

SOUTH DAKOTA

CORONAVIRUS RELIEF FUND – SMALL BUSINESS, NONPROFIT PROGRAMS

ROUND 2 RETURNING APPLICANT AWARD CALCULATION EXPLANATION

This document outlines the specific steps to determine Round 2 award calculations for applicants who applied in Round 1, along with illustrative examples.

Step 1) Determine Loss in Net income

Award determinations were not based on reduction in Gross Revenue, but on Loss in Net Income, which factors in revenue, expenses and loan principal payments between the periods of Sept – Nov 2019 and Sept - Nov 2020. Below is a sample calculation:

Category	Sept - Nov 2019	Sept - Nov 2020
Gross Revenue	\$240,000	\$150,000
Operating Expenses	\$210,000	\$180,000
Net Income	\$30,000	(\$30,000)
Loss in Net Income		\$60,000

** If you did not have a Reduction in Business, you would receive an email stating: Your application did not indicate a loss of net income between September-November 2019 and September-November 2020.*

Step 2) Calculate Other Federal Aid Received

The United States Department of Treasury requires that federal grant assistance related to COVID (i.e. PPP, EIDL Advance, CFAP) reduce the award amount. The State chose to treat state/local grants similarly. Loans, such as EIDL Loans, did not reduce the grant amount. However, PPP loans were required to be considered forgiven, and in essence grants.

For Returning applicants, the award calculation also factored in any carryover assistance from Round 1. This means that if you did not receive an award in Round 1 because your federal aid, including PPP, was greater than your Loss in Net Income, the amount of federal aid exceeding the reduction in business carried over and reduced the amount awarded in Round 2. If you received an award in Round 1, your previously reported federal aid will not reduce your Round 2 award, because it was applied in Round 1. Any additional aid reported in your Round 2 application that was not reported in Round 1 will reduce your Round 2 award.

Below is a continuation of the sample calculation where a Round 1 award was made:

Category	Amount
Round 1 Loss in Net Income (March - August)	\$90,000
Grant Assistance Received Round 1	\$50,000
Carryover Assistance	\$0
New Assistance (Received since Round 1)	\$20,000
Loss in Net Income Sept - Nov (see above)	\$60,000
Reduction in Business (Loss in Net Income Sept - Nov Less Carryover Assistance and New Assistance)	\$40,000

Below is an alternate example where the amount of federal aid in Round 1 exceeded the reduction in business, resulting in a No Award for Round 1.

Category	Amount
Round 1 Loss in Net Income (March - August)	\$90,000
Grant Assistance Received Round 1	\$120,000
Carryover Assistance	\$30,000
New Assistance (Received since Round 1)	\$20,000
Loss in Net Income Sept - Nov (see above)	\$60,000
Reduction in Business (Loss in Net Income Sept - Nov Less Carryover Assistance and New Assistance)	\$10,000

If Carryover Assistance and New Assistance exceeded your Loss in Net Income in Sept-Nov, you would receive an email stating: Your application showed a loss in net income between September-November 2019 and September - November 2020 that was exceeded by your total grant aid received (no reduction in business).



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Step 3) Determine Reduction in Business Compared to September-November 2019 Net Income

To be eligible for an award, the program required that your Reduction in Business exceed 15% of your 2019 Sept-Nov Net Income. Continuing the first example, below is a sample of this step in the calculation:

Category	Amount
2019 Sept-Nov Net Income (see above)	\$30,000
15% of 2019 Sept - Nov Net Income	\$4,500
Reduction in Business	\$40,000
Greater than 15% Threshold?	Yes

If your Reduction in Business was less than 15% of Sept - Nov Net Income, you would receive an email stating: Your reduction in business between September - November 2019 and September - November 2020 did not exceed 15% of your September - November 2019 net income.

Step 4) Apply \$500 Program Minimum

Finally, any Reduction in Business below the \$500 Program Minimum was not awarded.

If your Reduction in Business was less than the Program Minimum, you would receive an email stating: Your application showed a reduction in business, but the resulting award would be less than the program's minimum award amount of \$500.



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