

# SOUTH DAKOTA

## CORONAVIRUS RELIEF FUND – SMALL BUSINESS, NONPROFIT PROGRAMS

### ROUND 2 NEW APPLICANT AWARD CALCULATION EXPLANATION

In the text below, you will find the specific steps to determine Round 2 award calculations for New applicants who had not applied in Round 1, along with illustrative examples.

#### Step 1) Determine Change in Net Income

Award determinations were not based on reduction in Gross Revenue, but on change in Net Income, which factors in revenue, expenses and 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 Loss in Net Income, 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 other federal grants 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, did not reduce the grant amount. However, PPP loans were required to be considered forgiven (like grants).

New Round 2 applicants were required to report all federal aid received in 2020. To properly offset the impact of 2020 federal aid, applicants were encouraged, but not required, to provide financial information for the period of March - August if they had a Loss in Net Income in that period.

Below is a continuation of the sample calculation for New applicants:

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

*If Grant Assistance Received exceeded your combined Loss in Net Income from March - August and September - November, 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).*

#### 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. Below is a continuation of the sample calculation:

Category	Amount
2019 Sept-Nov Net Income (see above)	\$30,000
15% of 2019 Sept - Nov Net Income	\$4,500
Reduction in Business	\$60,000
Greater than 15% Threshold?	Yes

*If 15% of Sept - Nov Net Income exceeded your Reduction in Business, 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.*



#### ASSISTANCE IS AVAILABLE

CALL CENTER: 605.937.7243 | CALL CENTER HOURS: 8:00am – 5:00pm M-F  
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