Small Business and Nonprofit Relief and Recovery Grants
Frequently Asked Questions

Information for business and nonprofit applicants:

How can I apply?
Applications are available online and may be completed online at www.kenai.city or submitted by email to: grantsadmin@kenai.city or hand-delivered or mailed to City of Kenai City Hall at 210 Fidalgo Ave., Kenai, AK 99611, Attn: Grant Review Committee.

Are these loans or grants?
They are grants.

Are there fees associated with these grants?
No, there are no fees charged to the applicant.

Who can apply?
Businesses in the City of Kenai and nonprofits that provide services to City of Kenai residents.

Do I have to provide financial records to prove my economic loss from the public health emergency?
No, the City does not require invoices, receipts, bank statements, financial spreadsheets or other records. Applicants are only required to confirm their business (or nonprofit organization) was affected by the COVID-19 public health emergency and resulting economic impacts.

What expenses can the grant money cover?
Loss of income due to mandatory shutdowns; inventory loss; additional operating expenses of reopening or resuming services to the public; costs of protecting staff,
customers or clients; or other economic impacts due to the public health emergency. The grant funds may be used for future expenses or to cover for funds already spent.

What is the timeline for the grants program?
Applications must be received or postmarked by 5 p.m. Friday, June 19. The City plans to review the applications as they come in, so that the grant review committee is able to move quickly after the application deadline. The intent is to send out all or most of the checks by June 30.

Will the City of Kenai mail out checks or send the funds electronically to bank accounts?
The City will mail out checks.

What if the City of Kenai receives more applications than it has funds to distribute?
If the demand for grants exceeds the City’s available funds, the City reserves the right to prorate the grants equally to all recipients to stay within available funding.

What if the Recovery Grants Program has money left over after all of the grants are paid?
The City Council on June 3 directed that any funds left over after all eligible business and nonprofit applicants are paid shall be shared on a prorated basis among the eligible business applicants.

Will the names of grant recipients be public record?
Yes, the names and amounts of the grants are public record.

Will receipt of this grant make me ineligible for other grant programs?
If you are going to apply for other federal or state grant or loan programs, the City advises applicants to check the eligibility rules for those programs.

Is there a deadline for a grant recipient to spend the money?
Yes, the grant funds received must be fully expended by Dec. 30, 2020.

Information for business applicants:
Do I have to keep receipts for my spending?
No, the City is not asking for proof of the spending after the fact, though the application asks how the business will spend the money (for informational purposes only, not to determine eligibility of the application).

**Are the grant funds subject to federal income taxes?**
The City advises applicants to contact their tax preparer for professional advice.

Since business applicants’ 2019 gross sales will be used to determine the amount of grant funds they might be eligible to receive, what if a business did not report sales for every quarter in 2019?

For businesses — such as seasonal operations — the City will take whatever gross sales were reported for 2019 and the first quarter 2020 and estimate an annual total.

**What if my business is not required to file sales tax returns with the borough?**
The City will accept a copy of the most recent federal income tax return or other proof of revenues as deemed suitable by the City review committee to determine the level of grant award the business might qualify to receive. The applicant can choose to request that a review committee member come to their office to review the documents rather than submit them at City Hall.

**Does the business owner(s) have to be a resident of the City of Kenai?**
No, but the business must be physically located in Kenai.

**Can a business that is behind in its sales taxes qualify for the City grant?**
Yes, so long as the business is not under a tax lien issued by the borough. Businesses that have entered into a payment plan with the borough and are adhering to that plan would be eligible for a grant.

**What if my business shares physical quarters with other businesses? Can each business apply and qualify for its own grant?**
Yes, so long as each business has its own state license, files its own sales tax returns under its own name and does not share the same ownership with the other co-located businesses.

**Information for nonprofit applicants:**
Since a nonprofit’s total revenue in 2019 will be used to determine the amount of grant award it might be eligible to receive, what if a nonprofit does not have a current IRS Form 990 it can provide to the City?

In lieu of the federal report, a nonprofit may submit an audited financial statement or an unaudited statement prepared by a third-party professional accountant that shows total revenue for 2019.

What if my nonprofit organization’s office is outside the City of Kenai?

A nonprofit could be eligible for the grants as long as it provided services to City of Kenai residents for all of 2019, even if its main office is outside the City.

Does a nonprofit have to report how it used the grant money?

Nonprofits will be asked to provide a brief report to the City no later than one year after receipt of the grant funds. This is voluntary and is requested to assist the City in evaluating the impact of the program.

Can a nonprofit that operates a business receive two City grants: One under the business program and one under the grants program for nonprofits?

No, a nonprofit would have to decide which grant program it wanted to apply under.