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Louisiana Main Street Recovery Fund

LA Act 311 Small Business Grant Program

The following is to assist you with the eligibility requirements and documentation needed to apply for the Louisiana Main Street Recovery Fund Grant and is current based on information available as of July 21, 2020. There are several items subject to interpretation; we have interpreted these items based on our understanding of LA Act 311 Small Business Grant Program and information obtained from webcasts by the Louisiana Department of Treasury and State Treasurer John M. Schroder.

On June 12, 2020, Governor John Bel Edwards signed Senate Bill 189, Act 311 enacting several COVID-19 relief funds including the Louisiana Main Street Recovery Fund that awards grants to many Louisiana small businesses to assist in their recovery for the economic impacts of COVID-19.

Eligible businesses and sole proprietors can **begin to apply on July 28, 2020** via the online application available on the website www.louisianamainstreet.com. Grants covering eligible expenses will be awarded in amounts **up to \$15,000.00** and will be awarded on a first come first served and priority basis until the funds run out.

During the first 21 days of the program, grants will be given to businesses who did not receive other sources of COVID-19 funding (PPP loan, EIDL, EIDL Emergency Grant, other federal funding, and insurance proceeds).

During the first 60 days of the program, \$40 million will go to minority business enterprises. A minority business enterprise is a small business organized for profit and performing a commercially useful function which is at least fifty percent owned by one or more minority individuals, women, or veterans who also control and operate the business.

Because the grants will be awarded on a first come first served basis, we encourage all eligible businesses and sole proprietors to get their application in on July 28, 2020 or AS SOON AS POSSIBLE, if after that date. The software system will put the business in the appropriate priority group based on the answers to the questions on the application.

Criteria for Eligibility:

- The business must be a for profit corporation, a limited liability company, a partnership, or a sole proprietorship.
- The business must be in good standing with the LA Secretary of State, if applicable.

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- Was domiciled in Louisiana as of March 1, 2020.
- Suffered an interruption of business caused by forced or voluntary closures or restricted operations, including but not limited to social distancing measures, decreased customer demand, cleaning or disinfection expenses, and providing personal protective equipment.
- Is at least fifty percent owned by one or more Louisiana residents, whether individual resident citizens or Louisiana domestic business entities.
- Filed Louisiana taxes for tax year 2018 or 2019, or, if an eligible business formed on or after January 1, 2020, intends to file Louisiana taxes for tax year 2020. "Louisiana taxes" means all taxes administered by the secretary of the Department of Revenue.
- Has customers or employees coming to its physical premises.
- Had no more than fifty full-time equivalent employees (FTEs) as of March 1, 2020.
- Is not a subsidiary of a business with more than fifty FTEs, is not part of a larger business enterprise with more than fifty FTEs, and is not owned by a business with more than fifty FTEs.
- Does not exist for the purpose of advancing partisan political activity. Does not directly lobby federal or state officials.
- Does not derive income from passive investments without active participation in business operations.

FTEs are calculated based on total hours worked in the period beginning February 1, 2020 and ending February 29, 2020, divided by 160 hours, and rounded to the nearest tenth.

Eligible Expenses:

- Include those costs incurred by the business to meet public health requirements or recommendations enacted, adopted, required, or issued by the LA Department of Health, the Centers for Disease Control, state or federal regulatory authorities, and/or local, state or federal executive authorities due to COVID-19.
- **This includes but is not limited to:**
 - Costs to create social distancing measures (signs, floor markings, etc.)
 - Costs to clean and disinfect areas
 - Purchasing equipment to protect employees and/or customers (hand sanitizer, masks, gloves, thermometers)
 - Contactless equipment (credit card readers, etc.)
 - Expenses to facilitate teleworking (laptops, printers, scanners)
 - Necessary re-opening expenses (tents, outdoor tables)
 - Signage pertaining to reopening or restructuring
 - Installation of drive-through windows



- **Business interruption costs related to COVID-19, including, but not limited to:**

- Unemployment insurance costs
- Providing paid sick leave
- Inventory replacement (replacing spoiled food)
- Increased labor costs (hiring delivery drivers)
- Mortgage interest (for home office)
- Rent
- Payroll
- Utilities

- **Ineligible expenses include:**

- Lost profits or lost revenue
- Damages that have been or will be covered by insurance (commercial business interruption coverage)
- Costs that have been or will be reduced by any other federal or state program
- Severance pay
- Legal settlements

Information to gather now to prepare for the application opening date:

- Federal Taxpayer Identification Number
- State Taxpayer Identification Number
- Louisiana Department of Revenue account number
- Business date of formation/creation
- Documentation to support eligible expenses (invoices, proof of payment, payroll records, vendor contracts, bank/credit card statements, rental agreements or mortgage statements, utility bills, etc.)
- Number of full-time equivalent employees (as of March 1, 2020)
- Information for all “Controlling Owners” of the business (defined as individuals or entities who exercise the power to make policy decisions). Information includes Name, Job Title, SSN or EIN, Residential Address, and Driver’s license Number.
- Information regarding other sources of COVID-19 funding received from United States SBA programs (PPP, EIDL, EIDL Emergency Advance), other federal program, or insurance proceeds
- Copies of filed tax returns for 2018 and 2019

When applying online, supporting documentation will need to be uploaded. Following submission of the application and supporting documentation, you may be asked to upload

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additional information and you should do so AS SOON AS POSSIBLE so that you do not lose your place in line. Remember, the grants will be awarded on a first come first served basis.

Applicants will be asked to provide a certification, signed by the authorized chief executive of the eligible business that the proposed use of the funds are consistent with the CARES Act. The certification shall also provide that the business shall hold the State harmless and indemnify the State in the event that payments were misappropriated, converted, and/or spent for any purpose other than those authorized by and in accordance with the CARES Act as determined by any executive, administrative, or judicial body of competent jurisdiction.

Any claims for expenses incurred after December 30, 2020, or submitted to the Treasurer after January 31, 2021, shall be ineligible for payment pursuant to the provisions of the CARES Act.

For additional information, visit the website www.louisianamainstreet.com. On the website, you can sign up for program updates. You will also find Frequently Asked Questions (FAQs), a Business Eligibility Quiz, and the program application on the website.