



# Program Guidelines

SOLDOTNA CARES (Phase I)  
COVID-19 Relief and Recover Grants

## Introduction

On May 27, 2020, the Soldotna City Council adopted Resolution 2020-026, authorizing the City Manager to accept \$7,376,315.80 in Coronavirus Aid, Relief, and Economic Security (CARES) Act funds from the federal government and passed through the State of Alaska. On July 8, the City Council approved the SOLDOTNA CARES COVID-19 Relief & Recovery Grant Program ('SOLDOTNA CARES'), for the purpose of distributing \$2.75 million of these funds to small businesses and local nonprofits that have been adversely impacted by the public health emergency. In developing these grant guidelines, the City strived to balance the urgency of the need in our community, with a process that will ensure transparency, efficiency, and the responsible management of the grant funds.

The SOLDOTNA CARES grant program was developed by City staff, and guided by the input of two ad hoc advisory groups. These groups were comprised of business owners, educators, health care professionals, community resource professionals, financiers, nonprofit executive directors and board members, in addition to the Mayor and several City Council Members. The goal of the working groups was to better understand the local impacts related to the COVID-19 public health emergency, and to target available funds to the areas of greatest need.

Several common themes emerged from the workgroup meetings, and have been incorporated into the SOLDOTNA CARES Program. The City has also reviewed and learned from the implementation of similar programs around Alaska, and has put together a grant program that we believe is in the best interest of both the City and its residents. These programs have been designed to align with guidance from the US Treasury and the need to provide timely financial relief to those in our community experiencing financial hardship directly caused by the COVID-19 public health emergency. The application process was designed to be simple, with as few restrictions as possible to ensure relief funds are quickly distributed to those who need them.

## Small Business Eligibility & Award Amounts

Business Grant awards are intended to assist small businesses in the City of Soldotna that suffered economic harm due to the COVID-19 public health emergency. Impacts could include, but are not limited to, loss of sales due to mandatory shutdown, inventory loss, additional operating expenses of reopening and protecting staff and customers, including funds already spent for those purposes. A total of \$2 million has been allocated for this initial phase of grants to small businesses for the application period in July.

The amount of individual grant awards will be calculated based on 5% of the eligible applicant's 2019 annual gross sales as reported on Kenai Peninsula Borough sales tax returns. Individual grants for businesses will be capped at a maximum of \$15,000. Businesses that are not required to file sales tax returns with the Kenai Peninsula Borough must provide a copy of their most recent federal income tax return or other proof of revenues, as deemed suitable by the City, to determine the level of the grant award they are eligible to receive.

To be eligible for a SOLDOTNA CARES COVID-19 Relief & Recovery Grant, a business must:

- Have a physical place of business located in the City of Soldotna for the sale of goods or the provision of services. This may include a 'brick and mortar' storefront, participation in a farmer's market, or other type of physical space that relies on foot traffic for business.
- Have been in existence with a valid State of Alaska business license as of January 1, 2020.
- Have a minimum of \$25,000 in gross annual sales for 2019. Sales will be verified using Kenai Peninsula Borough sales tax filings. For new businesses without a full year's worth of filings for 2019, the City will look at sales reported for any quarter in 2019, or the first quarter of 2020 and extrapolate numbers to estimate a full year's sales.
- Be current in sales tax registration with the Kenai Peninsula Borough, and not be delinquent with the Kenai Peninsula Borough Tax Department as a result of a lien or violation of a payment plan.
- Not be in bankruptcy proceedings.
- Not be a C corporation traded on a U.S. stock exchange, or a corporate-equivalent entity traded on a foreign stock exchange and owned in whole or majority-owned by such a publicly traded corporation.
- Not be a national chain that owns and operates a premise in the City of Soldotna. Individually owned-and-operated local franchises are eligible.
- Not be a marijuana business licensed under Alaska Statute 17.38.

### **Nonprofit Eligibility & Award Amounts**

Nonprofit Grant awards are intended to assist nonprofits that regularly serve the residents of the City of Soldotna, and have suffered economic harm due to the COVID-19 public health emergency. A total of \$750,000 has been allocated for grants to nonprofits for the application period in July.

The amount of individual grant awards will be calculated based on 10% of the organization's total gross revenue from 2019, as reported on its IRS Form 990. Individual grants for nonprofits will be capped at a maximum amount of \$25,000. For those nonprofits that are not required to file with the IRS, the City will accept an audited financial statement or an unaudited statement by a third-party preparer to determine the level of the grant award they are eligible to receive.

To be eligible for a SOLDOTNA CARES COVID-19 Relief & Recovery Grant, nonprofits must:

- Provide regular services to the residents of the City of Soldotna, however nonprofits are not required to have their main office physically located within Soldotna.
- Have been in operation since at least January 1, 2019 and be in good standing as an IRS-certified 501 nonprofit organization.
- Have a board of directors or local advisory board that is comprised of a majority of Alaska residents. A local affiliate of a national organization must have a local advisory or governing board.

All types of IRS-certified 501 nonprofit organizations are eligible, provided there are not federal restrictions on the organization receiving federal grant dollars. Faith-based nonprofits are eligible for the program, as long as the grant funds will be used for services that are made available to Soldotna residents regardless of religious affiliation. Per federal rules, organizations that are primarily engaged in political or lobbying activities, are not eligible to receive these funds.

### **Application Process**

The application period will be open for two weeks beginning July 17, 2020 at 8:00 am and ending on Friday, July 31, 2020 at 5:00 pm.

Applications should be submitted online at [www.Soldotna.org/CARES](http://www.Soldotna.org/CARES) ; online submission allows the City to email you updates as the application moves through the process. If you cannot submit an electronic application, you may mail or hand-deliver the application to Soldotna City Hall. All applications must be postmarked no later than July 31, 2020, in order to be considered. Applications can be picked up at, mailed to, and hand-delivered to:

City of Soldotna  
ATTN: SOLDOTNA CARES Grant Program  
177 N. Birch Street  
Soldotna, AK 99669

Applicants will be asked to self-certify that their business or nonprofit was financially impacted by the COVID-19 public health emergency, and to provide a brief description of the impacts. Applicants who have applied and/or secured funding from other local municipal, state, or federal programs under the CARES Act are eligible to apply, but must certify that there is a continued financial need that has not been addressed by the receipt of other funds.

Applicants will be asked to provide a list of expenses for which the grant funds will be utilized, and will be encouraged to spend grant funds locally wherever possible. All SOLDOTNA CARES grant funds must be expended by November 30, 2020.

The review committee will determine whether the application is complete and the business or nonprofit organization is eligible under the program requirements. Submission of an incomplete or inaccurate application may result in ineligibility for program funding. The estimated date for releasing verified grant awards is mid-August 2020. An applicant denied by the review committee may appeal to the City Manager. An appeal must be filed in writing by 5:00 pm within ten (10) business days of the date of the notification.

If the demand for grants exceeds the total available program funds (\$2,000,000 in total for businesses, and \$750,000 for nonprofits), individual grants may be prorated equally to stay within available funding. If the overall demand from qualified applicants is less than the total available funding, individual grants may be increased, provided applicants can demonstrate additional eligible expenses.

The City reserves the right to publish names of businesses and nonprofits that receive grants and the amount received. Any document deemed a public record by law or by Soldotna Municipal Code is subject to disclosure in response to a request. Individual sales tax return information and federal income tax information is deemed proprietary and not subject to public disclosure.

The City reserves the right to amend the criteria or procedures of this program as may be required to conform to state or federal guidelines.

### **Allowable Use of Funds**

The grant funds must be solely used for expenditures that were necessary due to the COVID-19 public health emergency, and occur between March 1, 2020 and November 30, 2020. Eligible expenditures include things like payroll, operating expenses, lease or rent, telework equipment costs, inventory acquisition (needed to reopen or maintain open status), personal protective equipment (PPE), and facility readiness (social distancing preparedness, business modifications, etc.).

Grantees will be required to retain records of how grant funds are used, and must be able to produce such records promptly upon request. Applicants who have received funding from other sources (e.g. PPP, EIDL, AK CARES) must certify that SOLDOTNA CARES funds will be applied to expenses not previously covered by the receipt of other COVID relief funds. A percentage of grant recipients may be audited by the City of Soldotna to verify that funds were used for eligible expenses.

### **Contact US**

Information about the program, application forms, FAQs, and contact information will be available on the City's website at <http://www.soldotna.org/CARES>

For questions about the program, please email mailto: [CARES@soldotna.org](mailto:CARES@soldotna.org) or call 907-262-9107.