

SC CARES MINORITY AND SMALL BUSINESS RELIEF GRANT PROGRAM DESIGN

WHAT IS THE MINORITY AND SMALL BUSINESS RELIEF GRANT PROGRAM?

The SC CARES Minority and Small Business Relief Grant Program, as authorized by Act 154, will award grant funds to minority and small businesses to reimburse qualifying expenditures for providing services or for revenue loss due to COVID-19, between March 1, 2020, and December 1, 2020.

The program has been allocated \$40 million dollars and will provide grant of between \$2,500 and \$25,000.

HOW CAN A BUSINESS QUALIFY FOR THE PROGRAM?

To qualify for the Minority and Small Business Relief Grant Program, a business:

- Must be in operation from Sept. 13, 2019, to present;
- Must have 25 or fewer employees;
- Must be physically located in South Carolina (must provide address, including street address, city, and county in which they are located and a mailing address for the organization, if different);
- Must show registration in the State of South Carolina either through registration with the Secretary of State, a county business license, certificate of existence, sales tax license, articles of incorporation, or a Schedule C;
- Must NOT be listed on the Federal debarment list per the [System for Award Management \(SAM\)](#) website;
- Must not have delinquent property taxes, tax liens or judgments for 2018 or prior year.

HOW IS GRANT FUNDING DETERMINED?

Grant funding eligibility and grant reimbursement amount will be based on the financial and other information provided in this application, along with the required documentation. Grant eligibility will only be considered up to the grant award maximum amount of \$25,000.

To establish grant eligibility, a business:

- Must show a reduction in Gross Revenue when March-December 2020 Gross Revenue (Actual and Projected) is compared to March-December 2019 Gross Revenue (Actual); and/or
- Must show other qualifying expenditures March-September (Actuals) and October-November 2020 (Projected — **for fixed costs only**).
- Businesses owned by the same owner may apply once per unique business enterprise.
 - Businesses must provide the associated tax identification number (Social Security Number, Employer Identification Number or Individual Taxpayer Identification Number).

- Businesses that share common ownership will only be eligible to receive up to the grant award maximum amount of \$25,000 for all businesses with common ownership (i.e., an owner with five businesses may apply five times, but the total grant amount will be capped at \$25,000 across the five applications, not \$125,000).
- Application will include disclosure of owner(s), if multiple owners.

HOW CAN BUSINESSES USE THE GRANT FUNDS?

Grant proceeds may be used for reimbursement of qualifying expenditures incurred or expected to be incurred between March 1, 2020 through December 1, 2020.

- Qualifying expenditures are costs associated with business interruptions resulting from the COVID-19 public health emergency and any expenses deemed necessary and incurred as a result of the COVID-19 health emergency.
- Qualifying expenditures may also include lost revenue as a result of the COVID-19 public health emergency.
- Qualifying expenditures **do not** include any expenditure that qualified the minority or small business enterprise to receive federal emergency relief funds (ex. the Paycheck Protection Program, etc.).

Grant funds received are not to be used for the same costs covered by:

- other Federal grants or Loans business has received (i.e. PPP, SBA EIDL, or other federal program funds);
- other local grants in response to the COVID-19 health emergency; or
- business interruption insurance payments due to the COVID-19 health emergency.

HOW WILL THE GRANTS BE DISTRIBUTED?

The approved grant amounts will be between \$2,500 and \$25,000 based on the actual amount of qualifying expenditures, not to exceed \$25,000.

- Priority will be given to:
 - minority businesses;
 - **To qualify as a minority business, the business owner must be:**
 - A U.S. Citizen and
 - Economically and Socially Disadvantaged.
 - applicants that did not receive other assistance, such as a Paycheck Protection Program loan or other CARES funds;
 - businesses with 15 or fewer employees; and
 - businesses that demonstrate the greatest financial need.

HOW WILL APPLICATIONS BE EVALUATED?

Applications will be reviewed by a panel consisting of:

- the Director of the Commission for Minority Affairs, or her designee;
- the Secretary of Commerce, or his designee; and
- the Director of the Department of Revenue, or his designee.

The panel will assign priorities and determine which businesses shall be awarded the grants.

Applicant will receive a notification indicating grant approval or denial, and if approved, the dollar amount of the grant.

Grant awards will be issued to qualifying grant recipients through South Carolina Department of Administration.

WHEN IS THE APPLICATION FOR THE MINORITY AND SMALL BUSINESS RELIEF GRANT PROGRAM DUE?

All applications must be submitted by November 1, 2020.

All required documentation must be uploaded and submitted with the application in order to be complete. Applications missing required documentation may be determined incomplete, and ineligible for funding.

WHAT TYPES OF DATA AND DOCUMENTATION IS REQUIRED WITH THE APPLICATION?

1. Documentation of registered business:

- Form W-9 (with Social Security Number, Employer Identification Number or Individual Taxpayer Identification Number)- for the business tax ID.
- Business owner's SSN or TIN
- Government-issued identification for business owner(s) with 20% or more ownership
 - Only one of the following is required:
 - Driver's License;
 - Passport; or
 - Other Government-issued ID

2. Documentation of business operations:

- Self-certification that the business was in operation from Sept. 13, 2019, to present;
- Business Employee Count — Self-certification of annual average permanent, full-time or part-time employee count. The State of South Carolina will verify employee count via payroll tax filings (W-2 employees).
- Copy of Business License(s)

3. Documentation to validate priority for grant distribution:

- **Minority Business Enterprise:**
 - **U.S. Citizenship** — the business owner must provide a copy of one of the following (must provide for each owner to show at least 51% ownership):
 - Birth Certificate, issued by a U.S. State (if the person was born in the United States), or by the U.S. Department of State (if the person was born abroad to U.S. citizen parents who registered the child's birth and U.S. citizenship with the U.S. Embassy or consulate);
 - U.S. Passport;
 - Certificate of Citizenship; or
 - Naturalization Certificate
 - **Economically- and Socially-Disadvantaged** (must provide for multiple owners to show at least 51% ownership):
 - Socially-disadvantaged will be verified using owner's self-reported race/ethnicity.
 - Economically-disadvantaged will be verified using a self-certification of the business owner's personal income (must be \$350,000 or less).
- **Demonstrate the Greatest Financial Need:**
 - Businesses will be required to disclose if they were identified as a "non-essential business" per the Governor's Orders.
 - Businesses will need to disclose whether they were required to completely or partially shut down and for what time period they were shut down. For partial shutdowns, the businesses will also be required to indicate the percent capacity they were allowed to operate and for what time period.
- **Other:**
 - Applicant must attest that they did not receive PPP or other CARES funds.
 - Applicant must attest that they do not have more than 15 permanent, full-time or part-time employees (W-2).

4. Documentation of Qualifying Expenditures:

- **Lost Revenue:**
 - Lost revenue will evaluate Gross Revenue for March-December 2019 (Actual) minus Gross Revenue for March-December 2020 (Actual and Projected) minus any federal funds received for the same purpose.
 - Provide a brief statement on business prior to COVID-19 and what the effects of COVID-19 have been.
 - Report year-on-year revenue change values in required worksheet
 - Documents needed to support revenue loss:
 - 2019 tax filing(s), either quarterly or the full year (required), and

- **One (1)** of the following:
 - Profit/Loss Statement
 - Ledger
 - Schedule C
 - Form 940
 - Form 941
 - Bank Statements
 - Tax Returns
 - Quarterly Sales Tax Return
 - Certified Accountants Statement
 - Available 2020 tax filings documentation.
 - If the business does not have 2020 tax documentation, the business must provide a self-certification statement.
 - Other Qualifying Expenditures:
 - For purchased/contracted good or services:
 - Invoice(s)/receipts of purchases — Should include description that correlates to COVID activity, date of purchase, vendor name, and dollar value.
 - Contracts and/or purchase orders — For purchases associated with submitted invoices.
 - For labor/payroll expenses:
 - Certified Payroll Records — Support costs incurred for payroll expenses related to providing services to people in response to COVID-19; **or**
 - Activity log/description of work done by employees included on payroll — Describe activities and confirm that employees time was tied to providing services to people in response to COVID-19.
 - Rent, lease or mortgage statement for real property used for business purposes. (Ex. A storefront or warehouse. Does not include personal residence.)
 - Rent, lease or purchase statement for business property (Ex. delivery vehicle, food truck, kitchen equipment, technology, payment, and communications systems/equipment.)
 - Utility bill for business properties. (Not including personal residence.)
5. Documentation required by state to pay applicant if grant funds are awarded:
 - Electronic Payment Enrollment Form

6. Owner signature on application required to provide:

- Good Faith Certification as to truth and accuracy of information provided;
- That the grant request is necessary due to conditions caused by COVID-19 pandemic public health emergency and subject to the guidelines of a Federal program and the State of South Carolina Minority and Small Business Relief Grant Program;
- Agreement that use of grant funds are subject to audit if required and subject to repayment provisions if information from the application is found to be inaccurate, the applicant violates the grant agreement, or the applicant does not meet the requirements of the CRF funds;
- That business does not have delinquent 2018 or prior year ad valorem taxes, tax liens, or judgements; and
- Acknowledgement that the grant is subject to income tax reporting.

WHAT BUSINESSES ARE CONSIDERED INELIGIBLE FOR THE MINORITY AND SMALL BUSINESS RELIEF GRANT PROGRAM?

- Non-Profit Businesses/Organizations (Admin offering separate grant program for nonprofits.)
- Governmental/taxing agencies/departments
- Hobby businesses as defined by federal law (activity not pursued for profit)
- Lobbying organizations and political organizations subject to Internal Revenue Code 527
- Concerns engaged in illegal activities under federal, state or local laws
- A business that is otherwise prohibited by federal or South Carolina law
- A business that is ineligible or precluded to receive federal or State of South Carolina funding due to federal laws (including but not limited to the CARES Act) or South Carolina laws

WHAT CAN BUSINESSES DO IF THEY NEED HELP DURING THE APPLICATION PROCESS?

During the application process, if a business needs assistance or has questions, please contact the SC CARES Call Center (803) 670-5170 or SCCares@admin.sc.gov. The call center is open Monday through Friday, 8:30 a.m. to 5 p.m.

Businesses are encouraged to utilize the accelerateSC website to access recorded webinars for information on program requirements, completing the application and required documents. The accelerateSC website can be found here: <https://accelerate.sc.gov/cares-act/applying-sc-cares-act-funds>

The Minority and Small Business Relief Grant Program will also utilize the State's strong network of community organizations throughout the state to assist applicants with completing the grant application.

On Monday, October 19, this comprehensive list can be found here: <https://accelerate.sc.gov/cares-act/applying-sc-cares-act-funds>

ADDITIONAL CARES ACT FUNDING INFORMATION

South Carolina has received funds through the Coronavirus Aid, Relief, and Economic Security Aid, also known as CARES Act. The CARES Act established the \$150 billion Coronavirus Relief Fund, which will be used to assist states and local governments impacted by the COVID-19 pandemic.

The U.S. Department of the Treasury issued the money to states and certain local governments. The amount issued to each entity is based upon the population as provided in the CARES act. The funds can only be used to cover costs that:

- are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019;
- were not accounted for in the budget most recently approved as of March 27, 2020; and
- were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

U.S Treasury guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures due to the COVID-19 public health emergency.