

SOUTH DAKOTA

CORONAVIRUS RELIEF FUND – SMALL BUSINESS, NONPROFIT & STARTUP RELIEF PROGRAMS

SMALL BUSINESS & NONPROFIT CALCULATIONS EXPLAINED

In the following sections, the State of South Dakota has provided an explanation of the State's process to calculate grant awards from Coronavirus Relief Funds to South Dakota small businesses and not-for-profit organizations (nonprofits).

The grant award determinations for the SD Cares Small Business and Non-Profit Programs were not based on a reduction in revenue, but instead on a reduction in Net Income between 2019 and 2020. In the text below, you will find the specific steps to determine award calculation for the small business and nonprofit programs, along with illustrative examples.

Step 1) Determine Change in Net Income

The first step is to determine whether your business' Net Income reduced between the periods of March – August 2019 and March - August 2020 (for Round 1). For Round 2, compare the time periods of September – November 2019 and September – November 2020. Below is a sample calculation for this step:

| Category | March - August 2019 | March - August 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 there was no Loss in Net Income, you received or will receive an email noting this reason for no award.*

Step 2) Calculate Other Federal Aid

The next step is to factor in grant aid received. Guidance from the United States Department of Treasury, which oversees the Coronavirus Relief Funds, requires that other federal grants related to COVID (i.e. PPP, EIDL Advance, CFAP) reduce the award amount. The State also chose to treat other state/local grants similarly. Loans, such as EIDL, did not reduce grant amount. PPP loans were required to be treated as forgivable (like grants), and were factored in. Below is a sample calculation for this step:

| Category | Amount |
|-----------------------|----------------------|
| Loss in Net Income | \$60,000 (see above) |
| Grant Aid Received | \$20,000 |
| Reduction in Business | \$40,000 |

** If the Grant Aid Received exceeded your Loss in Net Income, you received or will receive an email noting this reason for not receiving an award.*

Step 3) Determine Reduction in Business Compared to March-August 2019 Net Income

To be eligible for an award, the program required that your Reduction in Business exceed 15% of your 2019 Mar-August Net Income. Below is a sample calculation for this step:

| Category | Amount |
|-----------------------------|----------|
| 2019 Mar-August Net Income | \$30,000 |
| 15% of Net Income | \$4,500 |
| Reduction in Business | \$40,000 |
| Greater than 15% Threshold? | Yes |

Step 4) Apply \$500 Program Minimum

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

Note: Round 2 of the Small Business Grant Programs followed a very similar approach, with the following exceptions:

- The time period for 2019 and 2020 revenue, expenses and net income was September - November.
- If Round 1 calculations determined that Grant Aid received exceeded the Loss in Net Income for March - August, you received an email indicating you would not receive an award. In Round 2, the amount of Grant Aid that exceeded the Net Income from Round 1 was added to grant aid received after the Round 1 application was submitted, to reduce the September - November Loss in Net Income.



ASSISTANCE IS AVAILABLE

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