

Good morning to all:

The information below is a short guide to Alaska's small-business aid program that starts Monday June 1. It is important to note that the final standards set by AIDEA do not permit businesses who have previously received federal aid in the form of the Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan Emergency Advance (EIDL) from receiving the new State of Alaska funding from this project. Unfortunately, this is going to be a problem for many small businesses who did receive PPP or EIDL funding over a month ago that was meant as a stop gap measure for a short term shut down, not a three month closure. If your business is deemed ineligible for this funding program, but you have been financially injured by the COVID-19 mandated shutdown far beyond what federal emergency funding you received previously, the State's Community Assistance Program is providing significant funding to municipalities and small communities so they can design their own individual standards of eligibility in order to provide direct grant funding as best fits their needs. Stay engaged with your local government as they create an application process that meets the needs of your business.

SWAMC has contracted with LIVESTORIES to provide a free "one stop shopping" online service that connects individual businesses with all Federal, State and Local financial assistance programs on one page, simply and quickly allowing you to apply for any grants, loans or local tax/utility deferments, and we hope to have the links sent to local business and regional organizations early next week. SWAMC is able to provide this service for our region due to grant funds received from the Department of Commerce for the purpose of technical assistance and support for our small businesses.

AK CARES, the new program funded by the federal government's CARES Act, will be administered by the Alaska Department of Commerce and facilitated by Credit Union 1, the contractor hired by the state. The state's program will provide grants, which do not have to be repaid. AIDEA officials have previously said they expect the \$290 million to cover between 5,000 and 7,000 businesses before the money runs out. The program is limited to businesses and nonprofits licensed and established on or before March 11, 2020. The business must have 50 or fewer full-time employees, on average. The business has to be "based, licensed and located in Alaska." Sole proprietorships can apply. Two kinds of nonprofits — 501(c)(3) and 501(c)(19) — are specifically allowed to apply if they have been active in the previous year, their IRS forms are up to date, and they are operated by a majority-Alaskan board of directors. A business is eligible for a grant of between \$5,000 and \$100,000. There's only one grant per business license, and subsidiaries cannot apply separately. The term "eligible expenses" includes payroll, short-term — less than 24 months — debt that was needed to keep the business afloat during the pandemic, utilities, the cost of personal protective equipment, rent/mortgage payments, or the cost of replenishing inventory needed to reopen (such as replacing expired food). This funding is not a loan, it is a straight out grant. No repayment is required.

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To apply, a business needs to complete a copy of the as-yet-unreleased business grant application, a copy of the current business license, all [documents needed to open a business account with Credit Union 1](#), and a completed list of “eligible expenses.” The state is recommending bank statements/credit card statements, invoices, payroll reports, purchase orders, lease agreements and billing statements to prove the maximum amount of eligible expenses. Businesses are not required to open a business account at Credit Union 1 in order to apply, but a business does have to have an account in order to receive money from a successful application. The company has said it will donate the \$5 membership cost. The application will be available June 1, the first day that they can be submit.

<https://www.cu1.org/> Home page for Credit Union One

<https://www.commerce.alaska.gov/web/ded/AKCARESGrant/FAQ.aspx> Frequently asked questions regarding eligibility and rules for small business grant funding.

<https://assets.ctfassets.net/79es7xr9jhws/2pWczQpr4immtQWoc0jHDN/52160a8631d248a094095768aa366a33/CU1-Business-Services-Checklist.pdf> Credit Union One list of documents needed to apply on June 1

Please pass this information on to your communities small businesses and non-profits, and let me know if you have questions, concerns or need clarification. We will be following up when we have the link to the FORWARD program ready to roll next week. We are here to help!

Take care,
Shirley

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