

## Small Business Relief Act

Governor Mike DeWine has designated up to \$125 million of funding received by the State of Ohio from the federal CARES Act to provide \$10,000 grants to small businesses. The application process opens on November 2, 2020 and will be administered by the Ohio Development Services Agency.

### Eligibility Requirements

#### Eligible Businesses:

The business must meet **ALL** the following criteria listed to receive funding from the Small Business Relief Grant (SBRG) Program.

- Must be an applicant business for a for-profit entity (corporations, LLC's, partnerships, joint ventures, and sole proprietors).
- Must be an employer firm with at least 1 and no more than 25 Ohio employees paid via W2 wages as of 01/01/2020. It can either be by headcount on 1/1/20 with both full-time or part-time employees **OR** using a full-time equivalent employee calculation (total hours compensated for all W2 employees in calendar year 2019 divided by 2,080).
- The business has a physical location in Ohio and earns at least 90% of annual revenue based on activities performed in and taxable in Ohio.
- The business has been in continuous business since January 1, 2020, except for the interruptions required by COVID-19 public health orders and has the ability to continue operations as a going concern, taking into account a potential program grant.
- The business has experienced revenue loss or incurred unplanned costs caused by COVID-19 and a grant is necessary to help it recover.
- The applicant business is in good standing with the Ohio Secretary of State, the Ohio Department of Taxation, and any other governmental entity charged with regulating the business.
- If applicable, the business has fully utilized any other government support received by the business for business expenses incurred due to COVID-19 or can be utilized for business expenses incurred due to COVID-19.

#### Ineligible Businesses:

If a business falls within one or more of the following categories below, it is ineligible to receive funding.

- The business is a nonprofit entity or is publicly traded.
- The business is operated by a governmental agency or entity.
- The business is primarily engaged in political or lobbying activities or political issue advocacy.
- A majority legal interest in the business is owned by individuals under the age of 18.
- The business is a hospital, ambulatory surgical center, private school, or long-term care center.
- The business is a utility provider.
- The business operates as a sexually oriented business or is a club.
- The business is primarily engaged in the sale, cultivation, or distribution of cannabis products.
- The business is primarily engaged in the sale or distribution of liquor, not including restaurants or bars.
- The business primarily sells tobacco products, cigarettes, electronic smoking devices, or vapor products.
- The business is a financial institution that makes loans or issues credit to the public, including, but not limited to, banks, credit unions, payday lenders, etc.
- The business engages in conduct regulated by the state casino control commission or operates Video Lottery Terminals.

## **Use of Funds**

SBRG funds can be used to reimburse eligible businesses for the following COVID-related expenses incurred between March 22, 2020 and the date the application was submitted related to their Ohio business location(s) as long as the costs are not ineligible costs.

### **Eligible Costs:**

- Personal protective equipment to protect employees, customers, or clients from COVID-19.
- Measures taken to protect employees, customers, or clients from COVID-19.
- Mortgage or rent payments for business premises.
- Utility payments (excludes utilities for personal residences and cellular phones not used primarily for business purposes).
- Salaries, wages, or compensation paid to contractors or employees, including an employer's share of health insurance costs.
- Business supplies or equipment.

### **Ineligible Costs:**

- Costs for non-COVID related expenses.
- Costs incurred for federal, state, or local tax obligations.
- Costs incurred for non-business purposes.
- Costs incurred for political purposes.
- Costs incurred for which the business has or will receive reimbursement from another source, including any other government loan or grant program and insurance proceeds.

## **Maintenance of Records**

Businesses that receive funds from the SBRG shall keep **ALL** specific expenses for which the funds were used for a period of five years from the final expenditure of received funds. Records should include paid invoices, canceled checks, payroll records, and other documentation.

At its own expense, the business shall prepare photocopies of all requested records to the State or any of the aforementioned parties upon written request of the State.

Failure to abide by the requirement may result in a demand for the business to repay SBRG funds to the State of Ohio within thirty days of a written request for repayment.

## **Application Process**

Beginning on November 2 at 10:00 AM, businesses can submit an application for the Ohio SBRG Program at <https://businesshelp.ohio.gov/>. In order to access the application, individuals will be required to log in using an existing OH|ID or create a new one, which provides users with secure access to State of Ohio services and programs.

A business is eligible to receive only one grant under this program, and entities with the same FEIN will be considered one business.

In order to submit an application, businesses will be required to provide the following information:

- Business name, address, county, and federal employment identification number (FEIN)
- Business Industry Type
- Business Ownership Demographic Information
- Business Type (corporation, LLC, partnership, etc.)
- Number of years the business has been in operation
- Amount of funding received by the business from other federal, state, local pandemic-related financial relief programs
- Business representative name, phone, and email
- Number of W2 employees of the business as of 1/1/2020.
  - Businesses will be required to attach documentation verifying that the business had at least 1 and no more than 25 Ohio employees paid via W2 wages as of 1/1/2020. The attachments must identify the business name and must match the name submitted in the application. No more than one document can be attached, and **ONLY** the following documentation will be accepted:
    - Payroll records form the period that included 1/1/2020.
    - A copy of year-end documentation (calendar year 2019) filed with the Ohio Department of Taxation.
    - Ohio Department of Jobs and Family Services unemployment tax quarterly report for year-end.
    - Ohio Bureau of Worker's Compensation application, true-up, or business policy for 2019.
- Verification that the business has incurred business costs during the 60-day period prior to the application being filed.
  - Businesses will be required to attach documentation to verify that business costs were incurred in the 60-day period. The documentation will have to be within the last 60 days prior to the application. No more than one document can be attached, and **ONLY** the following documentation will be accepted:
    - Payroll records foy any period within the last 60 days.
    - Utility bills charged to the business.
    - Rent or mortgage payments for business premises.
    - Supplies or equipment purchased by, leased or financed, or charged to the business name.
- A copy of the applicant business' most recently filed federal **OR** State of Ohio income tax return. The business may upload only the first page of the tax return **IF** the entire document cannot be uploaded.
- Certification that the applicant agrees to be subject to these Terms and Conditions.

Upon submission of a complete application, the applicant will receive an email from the Ohio Development Services Agency confirming that the application has been received. This does not ensure that the applicant will be awarded funds. If the applicant is ineligible, they will be notified via email. Businesses will be able to reapply if an application is incomplete or rejected, unless funding has run out.

If the Ohio Development Services Agency determines that an application is eligible, the business will be notified via email. Within 7 days of being notified of award eligibility, the business must log back into the application to complete an Acknowledgement of Eligibility and Acceptance of Funds. Additionally, the business will be required to verify information provided in the application to ensure timely issuance of funds.

**Award Process:**

Grants shall be awarded on a first-come, first-served basis in accordance with the following guidelines.

- \$500,000 will be allocated to eligible businesses in each of Ohio's 88 counties on a first-come, first-served basis. The remainder of funding available (\$81 million) will be awarded on a first-come, first-served basis regardless of the business' location in Ohio.
- If Development does not receive eligible applications sufficient to award the full \$500,000 to businesses in each County by November 23, 2020, the remaining funds allocated to that County will be awarded on a first-come, first-served basis regardless of the business' location in Ohio.

This information and additional information can be seen on the Ohio Development Services Agency website at <https://businesshelp.ohio.gov/small-business-relief-grant.html>.