

# Apply for Business Resources (ABR) through the Growing MI Business Grant Program

Presented on March 7, 2022



## Today's Agenda

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# Program Overview

The American Rescue Plan Act (ARPA) provides Michigan with funds to respond to the COVID-19 public health emergency and its negative economic impacts. In December 2021, the State of Michigan approved Public Act 132 of 2021, establishing the Growing MI Business Grant Program. The program will distribute up to \$409 million of those ARPA funds to support certain businesses across nine general industries (categories).



## Grants to Address Business Resource Needs

This program is intended to address financial loss realized by select businesses as a result of the COVID-19 pandemic



## \$409M in Total Program Funding

The program seeks to distribute up to \$409 Million of Michigan’s American Rescue Plan Act funds

## Award Methodology Will Vary Based on Operations Date

The date when a business was operating will inform how the grant award is determined

March 2022						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

**Application  
Opened  
on Tuesday,  
March 1  
at 8 a.m. EST**

**Application  
Closes  
on Thursday,  
March 31  
at 11:59 p.m. EDT**

# Program Overview

The American Rescue Plan Act (ARPA) provides Michigan with funds to respond to the COVID-19 public health emergency and its negative economic impacts. In December 2021, the State of Michigan approved Public Act 132 of 2021, establishing the Growing MI Business Grant Program. The program will distribute up to \$409 million of those ARPA funds to support certain businesses across nine general industries (categories).



## Application and Supporting Documentation Will be Required

Businesses will need to complete an application, provide supporting documents, certify information concerning the application and the business, and agree to a Beneficiary Agreement containing terms and conditions of the grant

# Program Eligibility





# Program Eligibility Overview

*To be considered for a Growing MI Business grant, businesses must meet the following criteria:*

## ☐ ELIGIBLE BUSINESS

An eligible business is one that is **not** tax exempt under the internal revenue code of 1986, 26 USC 1 to 9834, **not** a government entity, and falls within one of the nine eligible business categories.

## ☐ LOCATION AND STATUS OF OPERATIONS

Grant is based on business conducted in **Michigan**, and the applicant's business **must be open** and operating at the time of application. Seasonal businesses that are currently closed must intend to reopen for their season in 2022.

## ☐ COMMENCEMENT OF OPERATIONS

Separate eligibility criteria apply to businesses depending on whether a business was operating on October 1, 2019 or whether a business began operating after October 1, 2019 but before June 1, 2020.

## ☐ DECLINE IN SALES AND CERTIFICATION

**Businesses that were in operation on October 1, 2019** must demonstrate that the business's total Michigan sales declined at least 5% between calendar year 2019 and calendar year 2020, after adjustment for any forgiven Paycheck Protection Program (PPP) loans and any federal Restaurant Revitalization (RR) receipts.

**Businesses that began operation after October 1, 2019 but before June 1, 2020** must certify that they were fully or partially closed due to an Executive Order or Epidemic Order issued by the Michigan Department of Health and Human Services (MDHHS).

# Definitions of Eligible Business Categories



## Entertainment Venue

These businesses infer the use of a facility for purposes of spending time engaged as a spectator to a ticketed event.

**Eligible businesses that fall within this category include:**

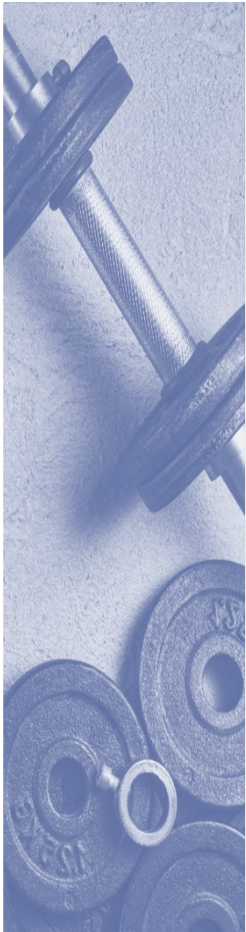
- Auditorium
- Arena
- Banquet hall
- Cinema
- Concert hall
- Conference center
- Performance venue
- Sporting venue
- Stadium
- Theater

If a business does not fall directly within one of the subcategories listed above yet identifies as an entertainment venue business, it may still apply under 'Entertainment Venue: Other'.

Businesses that select 'Entertainment Venue: Other' will need to provide a detailed business explanation and provide documentation of the following:

- ☐ that it owns or leases a facility
- ☐ that it is (or has receipts from) an organization that charges for access to events with a stated duration, and
- ☐ that if it has a source of income that exceeds the rental or the charge for access, this income could not be earned without the access charge

# Definitions of Eligible Business Categories



## Exercise Facility

These businesses have a facility in which individuals participate in individual or group physical activity.

**Eligible businesses that fall within this category include:**

- Gymnasium
- Fitness Center
- Exercise Studio

If a business does not fall directly within one of the subcategories listed above yet identifies as an exercise facility business, it may still apply under 'Exercise Facility: Other'.

Businesses that select 'Exercise Facility: Other' would need to provide a detailed business explanation and provide documentation of the following:

- ☐ that it owns or leases a facility in which individuals participate in individual or group physical activity akin to a gymnasium, fitness center or exercise studio, and/or
- ☐ that it charges individuals for access to the facility for the purpose of engaging in physical exercise
- ☐ if another income stream predominates, its flow/generation must be contingent on the access charge to the facility



# Definitions of Eligible Business Categories



## Recreation Facility / Place of Public Amusement

These businesses infer the use of a facility for purposes of spending time engaged in some identifiable leisure activity, not as a spectator to a ticketed event.

**Eligible businesses that fall within this category include:**

- Amusement park
- Arcade
- Bingo hall
- Bowling alley
- Casino
- Nightclub
- Skating rink
- Water park
- Trampoline park

If a business does not fall directly within one of the subcategories listed above, yet identifies as a Place of Public Amusement, it may still apply under 'Place of Public Amusement: Other'.

Businesses that select 'Place of Public Amusement: Other' would need to provide a detailed business explanation and provide documentation of the following:

- ☐ that it owns or leases a facility, and/or
- ☐ that it is (or has receipts from) an organization that charges for access to the facility for purposes of recreation or public amusement, and
- ☐ that if it has a source of income that exceeds the rental or the charge for access, this income could not be earned without the access charge, or the business may be something other than a recreation facility or place of public amusement and may qualify, if at all, on that other basis

# Definitions of Eligible Business Categories



## Food Service Establishment

These businesses all have a facility in which food or drink is prepared for direct consumption through service on the premises or elsewhere. This also includes any other eating or drinking establishment or operation where food is served or provided for the public.

### Eligible businesses that fall within this category include:

- Fixed or Mobile Restaurant
- Coffee Shop
- Cafeteria
- Short Order Cafe
- Luncheonette
- Grill
- Tearoom
- Tavern
- Bar
- Cocktail Lounge
- Drive-In
- Rental Hall
- Catering Kitchen
- Delicatessen
- Theater
- Commissary
- Food concession
- Sandwich Shop
- Soda fountain
- Industrial Feeding Establishment
- Private Organization Serving the Public

# Definitions of Eligible Business Categories



## Cosmetologist or Barber Operating as a Business

Both cosmetologist or barber shop businesses fall within this eligible business category.

- "Cosmetologist" means an individual who performs or offers to perform 1 or more cosmetology services. "Cosmetology services" includes hair care services, skin care services, manicuring services, and electrology
- "Barber" means a person who shaves or trims the beard of a person; cuts, trims, shampoos, relaxes, curls, permanently waves, dresses, tints, bleaches, colors, arranges, or styles the hair of a person; massages the face and head of a person; or renders personal services of a similar nature customarily done by a barber

Applicants who fall under "Cosmetologist or Barber" will be required to verify their license status.

# Definitions of Eligible Business Categories



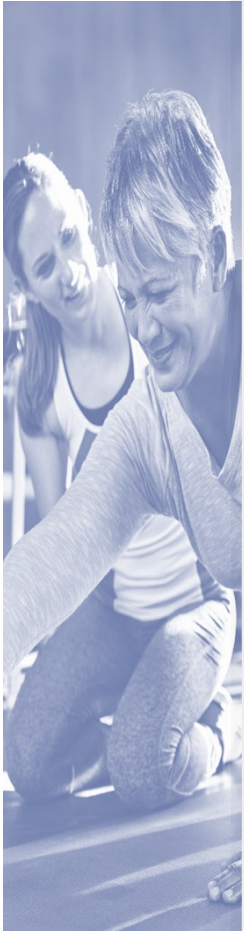
## Nursery Dealer or Nursery Grower

Both nursery dealer and nursery grower businesses fall within this eligible business category.

- "Nursery" means any grounds or premises on or in which nursery stock is propagated, grown, or cultivated for the purpose of distributing or selling nursery stock as a business
- "Nursery grower" means a person owning, leasing, managing, or in charge of a nursery
- "Nursery dealer" means a person that is not a grower or an original producer of nursery stock in this state, that buys nursery stock for the purpose of reselling or reshipping independently of the control of any nursery grower or nursery dealer, or that is engaged with a nursery grower or nursery dealer in handling nursery stock on a consignment basis

Applicants who fall under "Nursery Dealer or Nursery Grower" will be required to verify their license status.

# Definitions of Eligible Business Categories



## Athletic Trainer Operating as a Business

Athletic trainers operating as a business fall within this eligible business category.

- "Athletic trainer" means an individual engaged in the practice of athletic training.
- "Practice of athletic training" means the treatment of an individual for risk management and injury prevention, the clinical evaluation and assessment of an individual for an injury or illness, or both, the immediate care and treatment of an individual for an injury or illness, or both, and the rehabilitation and reconditioning of an individual's injury or illness, if those activities are within the rules promulgated under section 17904 and performed under the direction of, on the prescription of, or in collaboration with an individual licensed under part 170 or 175
- The practice of athletic training does not include the practice of physical therapy, the practice of medicine, the practice of osteopathic medicine and surgery, the practice of chiropractic, or medical diagnosis or treatment

Applicants who fall under "Athletic Trainer" will be required to verify their license status.

# Definitions of Eligible Business Categories



## Body Art Facility

Body art facilities fall within this eligible business category.

- “Body art facility” means the location at which an individual does 1 or more of the following:
  - ☐ Performs tattooing
  - ☐ Performs branding
  - ☐ Performs body piercing

Applicants who fall under “Body Art Facility” will be required to verify their license status.



# Definitions of Eligible Business Categories

## Hotel and Bed and Breakfast

Hotels and bed and breakfasts fall within this eligible business category.

- “Hotel” means a building or structure kept, used, maintained as, or held out to the public to be an inn, hotel or public lodging house
- “Bed and Breakfast” means a single-family residential structure that meets all of the following criteria:
  - ☐ Has 10 or fewer sleeping rooms, including sleeping rooms occupied by the innkeeper, 1 or more of which are available for rent to transient tenants
  - ☐ Serves meals at no extra cost to its transient tenants
  - ☐ Has a smoke detector in proper working order in each sleeping room and a fire extinguisher in proper working order on each floor
- Landlord/tenant relationships are not within the scope of this program’s relief
- Home sharing and short-term rentals (e.g., Airbnb, VRBO) are not within the scope of this program’s relief

Applicants who fall under “Hotel” or “Bed and Breakfast” will be required to verify their license status.

# Considerations for Specific Ownership Structures

## Businesses Structured as Partnerships or Franchises

To apply for the Growing MI Business Grant Program, an owner/applicant does **not** need to reside in Michigan. Businesses with multiple locations, including nationwide, are eligible to apply. However, the grant award will be based only on sales and operations for the business location(s) Michigan.

### National and Regional Franchises

- Businesses structured as franchises must have a location open and operating in Michigan in order to apply
- The **business owner**, not the franchise operator, should complete the application
  - The business owner applying for the Michigan business(es) does not need to reside in Michigan

### Partnerships

- For businesses structured as partnerships, the **general partner** or primary owner should complete the application
  - The general partner or primary owner does not need to reside in Michigan
  - Silent partners, investors, and other limited partners should not complete the application
  - If the business ownership is shared equally among co-owners as defined in the partnership agreement, any one co-owner may apply

# Required Application Documentation

## ☐ Upload calendar year 2019 & 2020 annual Michigan tax returns:

- For businesses that are food service establishments, hotels, or bed & breakfasts, upload your annual Sales, Use, Withholding Taxes combined return, meaning a 5081 (or amended 5082 if applicable)
- For businesses organized as a C-Corp or LLC filing federal as a C-Corp, please upload your corporate income tax return
- For business organized as Sole Proprietorships, please upload your Michigan individual income tax return (MI-1040), or amended return (form 5530)

## ☐ Upload your calendar year 2019 & 2020 federal income tax returns:

- For businesses organized as a C-Corp or LLC filing federally as a C-Corp, please upload your federal 1120 return
- For businesses organized as an S-Corp, please upload your federal 1120S return
- For business organized as a LLC, please upload your federal 1065 return
- For business organized as Sole Proprietorships, please upload your federal 1040 return

## ☐ Copy of facility lease evidencing lease cost paid for CY 2020 (if applicable)

## ☐ Documentation of total (non-residential) property tax paid and Summer and Winter Property Tax invoices for CY 2020 *(two individual uploads)*

## ☐ Copy of on-premise retail liquor license, food service establishment license and fees paid during CY 2020 (if applicable), and any other applicable current business license(s) and inspection fees paid in CY 2020

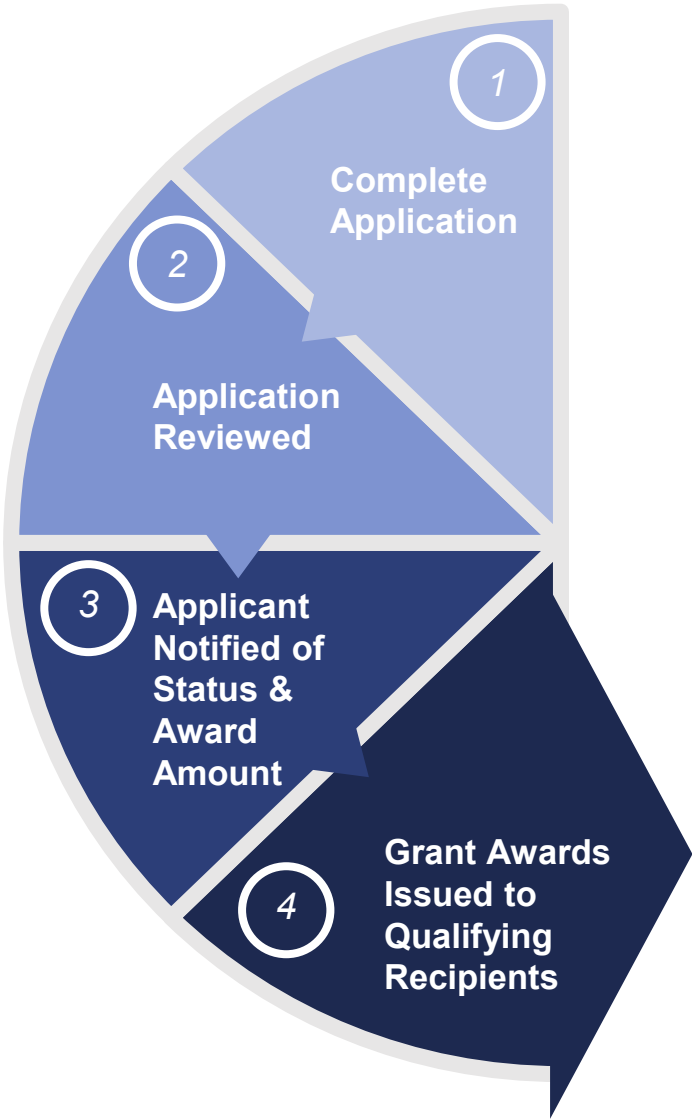
## ☐ Copy of current business registration and, if applicable, copy of Certificate of Good Standing

## ☐ Audited financial statements for 2019 and 2020 (if available)

# Application Process



# Application Timeline and Key Dates



Dates	Activities
February 2022	Public information sessions held, detailed instructions on the web-based application, and step-by-step application instructions posted
March 1, 2022	Application opened at 8 a.m. and can be accessed on the Department of Treasury website - <b>www.Michigan.gov/abr</b>
March 31, 2022	<b>Application closes at 11:59 p.m. EDT March 31</b> No late applications will be accepted as the web-based application will be locked upon close
April to May 2022	Application review, award determination, and proration of grant awards (if necessary)
June 2022	Applicants will be notified of their pending award and the award amount
July 1, 2022	All payments will be issued via ACH Transfer prior to July 1, 2022
September 30, 2022	The Department of Treasury is to post a report of all awarded grants pursuant to PA 132

# Application: Tab 1 – Applicant Information

Applicant Information

Business Information

Bank Information

Financial Information

Supporting Documentation

Certifications

Submission

## Applicant Information

\* (required) Applicant Point of Contact First Name

\* (required) Applicant Point of Contact Last Name

\* (required) Applicant Point of Contact Relationship to Business (Title)

\* (required) Applicant Point of Contact Daytime Phone Number (no dashes, numerical only)

\* (required) Applicant Point of Contact Email Address

Skip

Save and Continue



# Application: Tab 2 – Business Information



## Business Information

\* (required) Business Entity Name

Doing Business As (if applicable)

\* (required) Business Entity Phone Number (no dashes, numerical only)

Business Unique Entity Identifier (UEI) issued by SAM.gov

Business Website (if applicable)

Business Social Media Links (if applicable)

# Application: Tab 3 – Bank Information

Applicant Information

Business Information

Bank Information

Financial Information

Supporting Documentation

Certifications

Submission

## Bank Information

\* (required) Bank Name

\* (required) Bank Account Number

\* (required) Bank Routing Number

\* (required) Type of Account

--None--

Previous

Skip

Save and Continue

# Application: Tab 4 – Financial Information



## Financial Information

\* (required) Total Sales in Michigan in calendar year 2019

\* (required) Total Sales in Michigan in calendar year 2020

\* (required) Did your business have sales outside of Michigan for calendar year 2019?

--None--

\* (required) Did your business have sales outside of Michigan for calendar year 2020?

--None--

Total Michigan Property Tax paid for calendar year 2020 (Do not include property tax paid on residential property) (if applicable)

# Application: Tab 5 – Supporting Documentation

Applicant Information	Business Information	Bank Information	Financial Information	Supporting Documentation	Certifications	Submission
Document Name	Required	File Name	Delete File			
Michigan Tax Return Calendar Year 2020	<input checked="" type="checkbox"/>		<div>Delete</div>			
<div>Upload Files</div>						
Copy of W-9 (W-8 if Foreign Entity)	<input checked="" type="checkbox"/>		<div>Delete</div>			
<div>Upload Files</div>						
Certificate of Good Standing (only for C-Corp, S-Corp, or LLC)	<input type="checkbox"/>		<div>Delete</div>			
<div>Upload Files</div>						
Audited Financial Statement 2019 (optional)	<input type="checkbox"/>		<div>Delete</div>			

# Application: Tab 6 – Certifications

Applicant  
Information

Business  
Information

Bank  
Information

Financial  
Information

Supporting  
Documentation

**Certifications**

Submission

## Certifications

(required) My business is a non-tax exempt, non-governmental entity.

\* (required) ☐

unchecked

(required) I understand and agree that my business must use all Growing MI Business Grant funds in accordance with all applicable state and federal requirements, as per PA 132 Sec. 401 & the U.S. Treasury Final Rule, as well as those included in the Beneficiary Agreement that I must execute in order to receive this grant award.

\* (required) ☐

unchecked

(required) I understand that if I falsify any certification that I am required to make in order to receive Growing MI Business Grant funds, I will be required to forfeit and repay to the State of Michigan any Growing MI Business Grant funds paid to my business.

\* (required) ☐

unchecked

(required) I understand that depending on the number of eligible businesses that apply for the Growing MI Business Grant and the total amount of funds available, my grant may be pro-rated to ensure that all eligible and qualifying businesses receive grant awards.

\* (required) ☐

unchecked

(required) I declare and affirm under the penalties of perjury that this application, and all information provided in support of this application, has been examined by me, and to the best of my knowledge and belief, is in all things, complete, true and correct.

# Application: Tab 7 – Submission & Beneficiary Agreement



STATE OF MICHIGAN  
GROWING MI BUSINESS GRANT PROGRAM  
BENEFICIARY AGREEMENT

<b>Recipient name and address:</b> Name 222 Main Ann Arbor 48105 MI	<b>UEI/DUNS/SAM Number:</b> <b>Taxpayer Identification Number:</b>
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Sections 602(b) and 603(b) of the Social Security Act as added by section 9901 of the American Rescue Plan Act (ARPA), Pub. L. No. 117-2 (March 11, 2021) established the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) to provide state, local, and tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. Pursuant to this plan, the State of Michigan (State) has received federal funds that may be used to respond to the public health emergency or its negative economic impacts.

The State has determined it is necessary to provide economic support and aid to Michigan businesses in certain industries impacted by business interruptions or other effects from the COVID-19 emergency and has established a Growing MI Business grant program pursuant to Public Act 132 of 2021 (PA 132) for this purpose. The ABR program has launched a website through which it is accepting applications for this assistance.



# What to Expect After Submitting an Application

- ❑ **Once you submit, you will receive an automated email confirming your submission.** If you do not receive this email, please check for an email coming from **Treas-abr@michigan.gov**. You may need to check your spam filter if you do not receive it.
- ❑ **If contacted, please respond within 5 business days.** In certain instances, you may be contacted to clarify information provided in your application or to provide additional documentation. All application-related communications will be directed to the contact information provided in the application under the 'Applicant Point of Contact' field. If you do not reply to the information request in a timely manner (5 business days), your application will be deemed ineligible.
- ❑ **When a grant award has been determined.** You'll receive an email acknowledging denial or approval and specifying the award amount. If you have any questions about these documents or don't receive updates on your application, please contact **Treas-abr@michigan.gov**.

# Award Calculations



# Award Determinations Overview

Two key calculations, outlined below, are integral to determining a business's grant award. These calculations are fully defined in Public Act 132, the enabling legislation for the Growing MI Business Grant Program.

## Decline in Total Michigan Sales (CY 2019 – CY 2020)

- A business's decline in total Michigan sales between CY 2019 and CY 2020 has a direct impact on the final award. Total MI sales in 2020 are adjusted for all Paycheck Protection Program loans forgiven and Restaurant Revitalization Fund receipts
- The decline in total MI sales is equal to the adjusted 2020 total MI sales subtracted from 2019 total MI sales
- The percentage decline in total MI sales is used to determine whether a business qualifies to receive an award equal to 100 percent of its financial hardship or an award adjusted to 75 percent, 50 percent, or 25 percent of its financial hardship
- ***Note, for businesses that started after 10/1/2019 but before 6/1/2020, a decline in total MI sales is not considered for an award***

## Financial Hardship

- The financial hardship of a business is equal to the sum of certain, regular expenses paid in 2020. These include non-residential property tax or 17 percent of annual lease costs, 50 percent of unemployment insurance taxes, on-premise retail liquor license fees, and any other business license or inspection fees
- The financial hardship represents the maximum possible grant award for a given business

# Award Determinations Overview

For businesses in operation on October 1, 2019, final awards are determined using the decline in total Michigan sales and the financial hardship amount. For businesses that started after October 1, 2019 but before June 1, 2020, final awards are determined using only the financial hardship amount. **All awards are verified for duplication of benefits against prior COVID-19 aid relief received.**

## Award Determination Steps

### Businesses in Operation on October 1, 2019

- 1) A business's decline in total MI sales (CY 2019 – CY 2020) is determined
- 2) Financial hardship is calculated and adjusted based on the business's decline in total MI sales. Financial hardship is then subjected to a test of duplication of benefits
  - ***Federal law prohibits Growing MI Business Grant funds from being used to compensate for the same economic loss twice.*** To prevent such duplication of benefits, a business's "uncompensated loss," financial loss for which relief has not yet been received, is determined
  - Uncompensated loss is determined by calculating a business's decline in total sales everywhere (including outside of Michigan) between CY 2019 and CY 2020, offset by all COVID-19 aid received by the business
- 3) The final award is the adjusted financial hardship (Step 1). It cannot exceed a business's uncompensated loss from COVID-19 and \$5 million dollars.

### Businesses Commencing Operation After October 1, 2019 but Before June 1, 2020

- 1) A business's financial hardship is calculated
- 2) The final award is equal to 25 percent of the business's financial hardship amount

# Duplication of Benefits

## *Federal law prohibits ARPA funds from being used to compensate for the same economic loss twice*

In administering this federally-funded Growing MI Business Grant Program, the State of Michigan must comply with all applicable Federal statutes, regulations, and executive orders. Federal rules and regulations prohibit a recipient of this program from receiving federal assistance if that recipient has already been fully compensated for their entire economic loss by any other source of funding.

Receipt of federal funds from other COVID-related funding does not necessarily disqualify an eligible business from relief under Michigan's Growing MI Business Grant Program. However, it may affect the amount of relief available to the business and may even reduce it to zero.

As part of the business certification, businesses must certify the following:

**My business suffered losses during the COVID-19 pandemic. I understand that the purpose of this grant award is to help alleviate those losses. I understand and agree that no portion of any grant award my business receives through this program will be used by me to “alleviate” loss resulting from the COVID-19 Public Health Emergency and its negative economic impacts that has been or will be reimbursed through other sources, including, specifically, all other non-loan COVID relief funds from governmental and private sources.**

# Award Calculation

## Businesses in Operation on October 1, 2019

For businesses in operation on **October 1, 2019**, grant awards will be calculated using 3 primary steps:

### (1) Calculate Decline in Total Michigan Sales (2019 – 2020)

**Decline in total Michigan sales calculation steps:**

- a) Calculate CY 2019 and CY 2020 total Michigan sales
- b) Identify and offset select COVID-19 relief payments:
  - Paycheck Protection Program (PPP) loans forgiven
  - Restaurant Revitalization Fund Program relief received
- c) Subtract adjusted CY 2020 total MI sales from CY 2019 total MI sales
- d) Verify the percent decline in total Michigan sales is equal to or greater than 5 percent

Sample Calculation – Food Truck Vendor	
a) CY 2019 MI sales	200,000
a) CY 2020 MI sales	100,000
b) Sum of PPP and RRF payments	455 (Restaurant Rev. Fund)
c) Adjusted CY 2020 MI sales	100,000 + 455 = 100,455
d) Decline in total Michigan sales	200,000 - 100,455 = <b>\$99,545</b>
e) % Decline in total Michigan sales	(99,545/200,000) * 100 = <b>49.8%</b> <i>Eligible for grant funding</i>

*The decline in total Michigan sales between calendar year 2019 and 2020 must be equal to or greater than 5 percent for an applicant to be eligible for the Growing MI Business Grant Program*



# Award Calculation

## Businesses in Operation on October 1, 2019

For businesses in operation on **October 1, 2019**, grant awards will be calculated using 3 primary steps:

### (2) Calculate the Cap on Applicant’s Financial Hardship (Award Cap)

**Financial Hardship is limited by the sum of the following 5 factors paid in CY 2020:**

- a) MI property tax paid (or 17% of lease costs paid by the business owner)
- b) 50% of MI unemployment insurance taxes
- c) The amount of on-premise retail liquor license fees
- d) The amount of license required inspection fees paid under the Michigan Food Inspection law
- e) The amount of any other business license or inspection fees

*The sum of the above factors represents the Award Cap—the maximum grant an applicant may receive through the Growing MI Business Grant Program. The final award amount is further determined through Step 3*

Sample Calculation – Food Truck Vendor	
a) Lease costs	7,500 * 0.17 = 1,275
b) MI unemployment insurance taxes	0 (no employees)
c) On-premise retail liquor license fees	0 (N/A)
d) License required inspection fees	500
e) Other business license or inspection fees	0
Cap on Financial Hardship (Sum of a – e)	1,275 + 500 = \$1,775

# Award Calculation

## Businesses in Operation on October 1, 2019

For businesses in operation on **October 1, 2019**, grant awards will be calculated using 3 primary steps:

### (3) Determine the Grant Award

The grant award is a percentage of an applicant’s Financial Hardship, determined by the decline in total sales capped by the amount determined in Step 2 (subject to a test of duplication of benefits):

% Decline in 2019-2020 Michigan Total Sales	Potential Grant Award
20% or more	100% of financial hardship
≥15% but <20%	75% of financial hardship
≥10% but <15%	50% of financial hardship
≥5% but <10%	25% of financial hardship

Sample Calculation – Food Truck Vendor	
% Decline in total Michigan sales	$(99,545/200,000) * 100 = 49.8\%$
Financial Hardship	1,775
Grant Award	\$1,775 (100% of financial hardship)

# Award Calculation

## *Commencing Operation After October 1, 2019 but before June 1, 2020*

For businesses beginning operation **after October 1, 2019 but before June 1, 2020**, grant awards will be calculated using 2 primary steps:

### (1) Calculate the Applicant's Financial Hardship

**Because businesses in this category lack sufficient comparative sales data, Financial Hardship is equal to the sum of the following 5 factors paid for CY 2020:**

- a) MI property tax paid (or 17% of lease costs paid by the business owner)
- b) 50% of MI unemployment insurance taxes
- c) The amount of on-premise retail liquor license fees
- d) The amount of license required inspection fees paid under the Michigan Food Inspection law
- e) The amount of any other business license or inspection fees

#### Sample Calculation – Food Truck Vendor

a) Lease costs	$7,500 * 0.17 = 1,275$
b) MI unemployment insurance taxes	0 (no employees)
c) On-premise retail liquor license fees	0 (N/A)
d) License required inspection fees	500
e) Other business license or inspection fees	0
<b>Financial Hardship (Sum of a – e)</b>	<b><math>1,275 + 500 = \\$1,775</math></b>

# Award Calculation

## Commencing Operation After October 1, 2019 but Before June 1, 2020

For businesses beginning operation **after October 1, 2019 but before June 1, 2020**, grant awards will be calculated using 2 primary steps:

### (2) Determine the Grant Award

The grant award is **equal to 25 percent** of the applicant's Financial Hardship, calculated in Step 1

Sample Calculation – Food Truck Vendor	
Financial Hardship	1,775
Grant Award	$1,775 * 0.25 = \$443.75$ (25% of financial hardship)

# Sample Award Calculation 2

## Restaurant Chain Operating in Michigan on October 1, 2019

### (1) Calculate Decline in Total Michigan Sales (2019 – 2020)

Sample Calculation – Restaurant Chain	
a) CY 2019 MI sales	2,000,000
a) CY 2020 MI sales	1,800,000
a) CY 2020 sales everywhere	6,700,000
<b>b) Sum of PPP and RRF payments</b> <i>(applied to MI 2020 sales only):</i> PPP Loan Forgiven: \$80,000 RRF Receipts: \$100,000	<b>PPP:</b> $80,000 * (1,800,000/6,700,000) = 21,493$ <b>RRF:</b> $100,000 * (1,800,000/6,700,000) = 26,866$ $21,493 + 26,866 = 48,359$
c) Adjusted CY 2020 MI sales	$1,800,000 + 48,359 = 1,848,359$
d) Decline in total Michigan sales	$1,848,359 - 2,000,000 = \mathbf{\$151,641}$
e) % Decline in total Michigan sales	$(151,641/2,000,000) * 100 = \mathbf{7.6\%}$ <i>Eligible for grant funding</i>

For businesses with sales outside of Michigan, PPP and Restaurant Revitalization payments will be multiplied by the **fraction** of the business's total CY 2020 sales made in Michigan only.

# Sample Award Calculation 2

## *Restaurant Chain Operating in Michigan on October 1, 2019*

### (2) Calculate the Cap on Applicant's Financial Hardship (Award Cap)

Sample Calculation – Restaurant Chain	
a) 2020 property tax paid + 17 % of annual lease costs (if applicable)	$1,000 + (100,000 * 0.17) = 18,000$
b) 50% of MI unemployment insurance taxes	14,000 (Michigan employees)
c) On-premise retail liquor license fees	1,000 (Class C license)
d) License required inspection fees	1,000
e) Other business license or inspection fees	1,000
Financial Hardship (Sum of a – e)	$18,000 + 14,000 + (3 * 1,000) = \$35,000$

The sum of factors (a) – (e) represents the **Award Cap**—the maximum grant this applicant may receive through the grant program. The final award amount is further determined through Step 3.

# Sample Award Calculation 2

## Restaurant Chain Operating in Michigan on October 1, 2019

### (3) Determine the Grant Award

Sample Calculation – Restaurant Chain	
% Decline in total MI sales	$(151,641/2,000,000) * 100 = 7.6\%$
Adjusted Financial Hardship	$35,000 * 0.25 = 8,750$
Test of duplication of benefits:	
Total decline in sales everywhere CY 2019 - 2020	$6,700,000 - 10,000,000 = 3,300,000$
Total COVID-19 relief received: Total PPP + RRF + other COVID-19 aid	$80,000 + 100,000 + 150,000 = 330,000$
Total uncompensated loss	$3,300,000 - 330,000 = \mathbf{2,970,000}$
Grant Award (lesser of adjusted Financial Hardship and total uncompensated loss)	<b>\$8,750</b>

For businesses in operation on October 1, 2019, final awards are partly determined using the decline in total Michigan sales and the financial hardship amount.

% Decline in MI Total Sales	Potential Grant Award
20% or more	100% of financial hardship
≥15% but <20%	75% of financial hardship
≥10% but <15%	50% of financial hardship
≥5% but <10%	25% of financial hardship

# Additional Information & Checklists





# Eligibility Checklist

## For businesses that were in operation on 10/1/19

- ❑ **Confirm your business type is eligible.** Public Act 132 of 2021 identified eligible businesses which, due to their specific industry, were most likely to have suffered financial hardship. An eligible business meets the following criteria:
  - ✓ has a business operated in Michigan,
  - ✓ is not tax exempt under the internal revenue code of 1986, 26 USC 1 to 9834,
  - ✓ is not a government entity,
  - ✓ falls within one of the nine eligible business categories,
  - ✓ and is currently open for business.
- ❑ **Did your business have a decline in total Michigan sales between calendar year 2019 and 2020 equal to or greater than 5 percent?** If not, you are ineligible at this time. Businesses that were in operation on or before October 1, 2019 must certify that they have sustained a loss of at least 5% in total sales between calendar year 2019 and calendar year 2020. The decline in total sales will also be adjusted for any apportioned Paycheck Protection Program (PPP) receipts and any apportioned Restaurant Revitalization (RR) receipts.
- ❑ **Provide information on financial hardship.** The sum of the following fixed costs determines the amount at which your business's financial hardship is capped: 2020 MI property tax paid (or 17% of lease costs paid by the business owner), 50% of MI unemployment insurance taxes, amount of on-premise retail liquor license fees, amount of license required inspection fees paid under the Michigan Food Inspection law, and the amount of any other state license or inspection fees paid during calendar year 2020.
- ❑ **Submit a complete application.** An eligible business will have qualified for a grant if, and only if, the business has submitted a completed grant application, has provided supporting financial documentation, and certified and attested, under penalty of perjury to numerous statutory requirements. Applications will be accepted up until March 31 at 11:59 p.m. EDT. Paper applications will not be accepted.

# Eligibility Checklist

For businesses that began operating after 10/1/19 but before 6/1/20

- ☐ **Confirm your business type is eligible.** Public Act 132 of 2021 identified eligible businesses which, due to their specific industry, were most likely to have suffered financial hardship. An eligible business meets the following criteria:
  - ✓ has a business operated in Michigan,
  - ✓ is not tax exempt under the internal revenue code of 1986, 26 USC 1 to 9834,
  - ✓ is not a government entity,
  - ✓ falls within one of the nine eligible business categories,
  - ✓ and is currently open for business.
- ☐ **Certify that your business was fully or partially closed due to COVID-19 Public Health Emergency.**

Businesses that began operation after October 1, 2019 but before June 1, 2020 must certify that they were closed or partially closed due to an executive order or epidemic order issued by the Michigan Department of Health and Human Services.
- ☐ **Provide information on financial hardship.** Due to the lack of comparative sales data for businesses in this category, the sum of the following fixed costs determines the amount of your business's financial hardship: 2020 MI property tax paid (or 17% of lease costs paid by the business owner), 50% of MI unemployment insurance taxes, amount of on-premise retail liquor license fees, amount of license required inspection fees paid under the Michigan Food Inspection law, and the amount of any other state license or inspection fees paid during calendar year 2020.
- ☐ **Submit a complete application.** An eligible business will have qualified for a grant if, and only if, the business has submitted a completed grant application, has provided supporting financial documentation, and certified and attested, under penalty of perjury to numerous statutory requirements. Applications will be accepted up until March 31 at 11:59 p.m. EDT. Paper applications will not be accepted.

# Application Checklist

## ☐ CONTACT INFORMATION

Phone number(s) and email address(s) for both the business and an application point of contact

## ☐ EMPLOYEE IDENTIFICATION NUMBER (EIN)

Your Federal Tax Identification Number is used to identify a business entity. You can determine your eligibility and apply for an EIN at the IRS website

## ☐ PROOF OF BUSINESS REGISTRATION

Evidence of current business registration with the Michigan Department of Licensing and Regulatory Affairs (LARA) proving the existence of your business

## ☐ EVIDENCE OF TOTAL (NON-RESIDENTIAL) PROPERTY TAX PAID

Documentation of MI Property Tax paid for CY 2020 and Invoice for Summer and Winter property tax (if applicable)

## ☐ EVIDENCE OF FACILITY LEASE COST (if applicable)

Copy of facility lease evidencing lease cost for CY 2020

## ☐ EVIDENCE OF STATE UNEMPLOYMENT INSURANCE PAID (if applicable)

Evidence of Michigan unemployment insurance for CY 2020

## ☐ CALENDER YEAR 2019 CALENDER YEAR 2020 AUDITED FINANCIAL STATEMENTS (if available)

## ☐ 2019 AND 2020 FEDERAL TAX RETURN(S)

- For businesses organized as a C-Corp or LLC filing federally as a C-Corp, please upload your federal 1120 return
- For businesses organized as an S-Corp, please upload your federal 1120S return
- For business organized as a LLC, please upload your federal 1065 return
- For business organized as Sole Proprietorships, please upload your federal 1040 return

## ☐ 2019 AND 2020 STATE TAX RETURN(S)

- For businesses that are food service industry, hotel, and bed & breakfast, upload your annual Sales, Use, Withholding Taxes combined return, meaning a 5081 (or amended 5082 if applicable)
- For businesses organized as a C-Corp or LLC filing federal as a C-Corp, please upload your corporate income tax return
- For business organized as Sole Proprietorships, please upload your Michigan individual income tax return, meaning MI-1040, or amended return, meaning form 5530

## ☐ OTHER FINANCIAL INFORMATION

Additional financial information that will be required includes 1) Payroll Protection Program (PPP) loan that was forgiven 2) federal Restaurant Revitalization Grant 3) on-premises retail Liquor License Fee 4) Food Inspection Fee 5) Other state license and inspection fees, and 6) the amount of all other COVID-19 related assistance received

## ☐ CERTIFICATE OF GOOD STANDING (if applicable)

A Michigan certificate of good standing verifies that a limited liability company (LLC) or corporation was legally formed and has been properly maintained



# For More Information

## QUESTIONS?

Find FAQs and additional resources online  
**[www.michigan.gov/abr](http://www.michigan.gov/abr)**

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## STILL NEED ASSISTANCE?

Email **[Treas-abr@michigan.gov](mailto:Treas-abr@michigan.gov)**

Call **(866) 507-8462**

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## SUSPECT FRAUD BY AN INDIVIDUAL OR BUSINESS SEEKING A GRANT?

Report suspected fraud at

**[Treas-ABRFraudReporting@michigan.gov](mailto:Treas-ABRFraudReporting@michigan.gov)**

*(anonymous reporting available)*