

AK CARES Grant Program

Q&A as of June 4, 2020

1. If a business returns their EIDL and/or PPP funds will they then be eligible for the Alaska Cares program?

No. Businesses that have secured an EIDL Loan or PPP Loan are not eligible.

2. If a business receives funding through a city business assistance program funded by CARES Act funds are they ineligible for the Alaska Cares program?

They are not eligible if they have already received the funding. Businesses that obtain funding from SBA, PPP, EIDL, or other federal funding made available under the cares Act do not qualify.

3. Do you need to have a driver's license to apply or will a state issued ID suffice (the application asks specifically for a driver's license)

Any form of official government photo identification will suffice.

4. If a business doesn't have a DUNS number (many don't) do they just leave that field blank? It's bolded on the application making it look like it's required.

If a business does not have a DUNS number they should leave the field blank.

5. What is the best documentation to show "payroll" for self-employed sole proprietors? Will a 1040C from the prior year be sufficient?

Sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment are eligible. A tax document such as a 1040C from the previous year verifying the eligible income elements is required.

6. Can independent contractors be counted under payroll calculations?

See Number 5.

7. Are taxes included in eligible expenses? (payroll, property, etc)

Property Tax or other taxes that would be revenue replacement for local or state governments are not eligible (CARES Act). A tax assessed on compensation that is part of the required payroll process, such as payroll tax, is eligible.

8. Are other forms of CARES Act funds or credits grounds for ineligibility or is it really just the PPP and EIDL? Examples included the individual economic impact payments, unemployment, employer retention credits, business tax credits, commercial fishing funding, etc.

An applicant will be ineligible if they receive funding made available under the CARES Act. The only exception is extended unemployment benefits. However, receipt of extended unemployment benefits will reduce or eliminate eligible payroll expenses.

9. If a business is going to need to purchase liability insurance as part of their reopening, would that be an eligible expense included in the grant amount calculation?

Yes, but only if it is necessary to reopening the business.

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10. If the business already paid a creditor, who should they list on the schedule of expenses, the actual creditor or themselves?

They should list the creditor and indicate the attached invoice has been paid.

11. Why do nonprofits need to have been in business for a year prior to March 11 when businesses only need to have been started on or before March 11

This criterion has been updated to mirror the small business requirements.

12. Is the grant award taxable?

The CARES Act does not discuss the tax treatment of grants. Therefore, the normal tax rules may apply and these grants would generally be considered taxable income to the taxpayer receiving them. A grant recipient should seek professional advice on the tax consequences of receiving funds from AK CARES.

13. If a business is based in Alaska but the owner isn't an Alaska resident will it still be eligible for the AK Cares funding?

Yes, but all other eligibility requirements must be met and only expenses related to the in-state operation of the business will be eligible.

14. Is there any guidance on what qualifies as "business related equipment"?

Equipment that is necessary to operate or reopen the business is eligible. New equipment to expand services or upgrade existing equipment is not eligible.

15. Is there a definition of what qualifies as a "Secondary business" beyond if someone has a job?

Businesses that are a secondary income source or part time endeavor are not eligible.

16. Is there any way to add lost revenue from cancelled events into the grant amount calculation?

No. Unrealized income or revenue is not an eligible expense.

17. Can you clarify "other" federal funding programs under the CARES Act?

An applicant will be ineligible if they receive funding made available under the CARES Act. The only exception is extended unemployment benefits. However, receipt of extended unemployment benefits will reduce or eliminate eligible payroll expenses.

18. Are 30-month JEDC bridge loans an eligible expense?

They are not eligible due to the term of the loan being over the 24-month short term financing exclusion.