

City of Bethel

CARES Act

Bethel Business Recovery Grant Program



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Bethel Business Recovery Grant Program

Introduction

In July 2020, the City of Bethel received funding from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. Local needs were classified into broad categories of government, business, and nonprofits. The City solicited public feedback and assessed the requirements and needs of each sector, with the goal of producing a set of responsive programs to ensure that we successfully distribute and manage CARES Act funds to best serve the citizens of Bethel. The Bethel Business Recovery Grant Program highlighted in this handbook is part of the City's CARES Act Budget and Spending Plan, as approved by City Council on July 14, 2020. \$1,000,000 of the funding received by the City is designated for the Bethel Business Recovery Grant Program.

Business Gross Revenue Range (based on 2019)	Grant Award
\$5,000 - \$24,999	\$1,500
\$25,000 - \$49,999	\$5,000
\$50,000 - \$99,999	\$10,000
\$100,000 - \$249,999	\$15,000
\$250,000 - \$499,999	\$20,000
\$500,000 and above	\$25,000

The table above shows the grant categories for small businesses based on 2019 gross revenue. Find more information on page 3.

The goal of the Bethel Business Recovery Grant Program is to provide economic relief in an expeditious manner to local businesses for losses incurred due to the public health emergency.

The following pages of this guide define the Bethel Business Recovery Program's guidelines and eligibility criteria. Bethel Community Services Foundation is assisting the City in implementing the Bethel Business Recovery Program.



Photo: Chamber of Commerce

Bethel Business Recovery Grant Program Guidelines

The Bethel Business Recovery Grant Program is open to all qualifying Bethel businesses, regardless of whether they have applied for or have obtained any other state or federal COVID-19-related assistance. Businesses that have already received state or federal relief funds **must certify that they are in need of additional resources for COVID-related expenses or business losses** that were not covered by previous relief grants or loans. Businesses must be prepared to show documentation of such need if requested by the City of Bethel or its auditors or contractors.

The grant categories for small businesses will be divided into six levels, based on each business's 2019 total gross sales for four quarters as reported on their tax returns to the City (see table below).

Business Gross Revenue Range (based on 2019)	Grant \$\$
\$5,000 - \$24,999	\$1,500
\$25,000 - \$49,999	\$5,000
\$50,000 - \$99,999	\$10,000
\$100,000 - \$249,999	\$15,000
\$250,000 - \$499,999	\$20,000
\$500,000 and above	\$25,000

Gross revenue is the sum of all money generated by a business without taking into account any part of that total that has been or will be used for expenses.

It is expected that newer businesses that do not have a full year of returns for 2019 will have their eligibility threshold determined by taking gross sales reported for any quarters in 2019 or the first quarter 2020 and extrapolating the numbers to estimate a full year's sales for the business.

If the demand for grants exceeds the City's available funds, the City reserves the right to restructure the grants tiers for recipients in order to stay within the \$1 million of available funding.

Certification:

- Applicants will be required to self-certify that their business has been affected by the COVID-19 pandemic and the resulting economic impacts of COVID-19.
- Applicants will be required to self-certify that they are in need of additional financial resources if they have received other relief funds.
- Applicants must self-certify that the application information provided is true and accurate and that they agree to assist in the verification of information and to provide additional information to the City, if requested.

Guidelines (continued...)

The intent of the federally-funded CARES program is to assist communities and businesses that suffered economic harm from this public health emergency. Impacts may include, but are not limited to: loss of sales due to mandatory shutdown, inventory loss, additional operating costs of re-opening and instituting safety measures to protect employees and customers from the spread of the virus.

Grant funds may be used by businesses to recover from financial setbacks posed by the pandemic or respond to the pandemic.

Basic details will be asked about how the business has been specifically affected. Businesses will be asked to share how grant funds will be used. This information will assist the City in understanding community need and program effectiveness.

The first application period will be open for approximately three weeks. If the amount of funds that the City of Bethel has allocated for this program are not expended in the first round, a future round of funding will be considered.

After applications are submitted to Bethel Community Services Foundation, the City review committee will verify information, determine that applications are complete and ensure that the business is eligible under the program requirements.

The City will not pay out any funds until after the deadline period has closed and the total amount of eligible requests is known. Grant payment checks must be cashed at the bank within 90 days or will be voided by the City of Bethel.

Business tax returns are confidential. If requested, confidential information in applications will be redacted before being shared publicly. The names of businesses that receive grants and the amount each business receives will be considered a public record.

The City reserves the right to amend any criteria or procedures as may be required if new state or federal guidelines are issued.

Businesses that are affiliated with nonprofits: applications may be submitted under the City of Bethel Business Recovery Grant Program OR the BCSF Nonprofit Grant Program, but businesses may not apply to both programs. Nonprofits are businesses and are eligible to apply so long as eligibility criteria are met. Nonprofits may apply to the Bethel Business Recovery Grant Program OR the BCSF Nonprofit Grant Program, but may not apply to both programs.

Businesses with specific circumstances that are not covered by the grant program criteria will be encouraged to contact Bethel Community Services Foundation (BCSF). BCSF staff will work with the City review committee to determine eligibility and/or the level of grant award for which the business may qualify.

Bethel Business Recovery Grant Program Eligibility

Eligibility Criteria:

- Business must be located within the City of Bethel (business owner does not have to reside in the City of Bethel)
- Business must have a valid business license with the City of Bethel which was established with the City of Bethel no later than January 1, 2020 (seasonal businesses that may have reported no operations in January 2020 are NOT excluded) OR a valid, qualifying professional license issued by the State of Alaska that is exempted from holding a City license
- Business is compliant with sales tax filings, has lien(s) lifted or is in compliance with repayments for any debt to the city incurred after August 1, 2019 by the grant distribution date
- Business must intend to remain in business into 2021
- Business must be able to fully expend funds by December 15, 2020
- Business must submit a completed W9 form

A business owner may own multiple businesses. If the businesses are closely related, only one grant will be issued.

Businesses sharing physical quarters may each apply and qualify for their own grant, so long as each business has its own license, files a sales tax return under its own name and does not share the same ownership with the other co-located businesses.

Each business will have its own specific and unique circumstances, and there is no "one-size-fits all" approach to grant-funding under this program. Accordingly, the City reserves the right to determine, at its sole discretion, all eligibility criteria for grant funding on a case-by-case basis.

The program excludes from eligibility:

- C Corporations traded on a US Stock Exchange or a corporate-equivalent entity traded on a foreign stock exchange, and businesses owned in whole or majority-owned by such a publicly traded corporation
- National or International chains that both own and operate their premises in Bethel; franchise owned-and-operated businesses in Bethel are eligible
- Businesses with liens
- Businesses that are out of compliance with City repayment agreements
- Businesses whose outstanding debt for utilities, fees, sales tax or other debt has been owed to the City since prior to August 1, 2019
- Businesses currently in bankruptcy proceedings
- Marijuana businesses
- Businesses that lack a permanent physical or employee presence in the City for the sale of goods or the provision of services, as determined by the City of Bethel
- Out-of-State Businesses
- Out-of-Region Businesses that provide services in Bethel but have no permanent physical or employee presence as determined by the City of Bethel

Application Process

Deadline: August 10, 2020 at 5 pm.

Applications may be submitted in a variety of ways:

1. **Online** at bcsfoundation.org/covidbusiness/
2. **In-Person** at the BCSF office at 1795 Chief Eddie Hoffman Highway.
3. **USPS** Mail to BCSF at PO Box 2189 Bethel, AK 99559. Application must be postmarked by 5 p.m. on August 10, 2020
4. **Email** to covidbusiness@bcsfoundation.org
5. **Fax** to BCSF at 907-543-1826

Need help? Contact Kate at covidbusiness@bcsfoundation.org or call the BCSF office at 907-543-1812. Translated applications can be made available upon request.

Appeals Process

An applicant denied by the review committee may appeal to the City Manager (in writing). Any appeal must be filed in writing by 5 p.m. the 10th calendar day after the day the applicant received notice from the City. The appeals process will be further defined in any issued grant denial letters.

Review Process

The names of businesses that receive grants and the amount each receives will be considered a public record.

The City reserves the right to amend any criteria or procedures as may be required if new state or federal guidelines are issued.



FAQs

Are these loans or grants? They are grants.

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

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 required, however, to confirm their business was affected by the COVID-19 public health emergency and resulting economic impacts, and provide a brief explanation of those impacts, and provide proof of financial impacts or expenditures in the future, if requested.

Will checks be mailed or will funds be sent electronically to bank accounts? The City of Bethel will mail out checks. Checks must be cashed within 90 days or will be voided.

Do I have to keep receipts for my spending? The City is not asking for proof of spending at this time, though the application asks how the business will spend the money (for informational purposes only, not to determine eligibility of the application). Proof of expenditures or income losses should be kept by the business and must be made available upon request.

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 City? The City will accept a copy of the most recent federal income tax return or other proof of revenues prepared by a third-party preparer as deemed suitable by the City review committee to determine the level of grant award.

Can a business that is behind in its sales taxes qualify for the City grant? Businesses that are compliant by the grant distribution date would be eligible for a grant, so long as the business is not under a lien issued by the City.

Can a nonprofit apply for this City grant? Nonprofits are businesses and are eligible to apply so long as eligibility criteria are met. A separate grantmaking program for nonprofits will be also be announced by BCSF in early August. Nonprofits may apply from either the Bethel Business Recovery Grant program or the nonprofit program, but will not receive grants from both programs.



City of Bethel City Council

Perry Barr, *Mayor*

Haley Hanson, *Vice Mayor*

Hugh Dymont

Alyssa Leary

Mark Springer

Cece Franko

Michelle DeWitt (*not participating*)

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