

1 **CITY OF HOMER COVID-19**
2 **SMALL BUSINESS ECONOMIC RELIEF GRANT (SBERG) PROGRAM POLICY**
3 **GRANT PROCEDURES AND CRITERIA**
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6 **Purpose**
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8 The City of Homer’s Small Business Economic Relief Grant (SBERG) Program is designed to
9 provide the maximum amount of funds to the maximum number of businesses that have a
10 place of business in Homer, have a recent history of City of Homer sales tax collection, and
11 can certify they have suffered a loss of revenue due to the novel coronavirus (Covid-19). The
12 City of Homer, using Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, has
13 allocated \$3,000,000 to be distributed through this program in \$3,000 grants.
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15 **Eligibility Criteria**
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- 17 1. Must have a physical place of business situated within the City of Homer (Examples
18 include but are not limited to an office, home-based business, restaurant, store). The
19 primary business activity must occur within the City limits.
- 20 2. Must be considered a small business as defined by the State of Alaska AK CARES Grant
21 Program, which states that a small business has, on average, 50 or fewer full-time
22 equivalent employees.
- 23 3. Must have filed a sales tax report with the Kenai Peninsula Borough within the third
24 quarter of 2019, the fourth quarter of 2019, or the first quarter of 2020, that indicates
25 City of Homer taxable sales.
- 26 ~~4. Must not be delinquent on payments and filed returns with the Kenai Peninsula~~
27 ~~Borough Tax Department with no missed filings or balance due on record. **Must not**~~
28 ~~**be delinquent with the Kenai Peninsula Borough Tax Department as a result of a**~~
29 ~~**lien or violation of payment plan.**~~
- 30 5. All applicants must disclose and certify and provide a brief explanation as to how the
31 business suffered a loss of revenue because of the Covid-19 pandemic. The business
32 must agree it was/is negatively impacted by the COVID pandemic either through rapid
33 expansion or adaptation to serve the community or because of forced closure in the
34 name of public health. If it is determined the SBERG funds were used for an ineligible
35 purpose, the applicant may be required to return those funds back to the City.
- 36 6. Cannot be a marijuana related business or a business that has filed for bankruptcy.
- 37 7. A business may only apply one time for this grant.
- 38 8. The City reserves the right interpret the terms of this program.
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Grant funds may be used for:

1. Payment of rent or required monthly loan payments (i.e., mortgage)
2. Payments of essential wages, taxes, and normal benefits to employees essential to maintain business
3. Normal operating costs that are included in "cost of goods sold" on business's income statement (raw materials for manufacturers, component pieces for assemblers, items for resale for retailers, food for restaurants, etc.)
4. Normal operating expenses that are included in "operating expenses" on businesses' income statement (utilities, insurance, professional services, etc.)
5. Normal draw or wages on a weekly or monthly basis to owner
6. Purchase of personal protective equipment required by the business
7. Expenses incurred to replenish inventory or other necessary re-opening expenses

Grant funds may not be used for:

1. Any expense that would not be considered an eligible business expense by IRS rules
2. Political contributions
3. Bonuses to owners or employees
4. Wages to any member of owner's family who is not a bona fide employee
5. Charitable contributions
6. Gifts or parties
7. Draw or salary to owner that exceed the amount that they were paid on a weekly or monthly basis for the same period in 2019
8. Pay down or pay off debt by more than required in underlying debt instrument
9. Any expense considered ineligible under the State of Alaska CARES Act grant program

Process

1. The City will begin collecting applications as soon as practicable once City administration has developed and staffed the program. The deadline for applications is September 25, 2020 or the date when appropriated funds have been expended (whichever comes first). Applications will be accepted on a rolling basis.
2. Business information provided in the SBERG application will be kept confidential to the extent authorized by law.
3. The business owner must fill out the application available online at the City of Homer website or paper application available from the Clerk's office. Paper applications must be returned to the Finance Department.

- 79 4. The application must be submitted with a W-9 form from the Internal Revenue
80 Service.
- 81 5. Upon receipt of a complete application and verification of eligibility requirements, a
82 grant payment in the amount of \$3,000 shall be disbursed to the applicant. Payments
83 shall be dispersed to eligible applicants on a rolling basis. Applicants will be notified
84 via email once their application has been approved.
- 85 6. Applicants who submit incomplete applications or whose requests are denied will be
86 notified via email.
- 87 7. A 1099 Misc. income form will be provided by the end of the year.
- 88 8. It is the responsibility of the applicant to determine whether:
- 89 a. Proceeds from the grant are taxable, or
90 b. The receipt of a grant under this program precludes eligibility for any
91 other grant or aid programs.
- 92 9. Grant proceeds are to be used for eligible Covid-19 emergency related expenses,
93 whether those expense were previously paid, are currently unpaid, or are held in
94 arrears.
- 95 10. Grants under this program are subject to audit. Businesses are required to maintain
96 records for a period of 6 years.
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