



City Hall | 801 Washington Street | Northfield, Minnesota 55057

# Northfield Small Business Relief Program CARES Act Grants

*Updated September 1, 2020*

The purpose of the Northfield Small Business Relief Grant Program ("Program") is to provide temporary financial support to small businesses adversely impacted by the COVID- 19 pandemic and the COVID-19 peacetime emergency. The goal of the Program is to help businesses through the current economic crisis and retain local jobs.

The City of Northfield has designated \$300,000 of the CARES Act federal allocation for emergency business assistance. Applications will be accepted over the three-week application period.

Applications will be selected through a lottery system. Should there be more applications than budgeted; the City reserves the right to evaluate allocated funding for this program. The City of Northfield has designated \$50,000 of total business assistance funds to businesses owned by minorities as defined by the National Minority Supplier Development Council (NMSDC).

<https://nmsdc.org/mbes/what-is-an-mbe/>

The Program shall be administered by the Community Development Department. The Community Development Department will work with business resource providers and economic development partners to provide outreach to Northfield businesses. Should business owners have questions or require assistance completing the online application, please contact the Program Administrator, Nate Carlson at 507-645-3069 or via email at [nate.carlson@ci.northfield.mn.us](mailto:nate.carlson@ci.northfield.mn.us).

These program guidelines adhere to federal rules and regulations associated with the CARES Act and were adopted by City Council on September 1, 2020 via Council Resolution 2020-078, which authorizes the City Administrator to approve disbursement of awards. The City of Northfield reserves the right to revise these guidelines as needed.

## Terms

- Businesses may apply one time for an emergency grant up to \$10,000, based on economic hardship from COVID-19.
- Funds shall be used exclusively for the following eligible expenses:
  - Up to three months of operating expenses, including payroll, rent/lease payments, mortgage payments, utilities (excluding city wastewater, stormwater and water services), payments to suppliers, or other critical business expenses as approved by the Program Administrator.

## Eligible Businesses

Businesses must meet all the following criteria as of March 1, 2020 to be eligible:

- Have equivalent of fifty (50) full-time (or equivalent) or fewer employees
- Be locally owned and operated organization with a physical, location, whether owned or leased, located in corporate city limits of Northfield.
- If a franchise, owner must live within the corporate city limits of Northfield
- Be majority owned by a permanent resident of Minnesota
- Be in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue
- Be in good standing with the City of Northfield
- Demonstrate the business was adversely affected by Executive Orders related to COVID-19 business restrictions
- Demonstrate financial hardship as a result of the COVID-19 outbreak

For business applying for the funds designated for Minority-Owned businesses, the City classifies a Minority-owned business as defined by the National Minority Supplier Development Council (NMSDC) <https://nmsdc.org/mbes/what-is-an-mbe/>

## Ineligible Businesses

- Businesses that do not have a physical address in corporate city limits of Northfield
- Home based businesses & non-profits (except for licensed childcare providers)
- Corporate chains, multi-state chains
- Businesses that derive any income from adult-oriented uses
- Businesses in default conditions prior to March 1, 2020
- Businesses deriving income from passive investments without operational ties to operating businesses
- Businesses primarily focusing on speculative activities based on fluctuations in price rather than the normal course of trade
- Businesses earning more than half of its annual net revenue from lending
- Businesses engaging in pyramid sales, where a participant's primary incentive is based on the sales of an ever-increasing number of participants
- Businesses engaging in activities prohibited by federal law or applicable law in the local jurisdiction of the business
- Businesses engaging in gambling enterprises, unless the business earns less than 50% of its annual net revenue from lottery sales

Businesses that have applied for and/or were awarded any COVID-related federal funding, such as the Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) or Paycheck Protection Program (PPP) are eligible for this grant. However, businesses that have not received these incentives will have higher priority.

To serve as many businesses as possible, duplication of state and local COVID-related emergency funds is not allowed. Businesses that have been awarded or have received COVID-related emergency funds through the State of Minnesota from either the Small Business Emergency Loan (SBEL) or DEED Small Business Relief Grant Program are ineligible for this grant.

### Application Process

- Applications will be accepted beginning **Thursday, September 3<sup>rd</sup> through Wednesday, September 23<sup>rd</sup>**.
- Application link is posted in English and Spanish online at: [\[redacted\]](#)
- All applicants will be notified by email on or before Wednesday, September 30<sup>th</sup> if they received an award
- Upon notice of an approved application, the following documentation must be provided to the Program Administrator within **five business days**:
  - **Revenue verification.** 2019 Federal Business Tax return or appropriate business tax schedule – based on entity type.
    - Businesses that have not yet completed a 2019 Federal Return are eligible to apply and substitute other documentation of revenue, and will need to provide their 2019 Federal Return when completed
  - **Impact and loss of revenue verification.** Evidence of negative impact and loss of revenue due to COVID-19 pandemic and peacetime emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator.
    - Examples of acceptable documentation include: Sales Tax Reporting; monthly profit and loss statements; comparable point of sales, cash register reports, merchant statements or other sales records
  - **Employee verification.** Evidence of employment prior to March 1, 2020. Acceptable documentation may include: company's 2019 federal form W3; period reporting from a 3<sup>rd</sup> party payroll processor; applicant's Federal Form 941/Employer's Quarterly Federal Tax Return; or other State or Federal payroll-related filing.
  - **Evidence of eligible expenses that occurred since March 27, 2020**, (e.g. rent/lease agreement, utility statements, supplier invoices, payroll, tax payments, payments to suppliers, etc.). Provide documentation that expenses total or exceed the amount requested in application
- Failure to submit required documentation will result in forfeiture of grant award.
- Upon notice review and acceptance of additional documentation, the business will enter into a grant agreement with the City of Northfield.
- Terms will be included in the grant agreement, including the reporting requirement to provide information to the City 90 days after execution of grant on status of business and actual use of grant funds.

## Questions

Nate Carlson, Economic Development Coordinator  
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