

# Cares Act Funding to Support Ohio Businesses Impacted by COVID-19

On October 23, 2020, Ohio Governor Mike DeWine and Lt. Governor Jon Husted announced that the administration, in partnership with the General Assembly, is developing a package of more than \$419.5 million CARES Act funding to help Ohioans. Since the government has released additional information with respect to this funding, a brief summary of the programs directed towards small business is as follows:

## **SMALL BUSINESS RELIEF GRANT**

The Small Business Relief Grant is designed to provide relief to Ohio businesses that have been negatively affected by COVID-19. Each eligible business can receive \$10,000 to help them through the current crisis.

### Eligibility Criteria

A business is eligible for a Small Business Relief Grant if:

- It is a for-profit entity (corporation, LLC, partnership, joint venture, sole proprietor).
- It is an employer firm with at least 1 and no more than 25 Ohio employees paid via W2 wages as of 1/1/2020, determined either by a headcount or full-time equivalent employee calculation.
- It has a physical location in Ohio and earns at least 90% of annual revenue based on activities performed in and taxable to Ohio.
- It has been in continuous operation since January 1, 2020, except for interruptions required by COVID-19 public health orders and has the ability to continue operations, taking into account a potential program grant.
- It is in good standing with the Ohio Secretary of State, the Ohio Department of Taxation, and any other governmental entity charged with regulating the business.

- If applicable, it has fully utilized any other government support received (including both grants and loans such as PPP) by the applicant business for business expenses incurred due to COVID-19 or that can be utilized for business expenses incurred due to COVID-19.

In addition, certain businesses are ineligible to receive the grant. Some examples of ineligible businesses include those primarily engaged in political or lobbying activities or political issue advocacy; sales of tobacco products, cigarettes, electronic smoking devices, or vapor products; and financial institutions that make loans or issue credit to the public. For a complete list of ineligible businesses, please visit <https://businesshelp.ohio.gov/small-business-relief-grant.html>.

### Use of Funds

The funds can be used for the following COVID-related expenses incurred between March 22, 2020 and the date the application was submitted relating to their Ohio business location(s):

- Personal protective equipment.
- Measures taken to protect employees, customers, or clients from COVID-19.
- Mortgage or rent payments for business premises.
- Utility payments.
- Salaries, wages, or compensation paid to contractors or employees, including an employer's share of health insurance costs.
- Business supplies or equipment.

Of note, costs incurred for which the business has or will receive reimbursement from another source, including any other government loan such as PPP or grant program and insurance proceeds are ineligible. Records of all specific expenses for which the funds were used are required to be maintained for a period of five (5) years.

### Application Process and Award Process

Beginning on November 2nd at 10:00 AM, eligible businesses can submit an application for the fund at <https://businesshelp.ohio.gov/>. A business will only be eligible to receive one grant under this program, and entities with the same FEIN will be considered one business for purposes of determining eligibility for the program. Grants will be awarded on a first come, first served basis in accordance with the guidelines available at <https://businesshelp.ohio.gov/small-business-relief-grant.html>.

## **BAR AND RESTAURANT ASSISTANCE FUND**

The Bar and Restaurant Assistance Fund is designed to assist Ohio's on-premise liquor permit holders who were limited in the full use of their liquor permit due to COVID-19 related governmental restrictions. These permit holders who have an active on-premise permit as of the close-of-business on October 23, 2020 will be eligible to receive \$2,500. Of note, the business does not have to be currently open but must have an active liquor license, must present their FEIN or SSN, liquor permit number and address for each unique location. The program, which will begin accepting applications November 2, 2020, will be administered by the Ohio Development Services Agency. The Ohio Department of Administrative Services will be sending checks to permit holders as soon as applications are processed. Funds cannot be distributed after Dec. 31, 2020. Permit holders may apply for the liquor assistance funding as well as the Small Business Relief Grant through the online application at <https://businesshelp.ohio.gov/small-business-relief-grant.html>.

## **ADDITIONAL PROGRAMS**

In the initial announcement, the government also indicated that in the near future additional funding programs will be created for hospitals, higher education, arts, and nonprofits.

Our team at Wegman Hessler is ready to help you with the Small Business Relief Grant or any other issues you might be facing during these uncertain times.