

# Medford Small Business Relief Fund Guidelines

The Coronavirus Aid, Relief and Economic Security (CARES) Act, passed March 27, 2020, provides federal economic relief to protect the American people from public health and economic impacts of COVID-19. The CARES Act provides assistance for American workers, families and small businesses and preserves jobs for American industries. The City of Medford has been allocated funds through the CARES ACT and by using its allowed discretion to determine necessary payments, has allocated funds for grants to businesses.

The Small Business Relief Fund is established to provide emergency assistance to local small businesses in Medford adversely impacted by the COVID-19 pandemic, the Medford Small Business Relief Fund will provide grants of up to \$5,000 to small businesses most in need of support. Grant awards will be determined at the time applications are received based upon funds available and may be calculated on a percentage basis.

The objective of this Small Business Relief Fund is to support small businesses in Medford that are affected by the economic climate surrounding COVID-19. The goal of this Small Business Relief Fund is to maintain and stimulate current businesses by better enabling them to meet commitments (expenses) during this unprecedented situation.

Funds will help small businesses pay for critical expenses such as rent payments, mortgage payments, utilities, payments to suppliers, and costs associated with reopening. Providing this support will increase the capacity of small businesses with a physical location in Medford to survive the current crisis and will help prevent potential future blight scenarios.

We understand there is a cost to reopening your business safely. These grant funds can also be used to ensure your business can afford to operate while maintaining the social distancing guidelines for the safety of your employees and customers.

This program will be administered by the Medford EDA and City of Medford.

## **Terms**

- Up to \$5,000 grant based on economic injury from COVID-19 and eligible expenses.
- Funds can be used for operating expenses, including rent payments, mortgage payments, utilities, payments to suppliers, or other critical non-payroll business expenses (including expenses related to reopening and staying safe) as approved by the fund administrator. Funds cannot be used to replace lost revenues or pay for taxes under the Federal Guidelines.
- Funds can be used to reimburse the costs of business interruptions caused by required closings and voluntary closings to prevent the spread of COVID-19.
- Funds can be used to reimburse businesses that were affected by decreased customer demand; unemployment insurance costs relating to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARS Act or otherwise; and/or employment and training programs for employees who have been furloughed due to the public health emergency, if the government determines that the costs of such employment and training programs would be necessary due to the public health emergency.

## **Eligible Businesses**

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

- Must be a business with an establishment in Medford
- Must have been operating prior to March 1, 2020
- Must have appropriate licenses, in good standing with the Minnesota Secretary of State, and current on property taxes as of August 1, 2020, if applicable
- Must demonstrate a business loss since March 15, 2020
- Must demonstrate that any funds received through this program do not duplicate assistance received from other sources (e.g. PPP, EIDL, MN DEED, other city/county CARES Act funding, etc...)

Certain businesses are ineligible, including:

- Home-based businesses; those without a physical establishment, (except in-home childcare providers will be eligible)
- Non-profit organizations
- Corporate chains, multi-state chains
- Lending institutions, law firms, accounting firms, utility companies, production agriculture, insurance agencies, financial advisors, and religious organizations
- Businesses in default conditions prior to February 29, 2020
- Businesses that primarily derive income from gambling
- Businesses that derive any income from adult entertainment
- Businesses that primarily sell pawned merchandise, guns, tobacco or vaping products
- 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 Medford Small Business Relief Fund, businesses are strongly encouraged to apply for all available COVID-related funding. However, due to the limited amount of funding and in order to serve as many businesses as possible, businesses are ineligible to receive duplicative funds from the Medford Small Business Relief Fund AND county, state, or other federal funds. Businesses receiving county, state, or federal relief funds are still eligible for the Medford Small Business Relief fund, but must use city funds for eligible expenses other than those covered by county, state, or federal funds.

## **Right to Deny or Termination**

The City retains the right to deny funds or terminate any agreement under the Medford CARES Business Grant Program if a grant applicant is found to be in violation of any conditions set forth in the grant guidelines or grant agreement.

## **Indemnification**

All grant recipients shall be required to indemnify the Medford EDA, City of Medford or its representatives or agents acting on their behalf. In the event the city is audited and it is determined that the grant made to the business does not qualify under the Cares Act, the business agrees to indemnify/reimburse the city for the amount of the grant.

## **Application Process**

- Application Forms will be accepted beginning September 1, 2020 through September 30, 2020 at noon.
- Completed Application Forms can be emailed to [medford@medfordminnesota.com](mailto:medford@medfordminnesota.com).
- Grant awards will be determined at the time applications are received based upon funds available and may be calculated on a percentage basis.
- Applicants will be required to submit the following:
  - 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.
  - Evidence of revenue loss related to the COVID 19 emergency. Applicants should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator. Some examples of acceptable documentation include Sales Tax Reporting, Period Statements from 3<sup>rd</sup>-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.
  - Any additional documentation or information deemed necessary by the fund administrator to determine eligibility, generate documents, disburse grant proceeds, or meet program reporting requirements.
  - Failure to submit required documentation will result in forfeiture of the grant award.

Note: The Medford City Council reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.