

# **Small Business and Family-Owned Farm Grant Program Guidelines**

**July 2020**

## **Purpose**

The purpose of the Small Business and Family-Owned Farm Grant Program under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and Section 7.031 in House Bill 2007 (2020), is to provide grants to small businesses and family-owned farms for reimbursement of costs of business interruption caused by required closures and other expenses incurred in connection with the COVID-19 public health emergency.

In addition to focusing on family-owned farms, the Department of Economic Development (DED) is focused primarily on impacting the industries that were hardest hit by the COVID-19 crisis: Retail Trade, Accommodation, Food Service, and Health Care. However, the grant is not limited to these industries.

## **Grant Program Parameters**

- The grant program is statewide.
- The number of grants per applicant is limited to one.
- The total grant funds is \$30 million.
- Applicants must incur/have incurred COVID costs between March 1, 2020, and November 15, 2020.
- \$7.5 million of the \$30 million is available for family-owned farms and family farm corporations. Farm grant applications will be shared with Missouri Department of Agriculture.
- The individual grant amounts are initially limited to \$50,000, but DED reserves the right to grant over \$50,000 to a recipient if additional funds remain on October 15, 2020.
- Application review will consider industry, ability to use the funds timely, and availability of funds.
- Upon notification of award, applicant must enter into a program agreement with DED outlining program details, requirements, and state and federal terms and conditions; and execute a company certification.

## **Eligible Applicants**

Applicants must meet the following requirements to be eligible for a grant award:

1. The applicant must be a for-profit business or family-owned farm that employs 50 or fewer full-time employees, including the owner(s). Family-owned farm includes family farms and family farm corporations.
  - Full-time employee means a person who is scheduled to work 35 or more hours per week.

- **"Family Farm"** means an unincorporated farming unit owned or leased by one or more persons residing on the farm or actively engaging in farming.
  - **"Family Farm Corporation"** means a corporation incorporated for the purpose of farming and the ownership of agricultural land in which at least one-half of the voting stock is held by and at least one-half of the stockholders are members of a family related to each other within the third degree of consanguinity or affinity including the spouses, sons-in-law and daughters-in-law of any such family member according to the rules of the common law, and at least one of whose stockholders is a person residing on or actively operating the farm, and none of whose stockholders are a corporation prohibited by section [350.015 RSMo](#) from entering into farming, or any corporation which is subject to the controlled expansion provisions of section [350.015 RSMo](#); provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any gift, devise or bequest of shares of voting stock. A person actively operating a farm shall include, but not be limited to, a person who has an ownership interest in the family farm corporation and exercises some management control or direction.
  - **"Farming"** means using or cultivating land for the production of (a) agricultural crops; (b) livestock or livestock products; (c) poultry or poultry products; (d) milk or dairy products; or (e) fruit or other horticultural products, provided; however, "farming" shall not include a processor of farm products or a distributor of farming supplies contracting to provide spraying, harvesting or other farming services.
2. The applicant must be located in Missouri.
  3. The applicant must be incorporated in Missouri, with the exception of family farms.
  4. The applicant must be registered to do business in Missouri and in good standing with the Secretary of State, with the exception of an unincorporated family farm.
  5. The applicant must complete and submit Form 943 to obtain a tax clearance certificate (valid for 90 days) from the Missouri Department of Revenue for each owner and the business. Form 943 is available at <http://dor.mo.gov/forms/943.pdf>.
  6. The applicant must not employ illegal workers and must provide proof of enrollment in E-Verify.
  7. The applicant must register as a vendor with the State of Missouri through the [MissouriBUYS](#) web portal.

### **Uses of Grant Funds**

DED will review applications for eligibility of costs based on the CARES Act and related guidance from the U.S. Treasury. Under the CARES Act, the program is limited to reimbursing necessary expenditures made due to the current COVID-19 public health emergency and expended within the date range established by the program guidelines. The U.S. Treasury guidance on eligible costs is updated regularly; therefore, eligible costs are subject to change. DED reserves the right to make changes to, and final determination of, eligible program costs.

Generally, eligible costs will be those that are significantly different from planned operational costs and directly related to the COVID public health emergency. Tentative eligible costs have been identified below.

### **Eligible Costs**

Applicants must submit to DED original receipts of eligible costs and payment documentation in order to receive 100% of the reimbursement. To request reimbursement, applicants will be required to submit DED's reimbursement form along with supporting invoices, contracts, purchase orders, and other receipts and documents from vendors to DED by November 15, 2020. Proof of payment documentation must be dated March 1, 2020, or later. Eligible costs could include:

- Costs associated with business interruption caused by required closures in connection with the COVID-19 public health emergency;
- Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise; and
- Costs to facilitate livestock depopulation incurred by producers due to supply chain disruptions to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

### **Eligible Expense Examples\***

- Hazard pay for direct health care workers
- Additional salaries paid in excess of normal hours for COVID specific sanitation
- Facility redesign and labor for redesign
- Leasing additional space for social distancing
- Air filtration system
- One time inventory replacement if business had to close or sales decreased
- Costs needed to make the business resilient as a result of COVID-19 (examples: equipment to do different or more electronic work, PPE, prescreening equipment for employees to work)
- Increase to solid waste disposal as it relates to disposal of used PPE
- Overhead that had to be paid while the business was closed or sales decreased
- Salaries of workers during closure or reduced hours
- Website design to do e-commerce

\*Expenses are implied but not expressly provided for, and may be subject to a future ineligible determination.

### **Ineligible Expenses**

- Cannot be used for franchise or chain business entities
- Businesses engaged in illegal activity under federal or state law

## Ineligible Expense Examples

- Expenses that have been or will be reimbursed by insurance
- Expenses that have been or will be reimbursed under any federal, state, or local government funding
- Expenses that were not necessary to address the current COVID-19 public health emergency

## Required Documentation

### MissouriBUYS

1. The State of Missouri has implemented a secure, web-based statewide eProcurement system, MissouriBUYS.
2. As a recipient who will be reimbursed by the State, you will be required to register your business with the Office of Administration through MissouriBUYS. The vendor registration portal is available on the [MissouriBUYS](#) website.
3. Clicking on the 'register' link will allow you to get a username and password. There are links to informational documents and a training video if you need help with the process. Prior to starting registration, please make sure you have the following information available:
  - Organization's Taxpayer ID Number (TIN);
  - Business Type (Corporation, LLC, Sole Proprietorship, etc.);
  - Email Address;
  - ACH-EFT Payment Information;
  - Internal Revenue Service W-9, Request for Taxpayer Identification Number (TIN); and
  - Certification.

### E-Verify MOU

1. Applicants requesting \$5,000 or less and that have no employees are not required to enroll.
2. For all other applicants, in addition to certifying that your organization does not employ illegal aliens, all applicants must: (1) enroll in E-Verify, (2) check the box on the Certification confirming enrollment and participation in E-Verify, and (3) provide supporting documentation. All applicants must complete this form and attach a copy of the E-Verify memorandum.
3. The E-Verify Program, conducted jointly by the U.S. Citizenship and Immigration Services (USCIS) Verification Division and the Social Security Administration (SSA), is designed to provide employment status information to determine the eligibility of Applicants for employment. E-Verify requires that participating commercial employers use the automated Verification Information System (VIS) to check the SSA and the USCIS databases to verify the employment authorization of ALL newly hired employees. An employer's participation in E-Verify is currently free. To access the E-Verify website, go to <https://e-verify.uscis.gov/enroll/>.

4. To access the ‘electronically signed MOU’ – the following must already be completed:
  - Must have successfully enrolled in the E-Verify program,
  - Must have successfully completed the tutorial. To retrieve a copy of your electronically signed MOU:
    - Wait until a you have received a Confirmation email from E-Verify / USCIS that the company is successfully enrolled in the program
    - Log back into the Account
    - Click on “Edit Company Profile” in the left menu
    - Scroll about halfway down and click on the green “View MOU” button. (Make sure all pop-up blockers have been disabled – the electronically signed version pop-ups in a separate screen)
  - ONLY the Program Administrator can access the electronically signed MOU
5. For additional assistance, you can contact E-Verify using the toll free Help line number, 888-464-4218.

## **Application and Reimbursement Process**

### Grant Schedule

DED will accept applications beginning July 14, 2020, and will review them in the order received for the hardest hit industries and family-owned farms. If funding is allocated quickly to the hardest hit industries and family-owned farms, we may request additional funds. If not all the funds are allocated to the hardest hit industries, DED will accept applications for other eligible industries.

- July 14, 2020 | Announcement of Program, Guidelines and Application made available
- July 14 – August 31, 2020 | Applications accepted for the hardest hit industries and family-owned farms and reviewed in order of receipt
- September 1, 2020 | Pending funding availability, begin date for review of applications for any other eligible industries giving priority to those that had to close due to the COVID-19 public health emergency
- November 15, 2020 | Date by which all expenditure and reimbursement documentation must be submitted to DED

### Grant Application Process

- Grant applications must be submitted via online form through our website at <https://ded.mo.gov/content/small-business-grant-program>.
- DED receives and reviews applications.
- Applicant receives written approval from DED once review process is complete.
- Upon notification of award, applicant must enter into a program agreement with DED outlining program details, requirements, and state and federal terms and conditions; and execute a company certification.
- Applicant submits DED’s reimbursement form, invoices and proof of payment to access the funds. The form may be submitted one time prior to November 15, 2020, unless additional funds are received, in which case applicants will be allowed to provide a

second submission. Please see <https://ded.mo.gov/content/small-business-grant-program> for more information.

- Applicant awards will be determined at the discretion of DED based on the applicant's eligibility, eligible costs, and overall availability of program funds.
- Applicant receives reimbursement for eligible expenses from DED.

#### **Additional Requirements and Information**

- DED reserves the right to inspect and audit the project site for as long as one year following the final payment received by the Applicant.
- If project costs exceed the budget included with the application, grantees will be required to finish the proposed project without an increase in the grant award.
- Applicants who commit fraud or misrepresentation, or who do not adequately document or retain sufficient documentation, shall be subject to state and federal civil and criminal recourse to the extent permitted by law.
- The applicant must retain records relating to the grant for a period of at least five years from the date of the final reimbursement payment received by the applicant for this grant. The applicant must agree that such records will be submitted to DED or its designees or representatives upon request or upon audit of the completed project by DED, the State Auditor's Office, the U.S. Treasury, or other authorized state or federal authorities.
- In awarding funds under this program, DED may coordinate with the Missouri Office of Administration, Missouri Department of Agriculture, and other agencies or entities that DED deems necessary.