



# Maine Economic Recovery Grant Program

Phase II Introduction Webinar

26 October 2020



## What an Applicant Will Need

### **What you will need to complete this application:**

- You will need the following information about your business/organization (and all affiliated businesses/organizations) before you begin your Maine Economic Recovery Grant application:
- Federal Employer Identification Number or Social Security Number
- Type of business/organization (non-profit or for-profit)
- Principal office address
- “Doing business as” (DBA) name
- Applicant address and other contact information
- For businesses: Ownership percentage of each individual owner with greater than 25% equity



## What an Applicant Will Need Cont.

### **What you will need to complete this application:**

- For sole proprietors: Total amount of unemployment compensation benefits received March 1, 2020 – August 31, 2020
- Documentation of any other monies awarded through federal grants or loans by the CARES Act
- 2017, 2018, and 2019 revenue, expenses, and depreciation (as applicable)
- 2020 anticipated revenue and expenses, taking into account the impact of the COVID-19 pandemic on revenue and expenses
- An estimate and justification of the percent (%) of 2020 loss in income directly connected to a disruption of operations due to the COVID-19 pandemic or related public health response
- A prepared, electronic W-9 in the event your business/organization is selected for a grant (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>)
- Data Universal Number System (DUNS) number. To set-up or verify a DUNS number, visit <https://www.grants.gov/applicants/organization-registration/step-1-obtain-duns-number.html>. Or call 1-(800)-700-2733 for any questions.

## Affiliated Businesses

A group of affiliated entities must only submit one grant application. Please coordinate with other affiliated entities prior to submitting an application.

For purposes of the Maine Economic Recovery Grant, your business/organization is considered affiliated with any other business/organization that:

1. Has the same Federal Taxpayer Identification Number (including Social Security Number)
2. Has the same corporate parent or grandparent
3. Is majority owned (more than 50%) by the same owner or group of owners
  - (For example, if John and Jane each own 30% of business A and business B, those businesses are considered affiliated because John and Jane would be considered an ownership group owning more than 50% of more than 1 business.)



## Key Questions on the Application

### **2020 Gross Receipts/Revenue: Report your total gross receipts/revenue from similar sources from January 1, 2020 - August 31, 2020.**

The Federal filing forms that will provide your receipts/revenue data for the years 2017 to 2019 generally require a taxpayer to add gross amounts of certain types of income (such as interest, rents, royalties and others) to gross profit from sales or service revenues. “Gross profit” is calculated as gross sales or receipts, less returns and allowances, less cost of goods sold. Your 2020 receipts/revenue should be calculated in a similar fashion to insure consistency. See the following example:

Gross sales or receipts	\$50,000
Less: Customer returns	-2,000
Balance	\$48,000
Cost of goods sold (e.g. materials purchased for resale)	-15,000
Gross profit	\$33,000
Rents, royalties, interest, dividends, gains, other	2,000
Total income (“receipts/revenue”)	\$35,000



## Key Questions on the Application

**Amount of any grants or forgiven loans (or expected to be forgiven) that were not expended or accounted for in your revenue and expense lines from Jan - Aug 2020”**

For example: Your business received \$50,000 of PPP Loan, \$10,000 of EIDL Advance, \$40,000 of EIDL Loan, and \$10,000 of a separate non-forgivable loan. In this scenario you would only consider the PPP Funds if they are expected to be forgiven, and the EIDL Advance and the other two loan amounts are not forgivable and should be excluded. Of the total \$50,000 PPP loan you would provide the sum of the total unspent loan amount and spent loan amount as of August 31, 2020 ONLY if the following is true:

- The amount spent or expected to be spent will be forgiven or is expected to be forgiven.
- You have not already included the spent amounts in net income/loss through August 31, 2020, and instead they were recorded as liabilities on your balance sheet as of August 31, 2020.



## Key Questions on the Application

- **Regarding the loss your business/organization has experienced in 2020, estimate the percent that is a direct result of COVID-19 or the related public health response:**
  - (If all of your loss is a result of COVID-19 or the public health response, this would be 100%)
- **My business/organization has permanently ceased all operations.**
  - **‘YES’ means the business/organization has closed, with no intent to reopen.**
- **My business/organization has a minimum of 50% of employees and contract employees based in Maine.**
- **My business’s/organization's primary location/corporate headquarters is in Maine. (required)**



## Early Stage Businesses: Additional Review Process

**As with the rest of the program, the overall goal is not to fully replace lost revenues but to assist with business viability that has been impacted by COVID-19 and/or the related public health response to bridge to 2021 and beyond. Grants for eligible ventures will be for a percentage of the experienced loss.**

**For early stage companies, the assessment will be a forwarding-looking assessment, comparing expected revenues and expenses to actuals, as well as an assessment of viability of the young venture. DECD is partnering with MTI (Maine Technology Institute) for assessment of early stage companies in Phase Two. MTI will reach out to companies established between January 1, 2019 and March 30, 2020 to request additional application information and will connect directly with each applicant.**

**An early stage company will hear from MTI, their own Economic Development District, or DECD during the review process.**





## Support for applications

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