



KRUGLIAK, WILKINS, GRIFFITHS
& DOUGHERTY CO., L.P.A.

Client Alert

Ohio CARES Act Funding

Nov 11, 2020

In April of this year \$100 billion in CARES Act relief funds were allocated to businesses, hospitals, schools, and citizens affected by the COVID-19 pandemic. Another round of federal funding under the CARES Act was approved by the Ohio Controlling Board in August. Many of those businesses, citizens, and institutions are still in need of assistance due to the burdens of the pandemic. That is why, as of October 26, 2020, the Ohio State Controlling Board approved a new CARES Act package of \$419.5 million to help Ohioans. These funds are set to be allocated to small businesses, restaurants, bars, hospitals, higher education, arts, nonprofits, and low-income Ohioans seriously impacted financially by the pandemic.

Businesses

\$125 million of the CARES Act funding package is set to go to the Small Business Relief Grant program, assisting small businesses with no more than 25 employees. This funding will assist with expenses such as:

- Mortgages
- Rent payments
- Utility payments
- Salaries
- Wages
- Compensation for employees and contractors
- Business supplies or equipment
- All other costs normally incurred by the business.

Businesses that are eligible for relief can obtain up to \$10,000 for their business under this relief program. In order to be eligible, applying businesses must meet all of the following criteria [1]

- The applicant business is a for-profit entity (corporation, LLC, partnership, joint venture, sole proprietor).
- The applicant business is an employer firm with at least 1 and no more than 25 Ohio employees paid via W2 wages as of 1/1/2020, which includes both part-time and full-time employees.
- The applicant business has a physical location in Ohio and earns at least 90% of annual revenue based on activities performed in and taxable to Ohio.

- The applicant business has been in continuous operation since January 1, 2020, except for interruptions required by COVID-19 public health orders, and has the ability to continue operations as a going concern, taking into account a potential program grant.
- The applicant business has experienced revenue loss or incurred unplanned costs substantially caused by COVID-19 and a grant is necessary to help it recover from the impact of COVID-19.
- The applicant business is in good standing with the Ohio Secretary of State, the Ohio Department of Taxation, and any other governmental entity charged with regulating the business.
- If applicable, the applicant business has fully utilized any other government support received (including both grants and loans) by the applicant business for business expenses incurred due to COVID-19 or that can be utilized for business
- expenses incurred due to COVID-19.

Grants are to be awarded on a first-come, first-served-basis. If you have any questions your business's eligibility for relief funds or need assistance in applying for funds, feel free to contact us at (330) 497-0700 (toll free 877-876-9958).

Bars and Restaurants

\$37.5 million of the funding package will also go specifically to the Bar and Restaurant Assistance Fund, assisting Ohio bars and restaurants that the pandemic has hit hard financially due to shutdowns and other restrictions against the restaurants in reopening safely. Businesses that hold liquor permits may be eligible under the plan to receive up to \$2,500 per unique business location.[2] In order to be eligible, liquor license holders must have had an active on-premise permit on or before October 23, 2020.

Rent, Mortgage, Water and/or Sewer Assistance

The Home Relief Grant under the CARES Act offers \$50 million to community agencies that will help provide rent, mortgage, and water or sewer assistance to qualifying Ohio citizens, and will help pay outstanding balances on these costs all the way back to April 1, 2020 and provide assistance on these bills through the end of the calendar year. Ohio households that are below 200% of the federal poverty guidelines will be eligible for assistance.[3]

Rural and Critical Access Hospitals

\$62 million will be made available to rural and critical access hospitals in order to assist with all of the additional costs incurred by the pandemic.

Higher Education

Higher Education institutions will also receive up to \$100 million to support testing of students, staff, and faculty, to provide mental health services, and other extremely important services needed in addressing COVID-19 changes.

Nonprofits and World Class Arts Organizations

Finally, \$25 million is designated to go to nonprofits, and \$20 million for world-class arts organizations for costs incurred addressing changes needed for the pandemic.

The applications for these programs became available on November 2, 2020 for all qualifying businesses, citizens, or other institutions to complete and are available at businesshelp.ohio.gov.

Should you have any questions regarding the October CARES Act Funding contact your KWGD attorney or [Matthew R. Hull \(mhull@kwgd.com\)](mailto:mhull@kwgd.com) at 330.497.0700.

NOTE: This general summary of the law should not be used to solve individual problems since slight changes in the fact situation may require a material variance in the applicable legal advice.

Special thanks to contributing author: Nathaniel S. Linger

[1] The eligibility requirements can be found at <https://businesshelp.ohio.gov/small-business-relief-grant.html>.

[2] See <https://coronavirus.ohio.gov/wps/portal/gov/covid-19/resources/news-releases-news-you-can-use/covid-19-update-10-23-20>. For more details see <https://businesshelp.ohio.gov/pdf/10292020-bar-and-restaurant-assistance-fund.pdf>

[3] See <https://businesshelp.ohio.gov/home-relief-grant.html> for more information and for the specific federal guidelines for varying household sizes.