

Kane County Coronavirus Relief Fund for Small Businesses

Frequently Asked Questions (FAQ)

Kane County hosted a webinar on September 18, 2020 for small businesses that may apply for awards under the Coronavirus Relief Fund, which reimburses eligible expenses incurred between March 1, 2020 and December 30, 2020 in response to the COVID-19 pandemic. Following is a summary of questions submitted and Kane County's responses. Questions and answers are categorized by topic:

1. Allocations, Application and Eligible Businesses
2. Eligible Expenses
3. Process and Timeline

This "frequently asked questions" (FAQ) document will continue to be updated throughout the CRF program and will be available on the county's Coronavirus Relief Fund webpage: <https://www.countyofkane.org/crf>.

Allocations, Application and Eligible Businesses

1. **Q:** Can you define the "first come, first served" basis? Is it when an application is submitted, or is it when my application is determined to be "qualified;" i.e., complete, accurate, and fully documented?

A: Following the submission deadline for small businesses (October 2, 2020), applications will be reviewed for completeness and eligibility. Applications that meet the completeness and eligibility requirements will move on to the next stage of the grant application process.

If, however, the total amount requested by small businesses exceeds the \$8 million allocated for the Kane County Small Business Grant Program, then the county will prioritize applications submitted by businesses that experienced a period of closure as a result of the shelter-in-place order. Awards will be made without geographic consideration (of those that are within Kane County) or preference. Entities that submit incomplete applications or do not satisfy eligibility standards will be notified and given the opportunity to reapply in subsequent application period(s) if funding is still available.

2. **Q:** Will you be able to log on and off of the application so you can finish at a later date or does it all have to be done at one time?

A: No. The online application portal does not have capacity to set up accounts and passwords. Therefore, you must submit your online application and all required documentation in one submittal. You cannot come back later and complete it in multiple sittings.

Please review the application instructions on the County's website (including the attachments you will need to upload) before starting your application to ensure that you have all the required information before starting application portal.

(<https://www.countyofkane.org/Documents/Coronavirus%20Relief%20Fund/SmallBusiness-Instructions.pdf>)

3. **Q:** If the business has received the PPP loan, are we still eligible?

A: As long as submitted expenses have not been subject to reimbursement by another program and/or have not already been reimbursed by another program, the business may be eligible to apply for a grant under the Kane County CRF program for small businesses as long as all eligibility requirements have been met.

4. **Q:** If a business has been established for 20 years, but ownership has changed in the last year, how much funding is the business eligible for?

A: The Kane County CRF program for small businesses provides awards based on the year the business was established, not to the length of ownership. If the business was established prior to January 1, 2019, the submitted application will be considered for an award of up to \$20,000.

5. **Q:** My company has been closed since the start of the pandemic and has not reopened. Can I apply for this grant to cover the costs of expenses that I have incurred in the meantime?

A: No. The applicant's business must have re-opened by August 1, 2020 to be eligible to apply for grant funding under the Kane County CRF program for small businesses.

6. **Q:** Will Chambers of Commerce be eligible to submit applications, despite differing IRS code section designations?

A: A Chamber of Commerce may submit an application that is physically within Kane County and is a nonprofit as determined by the IRS.

7. **Q:** In the summary it indicates Chambers of Commerce Qualifies, but refers to 501(c)(3), but most Chambers are 501 C (6), will they qualify?

A: Chambers of Commerce that are 501(c)(3) or 501 C (6) are eligible to apply under Kane County's CRF grant program for small businesses.

8. **Q:** If there is a business owner, who is part owner of different businesses, can each business apply for a grant?

A: The eligibility criteria for the Kane County CRF grant program for small businesses establishes that owners of multiple businesses may only submit one application under this initiative.

9. **Q:** I own 5 restaurants in Kane County. Am I able to apply for all five locations? Does it have to be submitted in one Application?

A: The Kane County eligibility criteria establishes that owners of multiple businesses may only submit one application under this small business grant program.

10. **Q:** If multiple businesses are partially owned by one individual, so they file one application for all businesses?

A: No. Owners of multiple businesses may only submit one application under the CRF program for small businesses.

11. **Q:** If our business has received the PPP loan (through the paycheck protection program), are we still eligible to apply for a CRF grant in Kane County?

A: A small business meeting the eligibility criteria for the Kane County CRF grant program may still apply even if they received a PPP loan. However, expenses that were paid by the PPP loan and that are expected to be forgiven cannot also be reimbursed under this CRF program.

12. **Q:** A business that does not have any direct employees has hired a management company to run day-to-day operations. How should the business proceed for this portion of the application? We have invoices from the management company for this time period, if that would be suitable.

A: When entering the number of full-time equivalent employees (FTEs) in the application, the business should enter "0" FTEs and explain the use of the management company. In the "COVID-19 Pandemic Impact and Beyond" section of the application, the business can provide additional narrative to explain the use of

the management company and whether that relationship or cost has been affected by the pandemic.

Eligible Expenses

13. Q: Is lost revenue due to the COVID-19 pandemic an "eligible expense" for reimbursement under this program?

A: No. U.S. Treasury Guidance updated on September 2, 2020 prohibits revenue replacement¹ under the CRF program. Following the U.S. Treasury guidelines, Kane County designed the small business grant program to reimburse businesses for the following *costs of business interruption*:

1. Rent/mortgage payments for the physical place of business or for the lease or purchase of equipment integral to the business's operations (provided the facility and/or equipment was secured by the business prior to January 1, 2020).
2. Utility costs associated with the physical place of business.
3. The purchase of personal protective equipment (PPE) for use by the employees and/or patrons of the business.
4. The cost of cleaning/disinfecting the place of business.
5. The cost of minor physical modifications to the place of business in order to comply with social distancing requirements. (Please note this excludes the cost of capital improvements unrelated to social distancing standards.)
6. Costs incurred to enable employees to work remotely, such as computer equipment/software, cell phones, internet access, etc.
(This is not to be confused with the eligibility requirement for the Kane County CRF small business grant program. When submitting an application, small businesses must provide documentation to verify a loss or reduction in revenue.)

14. Q: As far as a reduction in revenue, is it a specific percentage?

A: No. Evidence of a reduction in revenue is not limited to a specific dollar amount or percentage of past revenues.

15. Q: Our income is generated from tenants paying rent within Kane County. Several tenants have not been able to pay rent, and one was forced out of business by the

¹ <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

pandemic. We have leases showing what they owe rent and what they have or have not paid. Are these eligible expenses?

A: Reimbursement for lost revenue is not allowable under the Kane County CRF program for small businesses.

16. Q: Why are rent and mortgage payments from before 1/1/20 eligible for reimbursement but not during the COVID-19 pandemic?

A: To clarify: Rent and mortgage payments incurred between March 1, 2020 and December 30, 2020 are an eligible expense under the CRF program. The mortgage or lease for the physical place of business or purchased or leased equipment must have been established prior to January 1, 2020 to be eligible to receive a grant under the CRF program.

17. Q: Our place of business is in a building that has a bond rather than a mortgage. Are we eligible to receive assistance paying the bond under the CRF grant?

A: If the bond debt was secured to purchase the physical place of business, and was secured prior to January 1, 2020, scheduled payments on that debt would be an eligible use of the CFR funds.

18. Q: If our business incurred additional rent/mortgage costs of an expanded business site to meet social distancing guidelines, is that an eligible cost?

A: If the rent/mortgage payment did not exist prior to January 1, 2020, is not an eligible expense. Also, major capital projects such as new construction of a physical space is ineligible for reimbursement under the Kane County CFR program. Minor physical modifications to the existing physical space to comply with social distancing requirements could be eligible with supporting documentation.

19. Q: If we rented additional storage space in Kane County due to COVID-19, is the expense related to leasing the storage space eligible? We did not rent space in January 2020 in anticipation of the COVID-19 pandemic, so please clarify the dates by when a facility must have been purchased or rented.

A: No. Eligible expenses include rent for the physical place of business or for equipment integral to the business's operations as long as the physical space or equipment must have been secured prior to January 1, 2020.

20. Q: Are rental payments and utility payments for the place of business from 1/1/2020 through 12/31/2020 an eligible expense?

A: Rental or lease payments for the place of business or essential equipment are eligible expenses as long as the place of business or equipment was purchased prior to January 1, 2020. Also, the rental or lease payments and/or the utility payments that will be submitted for reimbursement must be incurred between March 1, 2020 and December 30, 2020.

21. Q: I have a brick-and-mortar store in St. Charles. I have been open for 10 years, and I own the building. My building has an apartment on the top floor above my store. Should I include the apartment rent in the Income Statement Revenue?

A: It depends. If the building is owned by the business and rental income is received by the business for tax purposes, then the rental income should be included in the business's Income Statement. If the building is personally owned, then the rental income should be excluded from the business's Income Statement.

Process and Timeline

22. Q: Should the Kane County CRF Small Business Budget for Application be submitted for both time periods: March 1 – September 30, 2020 *and* October 1 – December 30, 2020?

A: Yes. Both budget spreadsheets should be submitted with the application. The March 1 – September 30, 2020 spreadsheet reflects actual costs already incurred. The October 1 – December 30, 2020 spreadsheet projects the eligible costs that you anticipate incurring.

23. Q: What should a business submit if they do not have monthly profit and loss statements or balance sheets that have been audited, reviewed or compiled by an outside accountant?

A: If businesses do not have monthly profit and loss statements or balance sheets that have been audited, reviewed or compiled by an outside consultant, businesses can internally generate those monthly statements covering the time period between January 1, 2019 through July 31, 2020 to verify that your business experienced a reduction in revenue during the pandemic.

24. Q: When you request a monthly Balance Sheet, do you want one for each month in 2020 or just the current one?

A: Submit a monthly Balance Sheet for every month between January 1, 2019 (or date business was established, if later) and July 31, 2020.

25. Q: How can we verify that we are in good standing with federal, state and local requirements and standards?

A: A business can verify that it is good standing with applicable requirements and standards by submitting either a Certificate of Good Standing for the Corporations & LLCs. Businesses that are not a Corporation or LLC and, therefore, do not have a Certificate of Good Standing would need to submit Certificate of Ownership to prove that they have filed all the appropriate paperwork with the state.

Verification of good standing with the state and federal government is part of the Kane County grant management policies under Uniform Grant Guidance. The County itself requires the completion of the W9 Form.

26. Q: Are all sole proprietors required to have a certificate of ownership? What if they are independent contractors?

A: Kane County requires a Certificate of Ownership for businesses that are not an LLC or Corporation to prove the business is in compliance and in good standing with the State of Illinois.

27. Q: It costs \$25 to get the Certificate in Good Standing. Will you accept a printout from the website online showing the business is in good standing?

A: For purposes of this application for the CRF small business grant program, a printout copy of the Certificate of Good Standing is allowable. The business may need to submit a true copy of the Certificate of Good Standing if the application is approved and a Recipient Agreement is executed.

28. Q: My company hires independent contractors, not employees. Does my company qualify for eligibility under the Kane County CRF program for small businesses?

A: If other eligibility criteria for the CRF grant program are met, then yes. Eligibility requires fewer than 50 full-time equivalent employees of the business seeking the grant.

Independent contractors, themselves, may be eligible as sole proprietors if they meet the other criteria for the CRF small business grant program. Independent contractors who are home-based businesses would be ineligible for the CRF grant program.

29. Q: The requirements say the business must have reopened by August 1, 2020. Our business has not been able to reopen due to the current guidelines as set forth by the State of Illinois. Are we eligible to apply for the funding?

A: No. Small businesses must have reopened prior to August 1, 2020 to be eligible to apply for funding under the CRF program.

30. Q: What if my company files 1099c, not the W-9 Form?

A: A completed Federal W-9 Form Request for Taxpayer Identification Number and Certification is required to submit an application. Federal Form 1099-C Cancellation of Debt is not applicable for this application to the Kane County CRF program.

31. Q: My company is an LLC. Is the W-9 for the business, or is the W-9 in my name as a partner in the LLC?

A: The W-9 Form is for the business.

32. Q: Aren't audited and reviewed financial statements prohibitively expensive, especially for small businesses like ours? If a 2019 tax return is not available, how are losses "verified;" i.e., to eliminate potential?

A: Audited, reviewed or compiled financial statements are not a requirement for submission, but should be submitted if the business already has this service performed by an outside accountant. If the 2019 tax return has not yet been prepared, please submit the 2018 tax return. Monthly profit and loss statements and monthly balance sheets must also be submitted for each month during the period of January 1, 2019 through July 31, 2020.

33. Q: Our 2019 corporate tax return is due 10/15/2020 as we filed an extension. Thus, we do not have our 2019 tax return to submit right now. Can we submit 2018 until 2019 is finished?

A: The 2018 tax return should be submitted along with a copy of the application for extension of the 2019 return.

34. Q: How do businesses participate if they have to provide information manually; i.e., are not skilled at uploading and downloading from the website?

A: Businesses must use the online application portal at <https://www.countyofkane.org/Pages/CRF.aspx> to submit an online application. This ensures you have proof of your submission and expedites the review of your application. You may request technical assistance by emailing CRF@co.kane.il.us.

35. Q: Will we be able to view and print out the September 18, 2020 PowerPoint slides and watch the video recording later?

A: Yes. The PowerPoint and recording from the September 18, 2020 webinar is posted on the Kane County Coronavirus Relief Page at: <https://www.countyofkane.org/Pages/CRF.aspx>.