

## VERMONT EMERGENCY ECONOMIC RECOVERY SUPPLEMENTAL AWARDS

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*The purpose of this document is to provide guidance to the Executive Branch, the Legislature, Agency/Department Partners, and Grant Recipients of the Emergency Recovery Supplemental Awards as established by Act 115, Act 137 and per the federal CARES Act.*

### Federal CARES Act

The federal CARES Act (the Act) established the “Coronavirus Relief Fund” (CRF) and outlines the permitted uses of the fund in Section 5001 of the Act. The Act reads:

(d) Use of funds. —A State, Tribal government, and unit of local government shall use the funds provided under a payment made under this section to cover only those costs of the State, Tribal government, or unit of local government that—

- (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government; and
- (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

In addition to the language as established in the Act, the U.S. Department of Treasury released, and amended, [detailed guidance](#) and a [frequently asked questions document](#) on the use of funds. Based on both the Act and the subsequently released guidance, the Agency of Commerce and Community Development and the Department of Taxes developed the following guidance.

### EMERGENCY ECONOMIC RECOVERY SUPPLEMENTAL AWARDS GUIDELINES AND ELIGIBILITY CRITERIA

Governor Scott signed into law [Act 115](#) on Friday, June 19, 2020, and on July 2, 2020 signed into law Act 137. These two pieces of legislation allocated \$152 million from the Federal Coronavirus Relief Fund to the Vermont Department of Taxes and the Agency of Commerce and Community Development (ACCD) to issue grants to eligible Vermont businesses and nonprofits that have suffered severe financial harm from the COVID-19 public health emergency.

- Businesses that received the maximum grant award of \$50,000 from the Department of Taxes shall apply to the Department of Taxes for the supplemental awards.
- All other nonpublic, private organizations that meet eligibility requirements for supplemental awards shall apply to the Agency of Commerce and Community Development.

## STANDARDS FOR ELIGIBLE USE OF SUPPLEMENTAL AWARD FUNDS

In accordance with the U.S. Treasury Department Guidance and supplemental documents, state governments have the authority to utilize CRF monies for grants to small businesses to reimburse the cost of business interruption caused by required closures. Additionally, state governments have explicit discretion to determine what payments and grants are necessary for businesses, and tailor grant program uses to assist businesses in need because of interruption.

The Vermont Economic Recovery Supplemental Awards are being issued to help provide economic support to businesses that have been impacted by decreased customer capacity and demand due to the COVID-19 public health emergency. The funds can be used both to pay necessary expenditures that a business faces, and costs directly associated to a business's response to COVID-19.

Businesses eligible for supplemental awards must operate in the following sectors: lodging, retail, hospitality, arts, travel, recreation, sports, and event affiliated sectors that have continued capacity constraints.

## APPLICATION PROCESS

Eligible applicants who have already received the maximum grant award of \$50,000 from the Agency of Commerce & Community Development will receive notice of eligibility for a supplemental award from ACCD containing an attachment with an application. Applicants will complete the application and submit it via a return email. Businesses who had previously received an award from Department of Taxes will apply through the Department of Taxes' existing portal. Applications will be reviewed in the order in which they were submitted. Awards will be issued on a first-come, first served basis.

## AWARD FORMULA

**The below award formula is the same for both the Agency of Commerce and Community Development Applications and the Department of Taxes Applications:**

The amount of the award will be derived by the following formula:

- Indicated/reported gross annual revenue (or annual combined total sales as reported on meals and rooms or sales and use tax returns) multiplied by 10 percent
- The maximum grant ceiling amount is \$150,000 (when combined with initial award) less what has previously been awarded (\$50,000).
- Each business or organization applicant may only receive one supplemental award.

## AWARD COMPLIANCE PROCEDURES

All applicants are required to certify on the online application for award monies to the following statements to comply with the CARES Act and state granting procedures. ***\*Please note certification #5 is required only for nonprofit entities.***

- 1) I have the authority to request payment from the State of Vermont on behalf of the business submitting this application. I am requesting payment of the supplemental award amount, determined by the Department of Taxes, equal to the lower of 10% of my 2019 total combined sales or \$150,000 (when combined with my initial award) less any business interruption insurance proceeds received. This supplemental award will be used to cover costs and lost revenues associated with the Coronavirus Disease 2019 (COVID-19) disaster, in accordance with section 601 of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020) (“section 601”).
- 2) I understand that the State of Vermont will rely on this certification as a material representation in making this award.
- 3) As required by federal law, the proposed uses of the funds provided will only be used to cover costs and provide economic support that—
  - a. Are necessary costs/lost revenues related to the COVID-19 public health emergency; and
  - b. Relate to necessary costs/lost revenues during the period from March 1, 2020 through December 30, 2020; and
  - c. Are not covered by other federal grants, federally forgiven loans, or business interruption insurance proceeds that the business has received. For additional information on this requirement, please review the guidance on duplication of benefits on our [website](#).
- 4) To the best of my knowledge, as of the date that this application is signed, neither the business nor the business’s principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds. Entities that are suspended and/or debarred will have received a notification letter from the federal government. Information on suspension and debarment can be found [here](#).
- 5) \*This grant is funded with federal dollars and is subject to the requirements of Single Audit found at 2 CFR §200 Subpart F.
- 6) I agree that the Department of Taxes and Agency of Commerce & Community Development may share the information on this application with other Vermont state agencies for the purpose of verifying my eligibility for this or another grant or stimulus payment related to the COVID-19 pandemic.

- 7) I agree that the business submitting this application must repay the grant or portion of the grant to the Department of Taxes or Agency of Commerce & Community Development if:
- a. Any grant funds received are based on incorrect representations made on this application or to the Department of Taxes or Agency of Commerce & Community Development related to this application; or
  - b. Any grant funds are covered by other federal grants, federally forgiven loans, or business interruption insurance proceeds received by the business. Please review the guidance on duplication of benefits on our [website](#) for how this will be determined. I agree that the final determination of whether there has been a duplication of benefits will be made by the Department of Taxes or Agency of Commerce & Community Development.

## AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT GRANTS

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### ELIGIBILITY CRITERIA

**Eligible businesses must continue to meet all of the below criteria in order to access the Supplemental Emergency Economic Recovery Award Funds. The business:**

- Is not currently in Chapter 7 bankruptcy.
- Is in good standing with the Vermont Department of Taxes.<sup>1</sup>
- Is in good standing with the Vermont Secretary of State.
- Has not received a Vermont Emergency Economic Recovery Grant from any other State of Vermont Agency or Department.
- Received a maximum award of \$50,000 from the initial Economic Recovery Grant Program
- Operates in one of the targeted sectors.

**Eligible businesses will be required to provide the following information in their application:**

- The Grant Application Number and Grant Award Number from their original grant
- An optional DUNS Number
- The appropriate NAICS code for the applying company<sup>2</sup>

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<sup>1</sup> "In good standing" for the purpose of grant application eligibility means: all required tax returns are filed and all taxes are paid, OR if a business owes any taxes that are past due, there is a documented and current payment plan in place. Any taxpayers who are not in good standing may be deemed ineligible for the grant.

<sup>2</sup> The [North American Industry Classification System \(NAICS\)](#) is used by the United States, Canada, and Mexico to classify businesses by industry. Each business determines its six-digit NAICS code number based on the majority of activity at the business. When you file your federal income taxes, you provide a "business code" that is based on the NAICS number and the information for your business tax filing includes a table of those codes.

- Information about any compensation an applying business has already received from insurance, PPP, EIDL, or any other federal grant program for economic damages incurred as a result of COVID-19

## DEPARTMENT OF TAXES GRANTS

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### ELIGIBILITY CRITERIA

**Eligible businesses must continue to meet all of the below criteria in order to access the Supplemental Emergency Economic Award Funds.** The business:

- Had previously received the \$50,000 grant award from the Department of Taxes.
- Is open for business at the time of application or is closed now due to the COVID-19 public health emergency but can certify to its intention to re-open when able.
- Has filed all required sales and use or meals and rooms tax returns through the May 31, 2020, period due on June 25, 2020.
- Is in good standing with the Vermont Department of Taxes.<sup>3</sup>
- Has not received a Vermont Economic Recovery Grant from any other State of Vermont Agency or Department.
- Meets the qualifications for the initial Economic Recovery Grant Program.
- Received a maximum award of \$50,000 from the initial Economic Recovery Grant Program.
- Operates in one of the targeted sectors.

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<sup>3</sup> "In good standing" for the purpose of grant application eligibility means: all required tax returns are filed and all taxes are paid, OR if a business owes any taxes that are past due, there is a documented and current payment plan in place. Non-payment of February, March, April, or May period SUT/MRT taxes will NOT disqualify an applicant from receiving a grant. Any taxpayers who are otherwise not in good standing may be deemed ineligible for the grant.