costs of business interruption/financial hardship as a result of COVID-19.

Ineligible Businesses

- Home-based businesses; those without a physical establishment (except for licensed in-home childcare providers)
- Non-profit organizations
- Self-employed, independent contractors, or businesses with no employees other than an owner(s)
- Corporate chains, multi-state chains
- Businesses in default conditions prior to March 1, 2020
- Businesses that primarily derive income from gambling
- Businesses that derive any income from adult entertainment
- Businesses that derive income from passive investments; business-to-business transactions; real estate transactions; property rentals or property management; billboards; or lobbying

In addition to the SBRF, businesses are strongly encouraged to apply for all available COVID-related funding.

Please note, in order to serve as many businesses as possible, businesses will be ineligible to receive duplicative funds from the City of Faribault and other resources for the same expenses. Businesses can, and should, access all available resources but the use of funds for each funding source must be separate and unique.

Application Process

- Applications will be accepted from **July 20, 2020 until August 3, 2020 at noon**
- Applicants are asked to complete an [application form via the web](#) insert hyperlink
- Please contact [CED](#) if you need assistance filling out the electronic application form

Community & Economic Development ~ Attn: Samantha Markman
507.333.0388 / smarkman@ci.faribault.mn.us

- All applications will be time and date stamped through the online application portal. If applications received by the deadline exceed the funding available, CED Staff will forward funding recommendations to City Council based on a first-come, first-served basis.
 - Ineligible applicants will be contacted via email with information regarding why their application is ineligible.
- CED will make a funding recommendation to City Council on August 12, 2020.
- CED will notify approved applicants by email on or before August 14, 2020 regarding their grant award.
- Upon notice of an approved application, applicants will be required to submit the following within 5 business days and prior to closing:
 - 2019 Federal Business Tax Return or appropriate Business Tax Schedule-based on entity type.
 - Evidence of revenue loss related to the COVID 19 emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to CED. Some examples of acceptable documentation include Sales Tax Reporting, Period Statements from 3rd-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.
 - Evidence of employment prior to March 1st, 2020. Acceptable documentation may include period reporting from a 3rd-party payroll processor, applicant's Federal Form 941/Employer's Quarterly Federal Tax Return, or other State or Federal payroll-related filing.
 - Any additional documentation or information deemed necessary by CED to determine eligibility, generate loan documents, disburse loan proceeds, or meet program reporting requirements.
 - Failure to submit required documentation will result in forfeiture of loan award.