



## **Program Guidelines**

### Overview

The Louisiana Nonprofit & Small Business Assistance Program (the “Program”) was created by Act 410 of the 2021 Regular Session of the Louisiana Legislature. The Program is administered by the Louisiana Department of Revenue (“LDR”) and provides grant funding to eligible nonprofits and small businesses to assist in the administration of COVID-19 response and relief efforts. Act 410 sets forth the Program’s eligibility criteria, the acceptable uses of grant funds, and the maximum amount of funding available.

### Available Funding

The Program has a maximum fund balance of \$10 million dollars.

Eligible applicants may receive up to \$25,000 in grant funds. Because of limited funding, applicants should understand that not all applications can be approved, even if the applicant is eligible. However, if eligible applicants are denied due to insufficient funding, these applicants may be eligible to receive grants if additional funding is made available in future legislative sessions.

### Eligibility Criteria

All applicants must meet the following criteria:

- Open and actively operating as of June 17, 2021;
- In good standing with the Louisiana Secretary of State, if applicable;
- Filed Louisiana tax returns for 2019 and 2020, if applicable;
- Does not exist for the purpose of advancing partisan political activity and does not directly lobby federal or state officials; and
- Will enter into a cooperative endeavor agreement with LDR to ensure funds are properly expended.

Nonprofit applicants (including, public charities and faith-based organizations) must meet the following criteria:

- If the nonprofit is owned by another organization, that organization must be a nonprofit corporation.

Small business applicants must meet the following criteria:

- Must be organized or incorporated as a corporation, limited liability company (LLC), partnership, or sole proprietorship; and
- Have no more than 50 full-time equivalent employees.

These eligibility criteria determine whether an applicant is eligible only. The acceptable use of grant funds has separate criteria (see “Grant Administration” below).

### Online Eligibility Quiz

All applicants are required to complete a short online eligibility quiz on LDR’s website prior to submitting an application. After completing the quiz, applicants will create an account using an email address and password to save progress on an application before submitting.

### Prioritization of Applicants

This Program is not a first-come, first-served program. Instead, eligible applicants will be approved for grant funding based on priority considering the statutory guidelines and the intended use of grant funds. Prioritization criteria include the impact the grant funds will have on COVID-19 response and relief efforts, geographic diversity, existence of other federal or state funding, measurability of the funding’s impact on the community, and compliance with the provisions of the American Rescue Plan Act.

Applicants should provide a reasonable estimate of the expected costs of the services and activities that will be provided using grant funds (or the exact costs of services and activities already provided). While there is a maximum funding request of \$25,000, partial grants may be awarded.

### Important Dates

Thursday, August 12, 2021	Online eligibility quiz available on the LDR website
Monday, August 16, 2021	Applications accepted via LDR website
Friday, September 10, 2021	First round of approved applicants determined and grant funds issued
Friday, October 1, 2021	Final round of approved applicants determined and grant funds issued
Friday, April 1, 2022	Due date for submission to LDR of final report and documentation of how grant funds were spent

Applicants are encouraged to submit applications as soon as possible once the application window opens on August 16, 2021. The anticipated final approval or denial date for applicants is Friday, October 1, 2021. This date will depend on the number of applications that are submitted and reviewed. LDR expects to issue grant funds on a rolling basis starting September 10 through October 1, 2021.

LDR will notify each applicant by regular mail or electronic mail whether an application was approved, denied due to ineligibility, or denied due to lack of available funding. LDR will contact applicants during the review period if additional information is needed.

### Acceptable Uses of Grant Funds

The acceptable uses of grant funds will depend on whether the applicant is a nonprofit or a small business. As part of the application process, applicants are expected to explain how the services and activities will assist in the COVID-19 response and relief efforts. Applicants should understand that these grant funds are taxpayer dollars received from the federal government, and strict compliance with federal law and guidelines is required.

For nonprofits, grant funding must be used to provide aid to individuals impacted by COVID-19. Priority consideration will be given to nonprofit organizations that provide programs in the following areas:

- Food;
- Employment assistance; and
- Education assistance

These activities and services must be made available to the broader community and not restricted to the nonprofits' membership, congregation, or other limited groups.

For churches and other houses of worship, there is no prohibition on religious liberties such as providing a Bible or other religious materials at the same time as offering these activities and services. However, the activities and services must be freely given and not in return for commitments to join or donate to a particular organization.

Examples of eligible uses of grants funds include, but are not limited to, the following:

- Creating tutoring or afterschool programs to address educational disparities exacerbated by COVID-19.
- Creating job training programs to accelerate rehiring for unemployed workers.
- Creating an unemployed workers assistance fund to assist with transportation to and from a jobsite or interview, childcare assistance, or other rehiring efforts.

For small businesses, grant funding is available to provide workforce development activities that directly address a negative economic impact of the COVID-19 public health emergency. These include any program, service, or activity that involves workforce preparation,

vocational skills training, or that improves an individual's employment opportunities, such as:

- Basic education;
- Academic education;
- Vocational, technical, or occupational education;
- Job readiness training; or
- Job search training

The grant funds may be used by a small business to provide workforce development activities for current employees, prospective employees, or to the general public. But most importantly, the funds must be used to develop Louisiana's workforce by increasing the ability to secure and maintain gainful employment in light of the negative economic impacts of the pandemic.

Priority will be given to those small businesses that can demonstrate the most impactful use of grant funds in the workforce development activity.

#### Timing and Location of Activities and Services

As a grant program, it is expected that most activities and services will be forward looking and provided in the future; however, services and activities already rendered may be eligible for reimbursement as well. An eligible and approved applicant will receive grant funds as early as September 10, 2021. These funds must be spent in the manner provided for in the application.

All services and activities must be provided to Louisiana residents between June 17, 2021, and March 31, 2022. Services and activities provided outside of this date range are not eligible for grant funding. If the services and activities are partially within this date range, partial grants may be awarded.

If an applicant has provided these activities and services on or before June 17, 2021, but before the application window opens, the grant may be used to reimburse the applicant for eligible expenses.

The location of activities and services must be provided within the state of Louisiana.

#### Application Contents and Documentation Requirements

Applications can be submitted online through the LDR website. Documentation should be attached via PDF during the application submission process, but may also be emailed to [NonprofSmallBusGrant@la.gov](mailto:NonprofSmallBusGrant@la.gov).

If an applicant cannot submit an application online through the LDR website, please send an email to [NonprofSmallBusGrant@la.gov](mailto:NonprofSmallBusGrant@la.gov) or call 225-219-5193, to request assistance.

The application for a grant includes the following information:

1. Certification that the online eligibility quiz has been completed and that the applicant is eligible in accordance with Act 410 and the Program Guidelines;
2. Applicant type, name, mailing address, and other contact information;
3. Applicant's federal and Louisiana tax identification numbers, if applicable;
4. Responsible person's name and contact information;
5. Grant proposal summary explaining the impact of COVID-19 on the community and how the grant funds will be used in the administration of COVID-19 response and relief for the community;
6. Timeline and expected completion date of activities and services that will be provided with the grant funds;
7. Proposed project budget; and
8. Certification of whether other federal or state COVID-19 relief benefits have been received, applied for, or expected to be applied for by the applicant.

Documentation to support a determination of eligibility should be included. LDR will independently verify eligibility; however, the review process timeline may be shortened for applicants who submit the following documentation with the application:

- Articles of organization or incorporation on file with the Louisiana Secretary of State
- Tax exempt certification from the Internal Revenue Service, if applicable
- Evidence that the applicant was actively operating as of June 17, 2021 (see examples in FAQ No. 5, under General Eligibility)
- Copy of federal and state tax returns for 2019 and 2020, including IRS Form 990

Additional documentation is not required, but will be considered in the review process if submitted.

### Cooperative Endeavor Agreement

All grant recipients must enter into a cooperative endeavor agreement (the "CEA") with LDR. The CEA template is available on the LDR website. The notification to complete the CEA will be emailed when the applicant is approved for the grant and will be required to be submitted before the grant funds are disbursed.

### Interim Compliance Reviews

LDR may require that a grant recipient submit to an interim compliance review to ensure the grant funds are spent in accordance with the Program Guidelines, the approved application, and the terms of the CEA.

### Final Report and Documentation Requirements

All grant recipients must submit a final report with documentation to LDR within 30 days after completion of the service or activity, but in no event later than April 1, 2022.

The final report and documentation must include evidence relating to:

- The services and activities provided;
- An accounting of revenue and expenses, with specific attention to the grant funds;
- Number of individuals who benefitted from the services and activities; and
- Copies of materials used to announce, promote, and market the services and activities.

Additional details will be provided at the time the grant recipient is notified that the application is approved and the grant awarded. Documentation requirements will be specific to each application and vary depending on the type of service or activity listed on the application.

### Recovery of Grant Funds

Funds not spent in the manner provided for in the application must be returned to LDR.

In accordance with Act 410, the Program Guidelines, and the CEA, a grant recipient must return any unused grant funds or any grant funds that are not spent in accordance with the approved application. If a grant recipient is aware that not all of the awarded grant funds will be spent, the excess funds should be returned to LDR immediately but in no event later than April 1, 2022. Failure to submit a timely final report and all required and requested documentation by April 1, 2022, will render the grant recipient in default of the Program.

In the event the grant recipient does not voluntarily return the grant funds by April 1, 2022, LDR will provide adequate notice and initiate collection activities against the grant recipient by utilizing all available tax collection methods to recover the grant funds.

## Frequently Asked Questions

These FAQs expand on information provided earlier in this document. Although in an FAQ format, this information forms part of the Program Guidelines. Additional FAQs may be added after the initial publication date of this document and will be denoted as a subsequent addition and date added. Always refer to the publication date in the top left corner for the most recent version of this document.

### General Eligibility

#### **1. What are the eligibility requirements?**

The eligibility requirements vary based on the type of applicant, but every applicant must meet the following criteria:

- Open and actively operating as of June 17, 2021
- In good standing with the Louisiana Secretary of State, if applicable
- Filed Louisiana tax returns for 2019 and 2020, if applicable
- Does not exist for the purpose of advancing partisan political activity and does not directly lobby federal or state officials
- Agree to enter in cooperative endeavor agreement with LDR to ensure funds are expended properly

#### **2. Are grants related to COVID-19 relief?**

Yes. Because this grant program is funded by the American Rescue Plan, grants must be used “for the administration of COVID-19 response and relief efforts.”

#### **3. If my organization received funding for other federal and state COVID-19 related benefits, is the organization eligible for this grant?**

Yes. Eligibility is based on a priority system and will take into account any other COVID-19 related benefits previously received by the applicant. Receipt of other relief does not disqualify an applicant.

#### **4. Does my organization have to be domiciled or headquartered in Louisiana?**

No. There is no requirement that the organization be domiciled or headquartered in Louisiana. However, the services and activities conducted with grant funds must be provided within Louisiana.

#### **5. What does it mean to be “open and actively operating as of June 17, 2021”?**

The “open and actively operating as of June 17, 2021” provision is a dual requirement that means (1) the small business or nonprofit must be established on or before June

17, 2021, and (2) the small business or nonprofit must be operating in an active fashion as of June 17, 2021.

The first requirement is met if the applicant has a charter date with the Louisiana Secretary of State on or before June 17, 2021. If an applicant is not required to register with the Louisiana Secretary of State, such as a sole proprietorship, then the applicant must provide documentation to establish that it was opened on or before June 17, 2021.

The second requirement is met if, on June 17, 2021, the small business or nonprofit (1) was open to the public, such as having a storefront, restaurant, or lobby area open to the public; (2) had employees or contractors performing services on site or at customers' locations; (3) had employees working remotely to provide services to customers or clients; or (4) was accepting or receiving visitors, clients, members, or other individuals in a store, office, sanctuary, or other setting. If none of these criteria apply, an applicant should include documentation to demonstrate how it was actively operating on June 17, 2021.

**6. What does it mean to be “in good standing with the Louisiana Secretary of State, if applicable”?**

An applicant is in good standing with the Louisiana Secretary of State if the applicant has an “Annual Report Status” of “In Good Standing” as of June 17, 2021 and through the date the application is filed. Applicants can review their status [here](#). Applicants are encouraged to resolve any discrepancies regarding their status with the Louisiana Secretary of State prior to filing an application.

If an applicant is not required to register with the Louisiana Secretary of State, then this requirement does not apply.

**7. What does it mean to have “filed Louisiana tax returns for 2019 and 2020, if applicable”?**

Applicants must be current in all required 2019 and 2020 state tax filings, including income, franchise, sales, withholding, severance, excise taxes and fees. Extensions and current installment payment plans of delinquent taxes do not disqualify an applicant.

Applicants that do not have an obligation to file a particular federal or state tax return for 2019 or 2020 are not required to file a return or to submit a “zero” return to be eligible for the Program.



**8. Should I include a letter of recommendation from a representative of federal, state, or local government?**

Although not required, letter(s) of recommendation from a federal, state, or local elected official or other representative of government will be considered during the review process.

Nonprofit Eligibility

**1. What is an eligible nonprofit for purposes of this grant program?**

For purposes of this grant program, an eligible nonprofit are those organizations that provide social services to the broader community and include faith-based organizations and public charities.

Faith-based organizations are churches and other houses of worship organized and operated exclusively for religious purposes.

Public charities are organizations organized and operated exclusively for charitable, scientific, testing for public safety, literary, educational, or other specific purposes.

**2. What are specific types of eligible nonprofit organizations?**

Eligible nonprofit organizations include, but are not limited to:

- Churches
- Temples
- Synagogues
- Mosques
- Other religious houses of worship or faith-based organizations
- Public charities
- Organizations with tax exempt status as recognized by the Internal Revenue Service, such as 501(c)(3) organizations

**3. I represent a church or other house of worship. Am I required to file a Form 990 with the IRS?**

Generally, under federal law, churches and other houses of worship are not required to file an annual Form 990 with the IRS. If you are not required to file an annual Form 990 with the IRS, then you are not required to attach a Form 990 with your application for a grant.

For a list of tax exempt organizations that are not required to file a Form 990, click [here](#).

**4. I represent a church or other house of worship. Am I required to submit articles of incorporation or articles of organization?**

Generally, churches or other houses of worship are not required to file articles of incorporation or organization with the Louisiana Secretary of State. Churches and other houses of worships need only to provide proof of existence, such as bank statements, list of deacons or other governing members, evidence of affiliation with a particular denomination or religious order, etc.

**5. What services or activities are eligible for grant funding?**

Eligible services and activities must address COVID-19 response and relief measures and should be designed to impact the broader community, such as:

- Providing food, water, and other essentials
- Providing employment assistance
- Providing education assistance
- Providing workforce development or training activities

Refer to the published examples for additional guidance on each service and activity.

Small Business Eligibility

**1. What are the main types of eligible small businesses?**

Eligible small businesses include corporations, limited liability companies (LLCs), partnerships, and sole proprietorships.

**2. Is there a minimum and maximum number of employees that a small business must employ?**

There is no minimum number of employees, but there is a maximum of 50 full-time equivalent employees.

For example, if the small business employs 70 part-time employees, this would equate to 35 full-time equivalent employees; therefore, eligible for the grant.

Grant Administration

**1. What is the maximum amount a nonprofit or small business may receive in grant funding?**

The maximum amount that a nonprofit or small business may receive is \$25,000.

**2. How much in grant funding is available to be awarded?**

The amount available is \$10 million.

**3. How are grants awarded?**

Grants are awarded based on a priority system established in Act 410 of the 2021 Regular Session of the Louisiana Legislature. Priority of grants are based on COVID-19 related measures, such as organizations that provide food, employment, education assistance programs, and workforce development activities.

**4. If I apply for a grant and I'm eligible under the Program Guidelines, am I guaranteed a grant?**

No. There is no guarantee that an applicant will be awarded a grant. Grants are evaluated based on priority and intended use of grant funds. Not all applicants will be awarded a grant, and some applicants may be awarded a grant that is less than the amount requested.

**5. Do grant funds reimburse an applicant for expenses previously incurred? Or do the grant funds provide funding for proposed expenses?**

Both. Grants may be used to reimburse an applicant for eligible expenses previously incurred and/or provide funding for proposed eligible expenses.

**6. How much can I request in grant funding on behalf of my organization?**

The request for grant funding should be a reasonable and good faith estimate of the amount of funds actually expected to be spent for the designated services and activities. Grant awards cannot exceed \$25,000 per applicant.

**7. What if my organization does not spend all of the grant funds requested and awarded?**

All grant funds must be documented and accounted for by the organization. Any remaining grant funds not used in the course of designated activities must be returned to LDR.

**8. Are my application and documentation confidential?**

Yes. Because your application and documentation are submitted to LDR, they will form part of the files and records of LDR in the same manner as tax returns. No information contained in an application, documentation, or status of an approved or denied application can be shared with anyone except the applicant's responsible party on record.

**9. Am I limited to one service or activity?**

No. Multiple services or activities can be included in a single application.

General Application

**1. Do I have to submit my application through the LDR website?**

Applicants are encouraged to submit the application online through the LDR website by creating an account. However, if an applicant cannot submit the application online, please contact LDR for assistance.

**2. Can I print a copy of my submitted application for my records?**

Yes. You will be able to print a copy of the submitted application.

**3. I submitted my application, but I need to update my mailing address, phone number, or other item. Should I submit another application?**

No. Applicants should not submit more than one application. For changes to a previously submitted application, email [NonprofSmallBusGrant@la.gov](mailto:NonprofSmallBusGrant@la.gov) with the corrected information or documentation.

**4. I submitted my application, but I need to submit additional documentation. How do I do this?**

You can submit additional documentation in one of two ways:

1. You can log in to your account using the username and password used to submit the application. Once logged in, there will be an option to submit additional documentation.
2. You can email the additional documentation to LDR at [NonprofSmallBusGrant@la.gov](mailto:NonprofSmallBusGrant@la.gov).

Nonprofit Application

**1. The application requires that a “responsible party” must be listed. Who can be a “responsible party”?**

The “responsible party” is the person who is generally responsible for the day to day operations and administration of the organization. Examples include an executive director, chief executive officer, chairman of a board of directors, etc.

The “responsible party” will be the primary contact to discuss the grant with LDR and is ultimately responsible for providing documentation as to how grant funds were or will be spent.

**2. I represent a church or other house of worship. During our service or activity, we would like to provide free Bibles or other religious material to the attendees. Is this allowed?**

Yes. However, the activities and services must be freely given and not in return for commitments to join or donate to a particular organization.

**3. May I charge a fee for the service or activity provided?**

A nonprofit may charge a reasonable fee for the service or activity provided, but cannot realize a profit from providing the service or activity. In other words, the grant funds should be used to reduce or defray the costs to provide the service or activity, but not to the extent that the nonprofit profits from the service or activity.

However, prioritization may be given to nonprofits that are providing a free or substantially reduced cost service or activity.

Small Business Application

**1. May I use grant funds to hire a new employee and fund a portion of the employee’s salary?**

It depends. You must demonstrate with documentation how the hiring of a new employee addresses the administration of COVID-19 response and relief measures. If the hiring of a new employee contributes to your overall workforce development activities, you may be eligible.

Additional details will be provided for applicants requesting grant funds to hire an employee.

**2. What are considered “workforce development activities”?**

“Workforce development activities” is a general and broad term which covers many different areas. However, the general premise is that the activity must develop, prepare, and aid individuals within Louisiana’s workforce for gainful employment. Examples include workforce preparation, vocational skills training, basic education, academic education, vocational, technical or occupational education, job readiness training, job search training.

**3. How are “workforce development activities” related to COVID-19 response and relief efforts?**

Throughout the COVID-19 public health emergency, small businesses continue to adapt to the evolving environment of telework and business needs. Workforce development activities assist in COVID-19 mitigation efforts when designed to train staff on new product lines or services, avoid reduction in hours or layoffs, employ previously unemployed individuals (including new entrants to the workforce), and, generally, to increase the resiliency of Louisiana’s workforce during the COVID-19 pandemic.

**4. What are examples of eligible costs of “workforce development activities” for purposes of this Program?**

**Example 1** – Small Corporation is a manufacturer and its longstanding product line is no longer profitable due to COVID-19 related market changes. Instead of laying off its workforce, Small Corporation develops a new product line, such as manufacturing personal protective equipment, and trains its employees to manufacture the new product line. The cost associated with training its employees is considered an eligible cost for grant funding under the Program.

**Example 2** – Small LLC has historically housed its employees in an office, but due to COVID-19, the employees are reclassified as remote employees working from home. Small LLC incurs training costs to train its employees to work from home and purchases new software to facilitate a productive work-from-home environment. The cost associated with training its employees and new software is considered an eligible cost for grant funding under the Program.

**Example 3** – Small Partnership owns and operates a dine-in service restaurant. Due to COVID-19, Small Partnership must provide only to-go orders and cease dine-in service. Instead of laying off its wait staff, Small Partnership provides culinary training to wait staff to repurpose them as line cooks. The cost associated with culinary training is considered an eligible cost for grant funding under the Program.

**Example 4** – Small Business has been unsuccessful in hiring employees during the COVID-19 pandemic. Without a workforce, Small Business cannot operate. Small Business partners with the local high school to develop a pre-apprenticeship training program for junior and senior high school students that have been negatively impacted by COVID-19, such as the loss of a parent and family income. The students receive course credit for the training from the high school and learn useful workforce skills during the process. Small Business employs students, and later graduates, in its workforce. The cost associated with the high school partnership and training for students is considered an eligible cost for grant funding under the Program.

Refer to the published examples for additional guidance on workforce development activities.

**5. Can I provide “workforce development activities” to my employees or to the public?**

You may provide “workforce development activities” to either your own employees, to the general public, or both.

**6. What if I provide “workforce development activities” regularly and will do so regardless of whether I receive this grant?**

The intent of this Program is to encourage and incentivize small businesses to assist in the development of Louisiana’s workforce. If a small business regularly engages in these activities and would do so regardless of whether it receives a grant, the small business may be eligible, but priority is reduced.

**4. May I charge a fee for the workforce development activity provided?**

A small business may charge a reasonable fee for the workforce development activity provided, but cannot incur an unreasonable profit from providing the workforce development activity. In other words, the grant funds should be used to reduce costs to provide the workforce development activity, but not to the extent that the small business profits from the workforce development activity.

However, prioritization may be given to small businesses that are providing a free or substantially reduced cost for the workforce development activity.

Awarding of Grants

**1. How I will be notified if my application for a grant has been approved?**

LDR will notify all applicants of the final disposition of their grant applications. Notification will be via regular mail or electronic mail to the attention of the Responsible Party and to the address provided on the application. Approved grant recipients will receive a check representing the total grant funds awarded.

**2. When should I submit the final report with documentation?**

You should submit the final report with documentation within 30 days of the completion of the activities and services that were approved based on the application. Unused funds should be returned as soon as possible. In no event should the final report, documentation, or unused funds be sent later than April 1, 2022.

**3. What happens if I do not submit the final report with documentation by April 1, 2022?**

If you do not submit the final report with documentation by April 1, 2022, LDR will send you a demand letter. After 30 days, if you remain in violation of the Program Guidelines and CEA, LDR will issue an assessment and commence collection activities.



## **Contacting LDR**

You may contact LDR through one of the following:

- By email to [NonprofSmallBusGrant@la.gov](mailto:NonprofSmallBusGrant@la.gov) (preferred method)
- By phone to 225-219-5193

When emailing or calling LDR, please have your application confirmation number available. Due to potential call volume, you may simply leave a voicemail instead of waiting in a caller queue. Voicemails will be returned in order received and as soon as possible.

Please do not call the standard 800 numbers for LDR as those are intended for taxpayers and practitioners only with questions outside of the Program.

Questions about the application process, required documentation, and related issues should be directed to the email address above. Additional FAQ questions in this document may be added based on questions asked from potential applicants.

## **Updating an Application**

If you need to make changes to an application after it has been submitted, you may email [NonprofSmallBusGrant@la.gov](mailto:NonprofSmallBusGrant@la.gov) to explain what changes are requested.

You may submit additional documentation after the application has been submitted by emailing it to [NonprofSmallBusGrant@la.gov](mailto:NonprofSmallBusGrant@la.gov).