

State of South Dakota Coronavirus Relief Funds

An Overview of Small Business
Grant Programs

October 13, 2020





Agenda

Introduction & Overview of Programs

Application and Award Process

Program Eligibility & Award Calculations

Additional Information and Resources



Introduction & Overview of Programs

Introduction & Overview of Programs

The State of South Dakota received \$1,250,000,000 in federal funds to be used for costs incurred due to the public health emergency in response to the Coronavirus Disease 2019 (COVID-19). In consultation with the legislature, the Administration has determined that the unexpended portion of these coronavirus relief funds be spent on several different programs aimed at supporting small businesses and healthcare providers across the State.



The screenshot shows the 'HEALTHCARE PROVIDER APPLICATION' form on the SDGOV website. The form includes the following fields and buttons:






- Application Number: SA-0072
- Application Status: New
- 1. Business Information
- 2. Funding and Eligibility Information
- 3. Document Uploads
- 4. Certifications and Authorizations
- Submit
- Files (0)



The screenshot shows the 'COVID-19 in South Dakota' website. The main heading is 'Small Business & Healthcare Grants'. Below this, there are several links:

- [Small Businesses](#)
- [Small Non-Profit Businesses](#)
- [Small Start-Up Businesses](#)
- [Community Based Healthcare Providers](#)
- [Acute Care Hospitals](#)

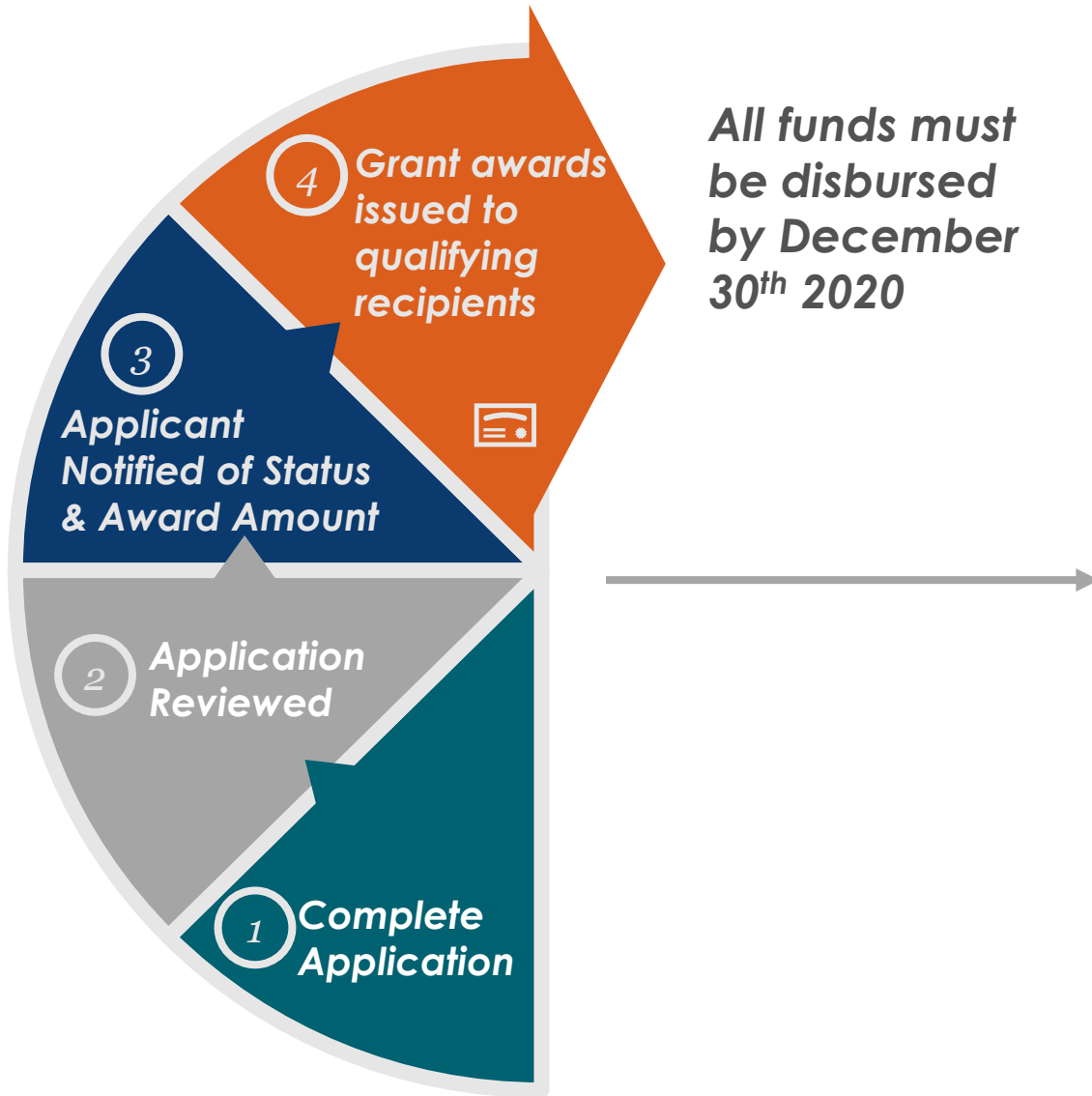
Introduction & Overview of Programs

	Small Business COVID Interruption	Small Nonprofit COVID Interruption	Small Business Startup Program	Community Based Healthcare Providers	Acute Care in Hospitals
Funding	\$400,000,000	\$40,000,000	\$10,000,000	\$115,000,000	\$15,000,000
Purpose	Small businesses in South Dakota under \$38.5M in 2019 gross revenue who have been impacted by COVID-19	Small nonprofits in South Dakota under \$38.5M in 2019 gross revenue who have been impacted by COVID-19	Small business start ups in South Dakota established between 9/1/19 – 6/1/20 who have been impacted by COVID-19	Community based health care providers funded by the state through Medicaid or other federal/state dollars	Acute care in hospitals (PPS, CAH, Specialty) and Inpatient Hospice in South Dakota who have been impacted by COVID-19
Award Method	Reduction in business 	Reduction in business 	Percent of cash expenses 	Reduction in business 	Reduction in business 

Application & Award Process

A large white triangle is positioned in the center of the image, pointing upwards. The triangle's base is at the bottom, and its apex is at the top. The background is a solid dark blue color. The text 'Application & Award Process' is located in the upper left corner of the image, written in a white, sans-serif font.

Application and Award Process



- 1** Eligible applicant completes application online on the South Dakota COVID-19 website at <https://covid.sd.gov/smallbusiness-healthcare-grants.aspx>. To be complete application must be submitted through the application portal with all requested documentation. Once the application has been initiated, the applicant will be provided with log-in credentials. The applicant may re-enter the application portal to access the application in order to complete the application and track its status once submitted.
- 2** Applications will be reviewed after they have been determined to be complete. Once all applications for a program are received, final award amounts will be calculated on a pro-rata share of available funds.
- 3** Applicant will receive a notification indicating grant approval or denial, and if approved, the dollar amount of the grant.
- 4** Awards will be issued to qualifying grant recipients.

Application and Award Process

* First Name

* Last Name

* Email



Rob@gmail.com

* Username



TIN1: Rob@restaurant1.com

TIN2: Rob@restaurant2.com

TIN3: Rob@restaurant3.com

Phone

* Business Name

* Password

* Confirm Password

Passwords must be at least 10 characters and include at least one letter and one number.

- Correspondence for all applications will be directed to Rob@gmail.com, but applicant must log in through each username to submit separate applications
- For businesses with only 1 TIN/application, the preferred option is to use your email address as your username



Program Eligibility & Award Calculations



Small Business Program Eligibility & Award Calculations

Small Business Program Overview

Small business applicants will be able to request funding to compensate for the financial impact of COVID-19.

Small Business Eligibility



Total Allocation
\$400,000,000



Recipients
Small businesses



Grant Amount
Maximum \$100,000
per entity



Award Method
"Reduction in
business" calculation

Additional Criteria

- Businesses must be physically located in South Dakota
- Meet financial criteria*
- Provide a certification that the business is a going concern
- Have gross revenues of less than \$38.5 million in 2019

*Eligibility criteria/calculations further detailed on subsequent slides

Small Business Grant Calculation

Grant amounts for small businesses shall be based on a cashflow from operations model for March through August as follows:

2019 Cash Flow From Operations	"2019 income (March - August) less 2019 cash expenses (March through August, excluding depreciation, amortization, capitalized expenses and noncash expenses) less term debt principal payments (March - August)"
2020 Cash Flow From Operations	"2020 income (March - August) less 2020 cash expenses (March - August, excluding depreciation, amortization, capitalized and noncash expenses) less term debt principal payments (March through August)"
Federal COVID-19 Aid	"Any Paycheck Protection Program (PPP) funds or other federal COVID grant funding received by the business in 2020"
Eligible Amount for "Reduction in Business"	If the "Reduction in Business is \geq 25% of 2019 Cash Flow From Operations, the business is eligible for an award. Final award based on <i>pro-rata share</i> of available funds.

Small Business Programs Grant Calculation


Small businesses were eligible to receive a variety of federal funds from various funding agencies, presenting a unique challenge in avoiding duplication of benefits.

Federal COVID-19 Aid


- Paycheck Protection Program Loans
- Economic Injury Disaster Recovery Loan
- Coronavirus Food Assistance Program (CFAP)
- Any other COVID-19 federal payment or grant

Small Business Required Application Documents

Required

- 
1. Secretary of State Registration as a domestic or foreign company and Department of Revenue sales & use tax license
 2. W-9
 3. Point of contact information (phone, email, physical address)
 4. Business TIN (SSN or EIN, if applicable)
 - o One submission per TIN (Tax ID Number) i.e. Employer Identification Number or SSN*
 5. Bank account information for electronic payment of funds
 6. Government-issued ID
 7. Articles of incorporation or organization, if applicable
 8. Certificate of Good Standing from South Dakota Secretary of State, if applicable
 9. For businesses with greater than \$150,000 in 2019 revenue, provide your 2019 tax return and a detailed Profit/Loss Statement on a cash basis (see details in grant calculation) for March – August 2019 and March - August 2020
 10. For businesses with less than \$150,000 in 2019 revenue, provide your 2019 tax returns and 2020 income and expenses on a cash basis (See details in grant calculation) for March – August 2020

NOT Required



Documentation regarding COVID-19 federal aid received



*Sole proprietors with multiple businesses doing business as (DBA) under their SSN must submit all income sources under a single application. Business owners with multiple TINs must apply separately for each TIN.

Small Nonprofit Program Overview

Small nonprofit applicants will be able to request funding to compensate for the financial impact of COVID-19.

Small Nonprofits



Total Allocation
\$40,000,000



Recipients
Small nonprofits



Grant Amounts
Maximum \$100,000
per entity



Award Method
“Reduction in
business” calculation

Eligibility Criteria

- Nonprofit must be physically located in South Dakota
- Meet financial criteria*
- Provide a certification that the entity is a going concern
- Nonprofits must have gross revenues of less than \$38.5 million

*Eligibility criteria/calculations further detailed on subsequent slides

Small Nonprofit Grant Calculation

Grant amounts for nonprofits shall be based on a cashflow from operations model for March through August as follows:

2019 Cash Flow From Operations

“2019 income (March - August) less 2019 cash expenses (March - August, excluding depreciation, amortization, and noncash expenses) less term debt principal payments (March through August)”



2020 Cash Flow From Operations

“2020 income (March - August) less 2020 cash expenses (March through August, excluding depreciation, amortization, capitalized expenses and noncash expenses) less term debt principal payments (March - August)”



Federal COVID-19 Aid

“Any Paycheck Protection Program (PPP) funds or other federal COVID grant funding received by the business in 2020”




Eligible Amount for “Reduction in Business”


If the “Reduction in Business is \geq 25% of 2019 Cash Flow From Operations, the business is eligible for an award. Final award based on *pro-rata share* of available funds.

Small Nonprofit Required Application Documents

Required

- 
1. Secretary of State Registration as a domestic or foreign company and Department of Revenue sales & use tax license
 2. W-9
 3. Point of contact information (phone, email, physical address)
 4. Business TIN (SSN or EIN, if applicable)
 - o One submission per TIN (Tax ID Number) i.e. Employer Identification Number or SSN*
 5. Bank account information for electronic payment of funds
 6. Government-issued ID
 7. Certificate of Good Standing from South Dakota Secretary of State, if applicable
 8. For entities with greater than \$150,000 in 2019 revenue, provide your 2019 tax return and a detailed Profit/Loss Statement on a cash basis (see details in grant calculation) for March – August 2019 and March - August 2020
 9. For entities with less than \$150,000 in 2019 revenue, provide your 2019 tax returns and 2020 income and expenses on a cash basis (See details in grant calculation) for March – August 2020
 10. **IRS letter confirming non-profit status, or the Secretary of State certification of non-profit status**
 11. **First page of your 990 filing from 2019**

NOT Required



Documentation regarding COVID-19 federal aid received



Small Business Startup Program Overview

Small businesses established between 9/1/19 – 6/1/20 in the State of South Dakota will be able to request funding to compensate for the financial impact of COVID-19.

Small Businesses Startups



Total Allocation
\$10,000,000



Recipients
Small business startups



Grant Amounts
Maximum \$100,000
per entity



Award Method
Percentage of cash
expenses

Eligibility Criteria

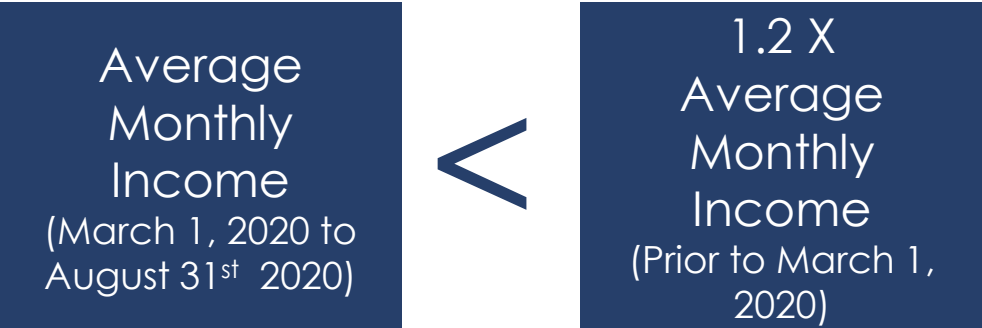
- Business must be in South Dakota
- Provide a certification that the business is a going concern
- Meet financial criteria*
- Registered business between 9/1/19 - 6/1/20
- Be open and operating on date of application

*Eligibility criteria/calculations further detailed on subsequent slides

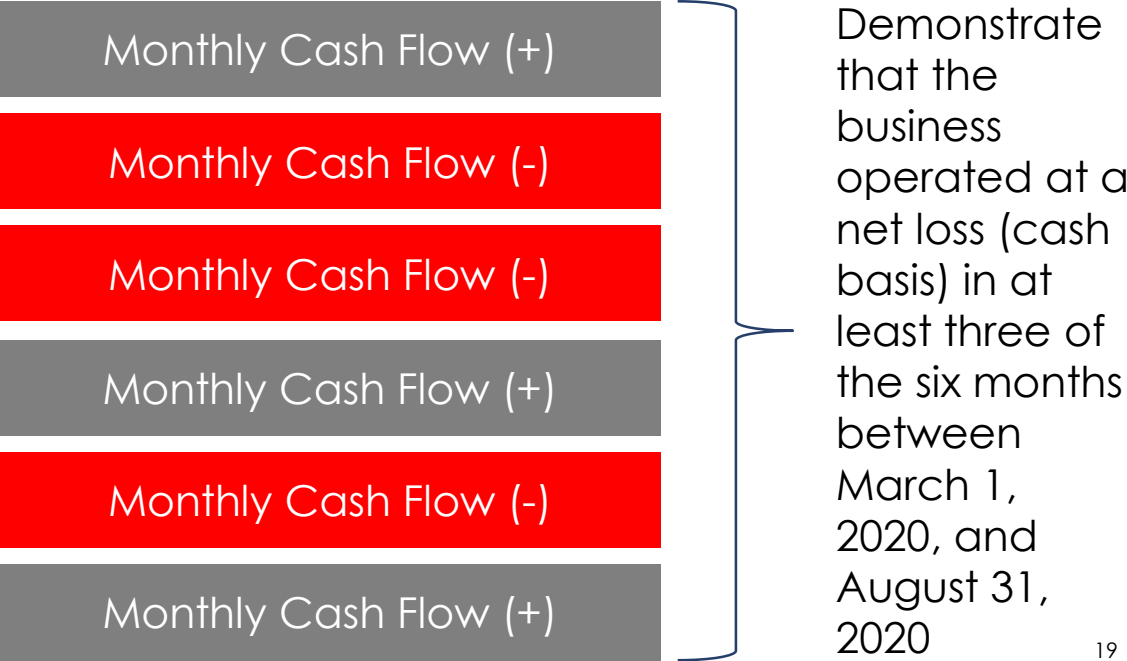
Small Business Startup Eligibility Calculation

The financial eligibility of South Dakota start-ups can be calculated in one of two ways: reduction in average monthly income or net operating loss.

Reduction in Average Monthly Income

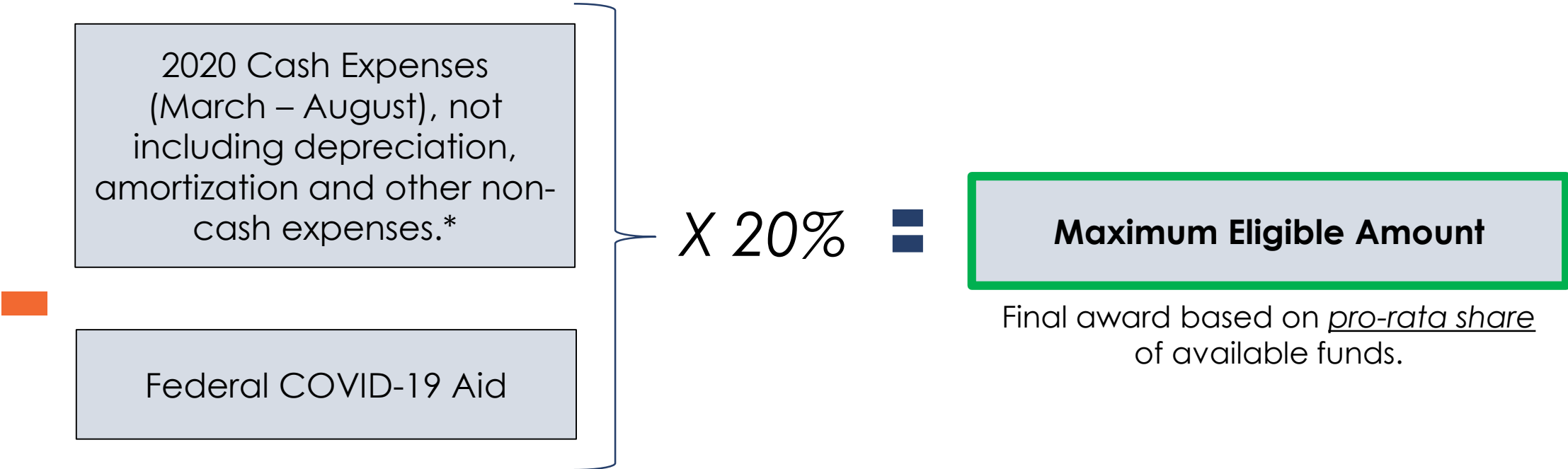


Net Operating Loss



Small Business Startup Grant Calculation

After a small business startup passes one of the two eligibility screens, a calculation will be applied to determine the maximum eligible amount.



*For the Small Business Startup program, capital expenditures (cash basis) may be included in the 2020 Cash Expenses calculation

Small Business Startup Grant Calculation

Small business startup applicants are required to complete and upload an eligibility & calculation template as part of the application.

SOUTH DAKOTA


CORONAVIRUS RELIEF FUND - SMALL BUSINESS & HEALTHCARE PROVIDER RELIEF PROGRAM

SMALL BUSINESS STARTUP PROGRAM

A program to provide direct grants to recently started businesses whose growth has been impacted, or expenses increased due to COVID. Please fill in all required fields within the Calculation Worksheet below, and upload it with your application on Salesforce.

Form Status Key

Required Complete



SMALL BUSINESS STARTUP PROGRAM - CALCULATION WORKSHEET

SECTION 1. Business Information

Business Name:	
Business Address:	
Contact Name:	
Contact Email:	
Registration Date:	
Status of Business:	

CHECK BOX WHEN SECTION 1 IS COMPLETE

SECTION 2. Monthly Income Prior to March 1, 2020

Month	Status	Gross Income
September, 2019		
October, 2019		
November, 2019		
December, 2019		
January, 2020		
February, 2020		
Total:		\$ -
Average Monthly Income Prior to March 1, 2020:		\$ -

"Eligible business shall demonstrate average monthly income during the period between March 1, 2020, and August 31, 2020, was less than 120% of average monthly income prior to March 1, 2020; or that the business operated at a net loss (cash basis) in at least three of the six months between March 1, 2020, and August 31, 2020"

SECTION 3. Operational Cash Flow (March 1, 2020 - August 31, 2020)

Month Breakdown	A Gross Income	B *Cash Expenses	C = A - B Cash Flow
March, 2020			
April, 2020			
May, 2020			
June, 2020			
July, 2020			
August, 2020			
Total:		\$ -	\$ -

CHECK BOX WHEN SECTION 3 IS COMPLETE

SECTION 4. Federal Aid Received

Paycheck Protection Program (PPP)		"Federal Aid" is defined as any Paycheck Protection Program (PPP) funds or other federal COVID grant funding received by the business in 2020
Economic Injury Disaster Recovery Loan (EIDL)		
Other Federal COVID grant funding		
Total:		\$ -

CHECK BOX WHEN SECTION 4 IS COMPLETE

SECTION 5. Financial Eligibility Review | (calculation only - no input needed)


Period Covered	Avg Monthly Income	Benefit Criteria (Option 1)	Y/N
Prior to March 1, 2020:	\$ -	"Average monthly income during the period between March 1, 2020, and August 31, 2020, was less than 120% of average monthly income prior to March 1, 2020."	Not Ready
Prior to March 1, 2020 * 120%:	\$ -		
March 1, 2020 - August 31, 2020:	\$ -		
Percent Change: N/A			
OR			
Period Covered	Count - Net Loss Month	Benefit Criteria (Option 2)	Y/N
March 1, 2020 - August 31, 2020:	0	"The business operated at a net loss (cash basis) in at least three of six months between March 1, 2020, and August 31, 2020"	Not Ready

The Calculation Worksheet can be found at:


https://covid.sd.gov/docs/SouthDakota_Small%20Business-StartupCalculation%20Form.xlsx

Small Business Startup Required Application Documents

Required

- 
1. Secretary of State Registration as a domestic or foreign company and Department of Revenue sales & use tax license
 2. W-9
 3. Point of contact information (phone, email, physical address)
 4. Business TIN (SSN or EIN, if applicable)
 - One submission per TIN (Tax ID Number) i.e. Employer Identification Number or SSN*
 5. Bank account information for electronic payment of funds
 6. Government-issued ID
 7. Articles of incorporation or organization, if applicable
 8. Certificate of Good Standing from South Dakota Secretary of State, if applicable
 9. For businesses with greater than \$150,000 in 2019 revenue, provide your 2019 tax return and a detailed monthly Profit/Loss Statement on a cash basis (see details in grant calculations) for the periods of both September 2019 – February 2020 and March – August 2020
 10. For businesses with less than \$150,000 in 2019 revenue, provide your 2019 tax returns and a monthly Profit/Loss statement on a cash basis (see details in grant calculations) for March – August 2020)
 - 11. Small Business Startup Calculation Worksheet***

NOT Required



Documentation regarding COVID-19 federal aid received



*Available at https://covid.sd.gov/docs/SouthDakota_Small%20Business-StartupCalculation%20Form.xlsx

Additional
Information &
Resources

A large, solid white triangle is positioned on a dark blue background. The triangle's base is at the bottom of the frame, and its apex is at the top center. The text 'Additional Information & Resources' is located in the upper-left corner of the image, partially overlapping the white triangle.

Important Notes & Reminders

1. Applications will be open from October 13th to October 23rd
2. Business owners and providers with multiple TINs must complete one application for each TIN
 - Each application requires a unique registration and username
 - Applicants may create multiple usernames under the same email address. However, each username must be unique and must be in “email address” format: jsmith@example.com
3. Small Business Startup Program applicants must complete calculations on the Microsoft Excel form provided by the State at <https://covid.sd.gov/smallbusiness-healthcare-grants.aspx>
4. Sole proprietors applying with a SSN must consolidate all businesses and financial information under one application
5. Grant amounts calculated at less than \$750 will not be awarded
6. Applicants must provide a screenshot of your entity's Certificate of Good Standing (see required documents). An official copy from the State is not required
7. Applicants that do not possess Secretary of State Registration as a domestic or foreign company are permitted to submit an application without providing this document

Next Steps & Resources Available

Next steps:

1. Review lists of required documentation information in preparation for applications opening on October 13
2. For small business startups, download the *Small Business Startup Calculation Worksheet* available on the State's website,
https://covid.sd.gov/docs/SouthDakota_Small%20Business-StartupCalculation%20Form.xlsx
3. Reach out to the help phone number or email address for assistance
4. Submit applications from:
October 13th – October 23rd
5. Sign grant agreement

Resources available:

1. Help line: (605) 937-7243
 - Open 8AM – 5PM central time Monday through Friday
2. Email:
Businesses Grants:
COVID.BIZGRANTS@state.sd.us
Healthcare Grants:
COVID.HEALTHCAREGRANTS@state.sd.us
3. Program communications, trainings, application, frequently asked questions:
 - <https://covid.sd.gov/smallbusiness-healthcare-grants.aspx>
4. Daily office hours:
 - Healthcare programs: 3PM Central
 - Small Business programs: 4PM Central