Coronavirus Relief Fund Grants for Hawai‘i Island Recovery Initiatives

Frequently Asked Questions – Non-profit and Business Grants

WHO IS ELIGIBLE TO APPLY?

- Non-profits and Businesses registered with the Hawai‘i Department of Commerce and Consumer Affairs (DCCA).
- Non-DCCA Registered sole proprietorships that file an IRS Form 1040 Schedule C or F.
- Must have been established and registered for business with the State of Hawai‘i prior to March 23, 2020, date of the Governor’s 2003162-ATG Third Supplementary Proclamation issuing an Order stating “All Persons in the State Must Stay at Home or in Their Place of Residence” with the exceptions for essential business or operations.
- Must have 50 or fewer employees including full time, part time, and casual.

IS THIS A GRANT OR A LOAN?

- This is a reimbursement program, (One (1) time only), that offers up to $10,000 to businesses that qualify with proof of payment for expenses being claimed

HOW DO I APPLY FOR THIS GRANT?
Go to www.hawaiicounty.gov/cares or www.holomuahawaii.com. Be sure to read this FAQ document and the documentation requirements prior to beginning the application. You will need your Hawai‘i State GET number for your application to be properly routed. The website will also inform you what personal and business information you should prepare beforehand as the actual Application will be handled by the Credit Union to which you will be directed.

CAN I SELECT WHICH CREDIT UNION TO GO FOR THE GRANT?

- No. Your grant application will be assigned to a Credit Union based on your General Excise Tax License number.
- To ensure speed of application and payment, participating Credit Unions have agreed to handle requests based on the last four digits of the Applicant’s State GET number. You will be assigned to a credit union based your GET number.
HOW DO I KNOW WHICH CREDIT UNION IS WORKING ON MY GRANT APPLICATION?

- Contact the Credit Union that is assigned to the last four digits of your GET License. **NEW**

  For Example: If your GET# is 3456789-01, the last four would be 8901, and your application would go to HawaiiUSA FCU.

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<thead>
<tr>
<th>Last four digits</th>
<th>Credit Union</th>
<th>Phone#</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000 - 1700</td>
<td>CU Hawaii Federal Credit Union</td>
<td>(808) 933-6700</td>
</tr>
<tr>
<td>1701 – 3400</td>
<td>HFS Federal Credit Union</td>
<td>(808) 930-1400</td>
</tr>
<tr>
<td>3401 – 4600</td>
<td>Hawaii County Employees Federal Credit Union</td>
<td>(808) 935-2969</td>
</tr>
<tr>
<td>4601 - 6600</td>
<td>Hawaii Community Federal Credit Union</td>
<td>(808) 930-7700</td>
</tr>
<tr>
<td>6601 - 8300</td>
<td>Big Island Federal Credit Union</td>
<td>(808) 935-6665</td>
</tr>
<tr>
<td>8301 - 9999</td>
<td>HawaiiUSA Federal Credit Union</td>
<td>(808) 844-8995</td>
</tr>
<tr>
<td>Non-Profit with no GET#</td>
<td>HawaiiUSA Federal Credit Union</td>
<td>(808) 844-8995</td>
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WHAT TYPES OF COSTS ARE REIMBURSABLE?

- Costs incurred from business interruption due to the COVID-19 Emergency Proclamations promulgated on March 23, 2020 for the period where the non-profit and business was impacted.
- Examples of expenditures include Rent, Payroll, non-Government Utilities, and costs incurred to meet requirements of social distancing and employee/customer safety such as provision of hand sanitizers, disinfecting, installation of barriers/protection devices, signs, and electronic/automation equipment.
- Medical insurance premiums, workers comp and other annual expenses that are required to operate the non-profit or business that is prorated for the period in which the entity was impacted by the public health emergency.

IF I FILE A SCHEDULE C, DOES MY NET PROFIT QUALIFY AS PAYROLL? **NEW**

- Yes. The 2019 Schedule C must be provided along with pages 1 and 2 of IRS form 1040. Proof of payment made to the business owner after March 23, 2020 must also be provided. The maximum amount that is reimbursable is calculated on a prorated basis using the 2019 net profit.

WHAT IS NOT REIMBURSABLE?

- Those costs in the listing for reimbursable expenses that have already been compensated for under Federally funded CARES Act funds such as Paycheck Protection Plan (PPP) or Economic Injury Disaster Loan (EIDL). Applicants must certify these funds, if received, did not pay for items being claimed.
- Taxes, except for taxes on sales, are not reimbursable.
WHAT ARE THE QUALIFICATIONS?
• For full listing, see www.hawaiicounty.gov/cares or www.holomua.hawaii.com to get the most current updates.
• The program is for businesses and non-profits registered in the State of Hawaiʻi, and owners must be residents of the State of Hawaiʻi and business is located on Hawaiʻi Island and non-profits must employ residents of Hawaiʻi Island and provide direct services to the island’s communities.
• 50 Employees or fewer.

CAN NON-PROFIT ORGANIZATIONS APPLY?
• Any non-profit registered with the IRS and/or State of Hawaiʻi regardless of type may apply and must employ residents of Hawaiʻi Island and provide direct services to the island’s communities.

HOW LONG WILL IT TAKE TO KNOW MY APPLICATION HAS BEEN APPROVED? HOW LONG TO RECEIVE FUNDS?
• The Credit Union assigned to you have been requested to inform you of application approval or denial within three (3) working days, and any payment to be sent to you within seven (7) working days. High volume of applications and need to follow up with additional documentation may delay processing time.

HOW LONG WILL THIS PROGRAM LAST?
• As long as the CARES funds allocated to this program remain. By Federal Guidelines, all funds must be expended by December 30, 2020.

MUST I PAY TAX ON THIS GRANT?
• The Federal Government has not stated specifically what tax obligations result from receiving these grants. Applicant will need to fill out Form W-9 and will be issued a Form 1099.

CAN BUSINESSES LOCATED ON OTHER PARTS OF THE STATE OF HAWAII APPLY FOR THIS GRANT?
• The program is for businesses and non-profits registered in the State of Hawaiʻi, and owners must be residents of the State of Hawaiʻi and business is located on Hawaiʻi Island and non-profits must employ residents of Hawaiʻi Island and provide direct services to the island’s communities.

DOES THE BUSINESS OWNER NEED TO RESIDE ON HAWAIʻI ISLAND, OR JUST THE STATE OF HAWAIʻI?
• Just in the state but must have a business located on Hawaiʻi island, expense reimbursement should only be for the Hawaiʻi island location.
IF A BUSINESS OPERATES OUT OF A NON-COMMERCIAL ADDRESS/TMK, IS THERE A PERCENTAGE CAP ON THE REIMBURSABLE AMOUNT OF MORTGAGE/RENT/UTILITIES PAYMENTS?

- The percentage cap would be equal to the percentage of the property used for business purposes.

ARE NON-DCCA-REGISTERED SOLE PROPRIETORS ELIGIBLE?

- Yes, as long as they have filed a 2019 IRS Form 1040 Schedule C or F.

WILL THE COUNTY PROVIDE ANY CALL CENTER SUPPORT FOR BUSINESSES WITH QUESTIONS REGARDING THE PROGRAM?

- No.

MUST THE BUSINESS BE IN GOOD STANDING WITH DCCA TO BE ELIGIBLE?

- No.

WHAT TYPES OF INSURANCE EXPENSES ARE REIMBURSABLE? (I.E. MEDICAL, DENTAL, PRESCRIPTION MEDICATION, MALPRACTICE, WORKER’S COMP, VEHICLE, FIRE, HURRICANE, HOMEOWNERS, ETC?)

- All insurance that is incidental to the business operation – Medical, dental, malpractice, worker’s compensation, etc. – is reimbursable.

ARE OWNER DRAWS OR CONTRACT WORKER PAYMENTS (I.E. BUSINESS HIRES A MONTHLY BOOKKEEPER) WILL BE REIMBURSABLE?

- No, only payments to employees on payroll are reimbursable.

CAN HOME BASED BUSINESSES HAVE THEIR MORTGAGE PAYMENTS AND UTILITIES REIMBURSED?

- A percentage of the mortgage and utilities of a home-based business may be reimbursed, as long as an IRS Form 8829 is filed. This percentage will equal the percentage of the home that is being used for business.

CAN HOME BASED BUSINESSES HAVE THEIR RENT AND UTILITIES PAYMENTS REMIBURSED?

- A percentage of the rent and utilities of a home-based business may be reimbursed, as long as an IRS Form 8829 is filed. This percentage will equal the percentage of the home that is being used for business.
ARE SHORT-TERM VACATION RENTALS (STVR) ELIGIBLE? NEW

Short-term vacation rentals are eligible to apply for the program.

- Eligibility requirements:
  - STVR documentation required:
    - TAT Tax filing TA-2 for 2019
    - County of Hawaii Document showing 8-digit STVR Registration Number in this format: 19-XXXXXX, or 20-XXXXXX
    - Proof of payment for business expenses specific to the property.
  - At this time only one (1) STVR per TMK will be approved.
  - Must have filed Schedule C or IRS Form 1120 (S Corps and C Corps)
  - Schedule E filer will not be eligible.

ARE LONG-TERM RESIDENTIAL RENTALS ELIGIBLE?

- No. The applicant would be ineligible if the only “business” income is Schedule E rental income

ARE BED-AND-BREAKFASTS ELIGIBLE? NEW

- Yes. Bed-and-Breakfasts, as defined in Hawaii County Code Section 25-4-7, are eligible to apply for the program.