

## **Lake of the Woods County**

### COVID – 19 Business Assistance Program Policies

In response to the COVID – 19 pandemic, Minnesota Governor Walz signed Executive Order No. 20-99, which placed limits on the social gatherings and establishments including restaurants, bars, caterers, indoor entertainment venues, gyms, fitness studios or other indoor recreation venues. As such Lake of the Woods County will be making grants available to eligible small businesses and nonprofits that have been financially harmed by the COVID-19 pandemic.

A total of \$250,000 in relief funding will be available. This funding was given to Lake of the Woods County by the State of Minnesota to support businesses and nonprofits impacted by the pandemic and related state restrictions. Grant applications will be available starting January 18<sup>th</sup> to eligible small businesses and nonprofits that have been financially harmed by the COVID-19 pandemic. All applications must be received by January 29<sup>th</sup>, 2021.

**An online application form will be posted on the Lake of the Woods [GetHookedforLife.com](http://GetHookedforLife.com) Website on Monday, January 18<sup>th</sup>. For help completing the application or to obtain a paper copy of the application, applicants can contact Ryan Zemek at 218-333-6541 or [rzemek@hrdc.org](mailto:rzemek@hrdc.org)**

#### **Grant amounts**

A total of \$250,000 in funding is available. The maximum grant will be \$20,000. Grant amounts will be made based on available funding, impact on the business by state public health restrictions, and economic injury due to closures. Businesses that received a previous small business relief grant from Lake of the Woods County are eligible to apply for additional funding this round. However, priority will be given to first time applicants and those businesses directly impacted by the most recent Executive orders.

#### **Eligible applicants include:**

- For-profit businesses, including owner-operated franchise businesses, that were impacted by public health measures.
- Nonprofits that earn revenue similar to businesses and were impacted by Executive Order 20-99 Section 7ciii. Examples include nonprofit service clubs or coffeeshops; nonprofit arts organizations that primarily earn revenue through ticket sales; nonprofit fitness centers that earn revenue by membership dues or other fee-for-service models.

#### **Applicants listed above must meet all criteria below:**

- Have a permanent location in Lake of the Woods County
- Be registered with the Minnesota Secretary of State
- Be able to provide documentation of revenue loss of at least 20% in 2020.
- Certify in good faith that all documentation submitted is accurate and that any misrepresentations or fraudulent information will require funds to be returned
- Be impacted by an executive order to reduce the spread of COVID-19, and be included in one of the categories below:
  - Businesses and nonprofits required to close or partially close by [Executive Order 20-99](#) Section 7ciii, including restaurants, bars, breweries, distilleries, caterers,

indoor entertainment venues, performance venues, gyms, fitness studios or other indoor recreation venues, or businesses that primarily derive income from sales of goods and services to entities directly affected by EO 20-99.

- Businesses impacted by prior executive orders that reduced capacity and whose revenue decreased by at least 20%. including customer-facing businesses such as personal care and salon businesses; retail businesses that sell household goods or services; other customer-facing businesses that rely on in-person transactions or services, such as dry cleaners, house cleaning businesses.
- Business types not explicitly and directly impacted by executive order must provide documentation of 20% decrease in year-over-year revenue (April-December), and an explanation of how business operations were affected by public health restrictions.

**Businesses that have received assistance in the past from federal, state, county or other local programs are only eligible for this funding for eligible expenses that were not previously reimbursed.**

### **Eligible expenses**

Applicants must document eligible expenses incurred during the pandemic that are equal to or greater than the grant amount requested and have not already been reimbursed by any other local, state, or federal funding sources.

### **Eligible expenses include:**

- Payroll
- Commercial rent/mortgage payments
- Property taxes
- Utilities
- Supplier payments
- Legal fees
- Personal protective equipment
- Repairs to existing building(s) and equipment necessary to comply with [public health guidance](#)

### **Ineligible businesses**

- Businesses not located in Lake of the Woods County
- Direct Sales, Multi-Level Marketing and similar businesses.
- Businesses that primarily derive income from any of the following: adult entertainment, passive investment, real estate transactions, property rentals, property management, or lobbying.
- Businesses that are unable to demonstrate a 20% loss in revenue due to COVID-19
- Non-profits that do not primarily earn revenue similar to businesses or were not required to close or partially close by Executive Order 20-99, 7ciii
- Corporate chains, multi-state chains; however, locally owned franchise businesses may be eligible
- Businesses in default conditions prior to February 29, 2020
- Businesses in violation of any executive orders

### **Application process**

- Applications can be submitted at any time during the application period, January 18 at noon through January 29 at noon.
- Documentation required as part of the application includes: completed 2019 tax returns (alternate documentation may be accepted if the business was not open in 2019 - contact [rzemek@hrdc.org](mailto:rzemek@hrdc.org) for specific guidance); income statement or other document comparing revenue from 2019 and 2020, evidence of prior State, Federal, and County relief including grants, forgivable loans, and other funding; certification of impact by EO.

### **Prioritization**

Funding is limited. Applications will be processed in the following order of priority.

**Priority 1:** Applicants that did not receive funding from Lake of the Woods County's previous Small Business Relief Fund round that closed in November and were impacted by the new EO or the international border closure

**Priority 2:** Applicants impacted by the new EO or international border closure that previously received Lake of the Woods county relief funds, who have new financial impacts or losses that have not already been reimbursed by any other local, state, or federal funding sources.

**Priority 3:** Applicants not directly impacted by the new EO, but who've experienced indirect economic injury as a result of the new EO. Businesses must provide an explanation of how business operations were affected by public health restrictions.

### **Next steps**

- The fund administrator, Headwaters Regional Development Commission will work with Lake of the Woods County to notify approved applicants of their award.
- Headwaters Regional Development Commission may request additional documentation to verify eligibility. Failure to submit required documentation will result in non-payment.
- Once required documentation has been accepted, the applicant will enter into an agreement before payment.
- Funds may be subject to federal and state taxes.

**The information outlined above is intended to be general guidance. Lake of the Woods County reserves the right to revise these guidelines as needed. The County reserves the right to withdraw, cancel, suspend, and/or modify fund guidelines and to review procedures for any reason and at any time with no liability to any prospective applicant for any costs or expenses incurred in connection with this application process or otherwise. Lake of the Woods County reserves the right to accept or reject any or all applications received, to accept or reject any late applications, to request additional information as deemed necessary to review any application. Final grant decisions will be made by the fund administrator and Lake of the Woods County after a thorough review of all application materials.**