

## Enclosure 1:

### **Eligibility Criteria:**

The Maine Economic Recovery Grant Program is intended to assist in covering losses incurred as a direct result of the COVID-19 pandemic and related public health response.

Businesses/organizations will be liable for any misuse of funds. The grants are taxable income and subject to audit.

- Suggested business/organization expenses may include but are not limited to:
  - Payroll costs and expenses;
  - Rent or mortgage payments for business facilities (unless otherwise waived by lessor/lender);
  - Utilities payments;
  - Purchase of personal protective equipment required by the business/organization;
  - Business related equipment;
  - Investments that will support your business's/organization's long-term sustainment;
  - Expenses incurred to replenish inventory or other necessary re-opening expenses; and
  - Necessary operating expenses.
- Examples of unallowable expenses include (list is not all-inclusive):
  - Depreciation expense
  - Entertainment
  - Lobbying
  - Goods and Services for Personal Use
  - Fines, Penalties, Damages and other Settlements
- Funds must be spent on operations that are strictly within Maine.
- This grant is considered reportable income; therefore, funding received from this grant must be included with reportable income at tax time. For applicable businesses, a Form 1099 will accompany any awarded grant monies.

To qualify for a Maine Economic Recovery Grant your business/organization must:

- Demonstrate a need for financial relief based on lost revenues minus expenses incurred since March 1, 2020 due to COVID-19 impacts or related public health response;
- Demonstrate an expected 20% loss in revenue minus expenses for 2020;
- Be a for-profit business or non-profit organization, except:
  - Professional Services

- (Professional Services with NAIC codes starting in 5414, 5418 and 5419 are eligible to apply)
  - 501(c)(4), 501(c)(6)
  - K-12 schools, including charter, public and private
  - Municipalities, municipal subdivisions, and other government agencies
  - Assisted living and retirement communities
  - Nursing homes
  - Foundations and charitable trusts
  - Trade associations
  - Credit unions
  - Insurance trusts
  - Scholarship funds and programs
  - Gambling
  - Adult Entertainment
  - Country clubs, golf clubs, other private clubs
  - Cemetery trusts and associations
  - Fraternal orders
  - Hospitals, Nursing facilities, Institutions of higher education, and Child care organizations<sup>1</sup>
- Have significant operations in Maine (business/organization headquartered in Maine or have a minimum of 50% of employees and contract employees based in Maine);
- Be current and in good standing with all Maine State payroll taxes, sales taxes, and state income taxes (as applicable) through July 31, 2020;
- Have been in operation for at least one year before August 1, 2020;
- Be in good standing with the Maine Department of Labor;
- Not be in bankruptcy;
- Not have permanently ceased all operations;
- Be in consistent compliance and not be under any current or past enforcement action with COVID-19 Prevention Checklist Requirements (<https://www.maine.gov/decd/covid-19-prevention-checklists>); and
- Employ a combined total of 50 or fewer employees and contract employees throughout 2020.
  - If, for a period greater than two weeks within 2020, your business/organization exceeded 50 employees and contract employees then your business/organization is not eligible (Count 1 employee or contract employee if they are employed, on average, at least 30 hours of service per week or 130

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<sup>1</sup> Alternate funding available through the Department of Education and Department of Health and Human Services for hospitals, nursing facilities, child care organizations, and institutions of higher education.

hours of service per month. Count 0.5 for each part-time employee who is employed, on average, less than this).

For non-profit organizations: Only Fiscal Sponsors (organization that files Form 990 or Form 990-EZ) are eligible to apply.

A group of affiliated entities should 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
4. For Non-profits: Is a subsidiary of a "parent" organization