

# COVID-19 Resource Guide for Small Businesses in Todd & Wadena County

*Updated: 04/03/2020*

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## **Federal & State Loan Programs**

### **Small Business Administration (SBA) Economic Injury Disaster Loan Program**

Small businesses in Minnesota who are suffering substantial economic injury as a result of COVID-19 are eligible to apply for low interest federal disaster loans for working capital.

#### Loan Terms:

- Includes for-profit and non-profit businesses (with exclusions such as gambling or religious organizations)
- Businesses can receive up to \$25,000 (unsecured) and \$2 million (secured)
- The interest rates are 3.75% for small businesses and 2.75% for non-profits
- These are working capital loans that can be used for—fixed debts; payroll; accounts payable; and, other bills that could have been paid had the disaster not occurred.
- Term of the loan up to 30 years
- There is no cost to apply
- When applying for the loan, you can also apply for a \$10,000 advance grant

For more information, or to apply, visit: [https://www.sba.gov/funding-programs/disaster-assistance?utm\\_medium=email&utm\\_source=govdelivery](https://www.sba.gov/funding-programs/disaster-assistance?utm_medium=email&utm_source=govdelivery)

### **SBA Payroll Protection Program**

The Payroll Protection Program (PPP) is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive loans if all employees are kept on the payroll for 8 weeks and the money if used for payroll, rent, mortgage interest, or utilities. At least 75% of the loan must be used for payroll costs.

#### Eligible Businesses:

- A small business with fewer than 500 employees
- A small business that otherwise meets the SBA's size standard
- A 501(c)(3) not-for-profit charitable organization with fewer than 500 employees
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business
- A Tribal business concern that meets the SBA size standard
- A 501(c) (19) Veterans Organization that meets the SBA size standard
- If you are in the accommodation and food services sector (NAICS 72), the 500-employee rule is applied on a per physical location basis
- If you are operating as a franchise or receive financial assistance from an approved Small Business Investment Company, the normal affiliation rules do not apply

#### Loan Terms:

- The interest rate is 1.0%
- Term of the loan is 2 months
- The maximum loan amount is \$10,000,000
- Payments are deferred for 6 months, while interest continues to accrue
- No collateral or personal guarantees are required

To apply for a loan, you must work with a certified PPP lender. Certified lenders in Todd and Wadena County include:

<b>Bank</b>	<b>City</b>	<b>Website</b>
Central Minnesota Credit Union	Long Prairie, Grey Eagle, Wadena	<a href="http://mycmcu.org">mycmcu.org</a>
Mid-Central Federal Savings Bank	Long Prairie, Staples, Wadena	<a href="http://www.midcentralbank.com">www.midcentralbank.com</a>
Wadena State Bank	Wadena	<a href="http://www.wadenastatebank.com">www.wadenastatebank.com</a>
TruStar Federal Credit Union	Menahga	<a href="http://www.trustarfcu.com">www.trustarfcu.com</a>
Star Bank	Bertha, Eagle Bend, Verndale	<a href="http://www.starbank.net">www.starbank.net</a>
Unity Bank	Clarissa, Staples	<a href="http://unitybanking.com">unitybanking.com</a>
American Heritage National Bank	Browerville, Long Prairie	<a href="http://www.logbank.com">www.logbank.com</a>
Minnesota National Bank	Long Prairie	<a href="http://www.mn-bank.com">www.mn-bank.com</a>

For more information, visit: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

## **DEED Small Business Emergency Loans**

The Minnesota Department of Employment and Economic Development (DEED) is creating an emergency loan program to help Minnesota small business owners who need immediate assistance to meet their families' basic needs during COVID-19 closures.

This is a unique program that is available to ALL businesses that have been adversely affected by the shut down due to the Governors Executive Orders 20-04 and 20-08. Including restaurants, bars, entertainment venues and salons/stylists. This is not an exhaustive list, however you can find additional information by clicking this link.

<https://mn.gov/deed/business/financing-business/deed-programs/peacetime/>

### **Loans Terms:**

- Range from \$2,500 to \$35,000 and will be based on the firm's economic injury and the financial need.
- Be interest free.
- Be paid back monthly over five (5) years and the first payment will be deferred six (6) months with potentially partial forgiveness.
- Be provided to only Minnesota-based businesses.

Businesses should apply through a certified lender. Certified lenders for Todd and Wadena County businesses include:

<b>Lender</b>	<b>Email</b>	<b>Phone</b>	<b>Counties Served</b>
North Central Economic Development Association	<a href="mailto:sbarney@regionfive.org">sbarney@regionfive.org</a>	218-894-3233	Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Todd, Wadena
initiative Foundation	<a href="mailto:Deed_emergloans@ifound.org">Deed_emergloans@ifound.org</a>	320-632-9255	Benton, Cass, Chisago, Crow

			Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, Wright
African Development Center	habdi@adcmnnesota.org	612-333-4772 or 612-877-8264	Statewide
Central Minnesota Development Company	mike@cmdcbusinessloans.com		Statewide
Community and Economic Development Associates	loans@cedausa.com	507-867-3164	Statewide (rural counties only)
Entrepreneur Fund	info@entrepreneurfund.org	218-623-5747	Aitkin, Benton, Carlton, Cass, Cook, Crow Wing, Itasca, Kanabec, Koochiching, Lake, Mille Lacs, Morrison, Pine, St. Louis, Stearns, Todd
Latino Economic Development Center	info@ledc-mn.org	612-724-5332	Statewide

## **DEED Small Business Loan Guarantee Program**

The Minnesota Department of employment and economic Development is creating the Minnesota Small Business Loan Guarantee Program, which will provide another option for financing to help business during the COVID-19 pandemic. DEED will not be the lender, but it will work with lenders throughout the state. Allowable loan uses for businesses in MN include:

- Machinery or equipment purchases, maintenance, or repair
- Expenses related to moving into or within MN
- working capital, when secured by fixed assets when possible

Only businesses with fewer than 250 employees are eligible to receive funding. The program will provide an 80% guarantee up to a maximum of \$200,000, making the maximum loan amount \$250,000. The program will be open for up to 12 months from the declaration of the peacetime emergency under Executive Order 20-01 on March 13, 2020.

A list of eligible lender will be available by the end of the week of March 30<sup>th</sup>, 2020 and can be found at: <https://mn.gov/deed/business/financing-business/deed-programs/loan-guarantee/#2>.

## **Regional Resources**

## **Verizon Small Business Recovery Fund**

Verizon, in partnership with the Local Initiatives Support Corporation, is providing grants of up to \$10,000 to businesses facing immediate financial pressure because of COVID-19. Grants can be used for paying rent and utilities; meeting payroll; paying outstanding debt to vendors; and other immediate operational costs.

To apply or learn more, visit: <https://www.lisc.org/covid-19/verizon-small-business-recovery-fund/>.

## **Central MN Emergency Relief and Recovery Fund**

The Initiative Foundation has created the Central Minnesota Emergency Relief & Response Fund and seeded it with \$20,000 to support regional areas of need. Proceeds will be used to make grants to nonprofits and local units of government to assist disproportionately affected communities; to address the economic impacts of reduced and lost work resulting from the outbreak; to meet immediate needs of economically vulnerable populations caused by coronavirus-related closures; and to respond to increased demands placed on our stressed social support systems. Over the long-term, the fund can support recovery needs that will inevitably arise.

For more information and updates, visit: <https://www.ifound.org/covid-19#news & updates tab>

## **Entrepreneur Fund Small Business Relief**

The Entrepreneur Fund is creating the Small Business Relief Fund to provide financial grant assistance to business owners who are facing significant challenges, but do not qualify for local, state, or federal relief. The Relief Fund will provide direct grants to small business owners in northeast and central Minnesota and northwest Wisconsin.

Grants for up to \$5,000 will be made on a weekly basis. A review committee will make selections based on the following priorities:

1. Businesses that are not eligible for other sources of local, state, or federal relief such as the SBA Disaster Assistance loans.
2. Businesses that serve as a core community staple such as child care, rural/community grocery stores, restaurants, etc.
3. Entrepreneur Fund's determination that the available loans and/or grants will make a discernible impact on the sustainability of the business.
4. Businesses where timing is of the essence.

For more information updates, visit: <https://www.entrepreneurfund.org/small-business-relief-fund/>

## **Staples-Motley Area Emergency Relief and Response Fund**

This fund is only applicable to small businesses, organizations, and individuals in the Staples-Motley School District, ISD 2170. Hosted by the Staples Motley Area Community Foundation, this fund will be used to:

- Help local businesses who are impacted by COVID-19
- Help those whose jobs are affected or will be affected in the near future.
- Help those whose household utilities or housing may be affected, and more.

For more information, contact Katie Heppner, Staples Motley Area Community Foundation Chair, at 218-929-3015 or by email at [smacf@ifound.org](mailto:smacf@ifound.org).

## Local Contacts

There are local economic development professionals who want to help you and your business during this critical time. Please feel free to contact them with any questions you have, or about local gap and bridge funding opportunities.

<b>Name</b>	<b>Organization</b>	<b>Service Area</b>	<b>Phone</b>	<b>Email</b>
Katie Heppner	The Economic Alliance	Wadena County	218-929-3015	<a href="mailto:wceda@wcta.net">wceda@wcta.net</a>
Rick Utech	Todd County Development Corp.	Todd County	320-732-2128/320-533-0934	<a href="mailto:Rick.utech@todd.co.mn.us">Rick.utech@todd.co.mn.us</a>
Melissa Radermacher	Staples Economic Development Authority	Staples	218-894-2550/218-296-2254	<a href="mailto:mradermacher@ci.staples.mn.us">mradermacher@ci.staples.mn.us</a>
Dean Uselman	Wadena Development Authority	Wadena	218-632-2757	<a href="mailto:wda@wadena.org">wda@wadena.org</a>

## Tax Information

### **Income Taxes**

The Minnesota Department of Revenue is providing additional time until July 15, 2020 for taxpayers to file and pay 2019 Minnesota Individual Income Tax without any penalty and interest. This includes all estimated and other tax payments for tax year 2019 that would otherwise be due April 15, 2020. It does NOT include:

- Estimated payments for Minnesota income taxes due April 15 for the 2020 tax year
- Corporation Franchise, S Corporation, Partnership, or Fiduciary taxes, though these taxpayers can receive an automatic filing extension. See Business Taxes (below) for details.

If you cannot file or pay by July 15, 2020 you can ask the Minnesota Department of Revenue to cancel or reduce penalties, additional tax, and interest for late filing or payment if you have a reasonable cause, including emergency declarations by the president and governor due to COVID-19. Requests can be made after you are notified of a penalty. Please visit <https://www.revenue.state.mn.us/penalty-abatement-information-individuals> for more information.

The IRS extended the deadline for 2019 federal income tax returns, payments, and 2020 estimated payments to July 15, 2020, for individuals and businesses.

## **Business Taxes**

### *Sales Tax Payment Extension for Eligible Businesses*

The Minnesota Department of Revenue is granting a 30-day Sales and Use Tax grace period for businesses required to suspend or reduce services under Executive Order 20-04. During this time, the department will not assess penalties or interest. Identified businesses with a monthly Sales and Use Tax payment due March 20, 2020, have until April 20 to make that payment. These businesses should have still filed their return by March 20. For a list of businesses included in the executive order, visit

[https://mn.gov/governor/assets/2020\\_03\\_16\\_EO\\_20\\_04\\_Bars\\_Restaurants\\_tcm1055-423380.pdf](https://mn.gov/governor/assets/2020_03_16_EO_20_04_Bars_Restaurants_tcm1055-423380.pdf).

### *Gambling Tax Payment Extension*

The Minnesota Department of Revenue is granting a 30-day grace period for Lawful Gambling Tax payments for organizations that request an extension for their March 20 payment. Businesses and nonprofit organizations that request an extension by March 27 will have until April 20 to make that payment. These taxpayers should still file their return by March 20, if possible. For taxpayers who cannot do so, the department will allow a filing extension until April 20 if it was request by March 27. At this time, the grace period for penalty and interest is only for the March 20 payment.

Taxpayers can request additional relief from penalty and interest after April 20 for reasonable cause, including emergency declarations by the president and governor due to COVID-19. For abatement information for businesses, visit <https://www.revenue.state.mn.us/abatement-information-businesses>.

### *MinnesotaCare Tax Filing Extension*

The Minnesota Department of Revenue is granting a 60-day extension for MinnesotaCare tax returns for organizations that request an extension for their March 16 return. This applies to Provider Tax, Hospital Tax, Surgical Center Tax, Wholesale Drug Distributer Tax, and Legend Drug Use Tax.

Organizations that request a filing extension by April 15 will have until May 15 to file their return. Taxpayers can request relief from penalty and interest for late payments for reasonable cause, include emergency declarations by the president and governor due to COVID-19. For abatement information for businesses, visit <https://www.revenue.state.mn.us/abatement-information-businesses>. Organizations can request an extension by email at [MinnesotaCare.tax@state.mn.us](mailto:MinnesotaCare.tax@state.mn.us) or secure message in e-Services; the request should include the organization's name, address, and federal and state tax ID numbers.

### *Business Income Taxes*

The Minnesota due date has not changed for Corporation Franchise, S Corporation, Partnership, or Fiduciary taxes. However, under state law:



- C corporations receive an automatic extension to file their Minnesota return to the later of 7 months after the due date or the date of any federal extension to file.
- S corporations, partnerships, and fiduciaries receive an automatic extension to file their state return to the date of any federal extension to file.
- At this time, the IRS has not changed the filing or payment due dates for any taxpayers other than those who are due on April 15

The payment date has not changed. Taxpayers can request relief from late-filing or late-payment penalties and interest for reasonable cause, including emergency declarations by the president and the governor due to COVID-19. For abatement information for businesses, visit <https://www.revenue.state.mn.us/abatement-information-businesses>.

*For more information on the Minnesota Department of Revenue's response to COVID-19, visit <https://www.revenue.state.mn.us/our-response-covid-19>.*

*For more information on the IRS's response to COVID-19, visit <https://www.irs.gov/coronavirus>.*

## **Additional Resources**

### **Worker Resources**

- [Information and Resources for Workers](#)
- [Information for people who have lost their jobs or had their hours cut because of COVID-19](#)
- [Families First Coronavirus Response Act: Employee Paid Leave Rights](#)

### **Employer Resources**

- [Information and Resources for Employers](#)
- [Families First Coronavirus Response Act: Employer Expanded Family and Medical Leave Requirements](#)

### **Health Resources**

- [Minnesota Department of Health](#)
- [Centers for Disease Control and Prevention](#)
- [World Health Organization](#)
- [Helping Older Adults during COVID-19](#)