

HOSPITALITY ECONOMIC RESILIENCY GRANT SPECIAL BUSINESS BRIEFING

November 17, 2020



LT. GOVERNOR
BRENT SANFORD



SHAWN KESSEL
ND Dept. of Commerce
Interim Commissioner

SHARE

- Recording will be available at ndresponse.gov
- If you have questions on the Hospitality ERG, email businesshelpCOVID19@nd.gov



AGENDA

- Hospitality ERG overview and clarification
- Your questions answered
- Preparing to submit application and walk-through process
- Closing Remarks

HOSPITALITY ECONOMIC RESILIENCY GRANT OVERVIEW

ELIGIBILITY REQUIREMENTS

The grantee must be:

- A restaurant (food trucks included) - to include food services and drinking establishment that derive a **minimum of 51%** of their sales from prepared food and must certify that 75% sales were derived in ND, as well as a current food establishment license.
- A bar or lounge with a current on-sale liquor license issued by the appropriate legal entity that derive a **minimum of 51%** from on-sale sales.
- An entertainment venue to include movie, drama or music theaters and facilities used to host community and private events; and that derive a **minimum of 51%** of your revenue from either rental or admissions.
- A production company that provides technology and audio-visual services to meetings and events; and must certify that **75% sales** were derived in ND.
- Applicants must self-certify that they meet the requirements and will comply with current North Dakota Smart Restart protocols. Noncompliance with these protocols will result in the repayment of all grants funds.

INELIGIBLE

- × Government owned facilities that do not generate more than 51% of its revenue from private events
- × In-home caterers
- × Food establishments without appropriate licensure
- × Retail food, groceries or gas stations who do not derive a minimum of 51% of their sales from prepared food
- × Religious Organizations
- × Lodging facilities (that do not have event space or restaurants)

REQUIRED DOCUMENTATION

- Applicants are responsible for providing sufficient documentation for all costs, justification why these items are eligible and proof of payment

- ✓ Documents must be clear and legible
- ✓ No handwritten documents allowed
- ✓ Show detailed description of each expense
- ✓ Clearly identify how and when the costs were incurred
- ✓ Applicant responsible for indicating which cost category an expense falls into
- ✓ Receipt showing proof of payment
- ✓ Expenses provided must be clearly tied to the physical business location
- ✓ If multiple items on receipt, highlight what items are being claimed for reimbursement
- ✓ Limit uploads to one receipt per line item on application

RECEIPTS

- Legitimate receipts must include itemization (item description/or picture), total purchase price, date, verification of payment in full, evidence it came from the vendor.

✓ Eligible (standalone) Receipts:

- Itemized vendor receipt that shows proof of payment
- Invoices if showed paid-in-full with \$0 balance due
- Screen shots showing the required information above (not just the shopping cart screenshot)
- Receipts for the items from the distributor/supplier which refer back to the invoice or estimate provided

✓ Eligible: *(if accompanied by proof of payment: cancelled check, credit card statement/receipt, bank draft, etc.)*

- Invoice, quote, estimate, bid, purchase order, etc. (not showing a zero-balance due).
- Hand-written/editable receipts

✓ Ineligible:

- Receipts showing applicant as the vendor

WHAT IS A CANCELED CHECK?

- Check example edited to block out identifying and account information

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

COMPANY ADDRESS LINE 1 ADDRESS LINE 2 CITY, STATE, ZIP	UNION STATE BANK OF FARGO 77-1057/913	55555 10/26/20
PAY TO THE ORDER OF	CHECK RECIPIENT	\$ **8,000.00 DOLLARS
Eight Thousand and 00/100*****		SIGNATURE
Memo	ROUTING AND ACCOUNT NUMBER	
SECURITY FEATURES INCLUDED. DETAILS ON BACK.		

ENDORSEMENT

Listed below are the security features provided on this document:
• Micro-Print: Look for a fine, repeating pattern of characters.
• Ink: All ink is permanent and cannot be removed.
• Photocopy: Valid: The word "VOID" will appear when photocopied.
• Security Warning Band: Bold, black text.
• Non-Negotiable: Printed in red ink.

Product design is a certification mark of Check Payment Systems Association.

INVOICES

- Be sure to identify what line item goes with what on the receipts.
- Paid stamp only allowed if zero balance
- If invoice shows amount due, need supporting information showing it was paid
- Sales tax is not allowed

Invoice

Date	Invoice #
5/19/2020	7137

PAID
05/27/2020

Bill To	Project Name

Service Date	Description	Amount
	Labor and materials to remove 2 work area stations and to move 2 work stations 5/4/2020 demo and remove existing chairs 13.5 hours	607.50
	5/5/20 Reset 2 chairs and modify floor and infill floor 14 hours	630.00
	5/6/20 load and transport procedure chairs and cabinets to storage facility 4.5 hours	202.50
	Material 1 sheet 5/8 plywood and glue	57.00
	Dirks Plumbing unhook 4 chairs and hook 2 chairs back up	694.28
	Seifert Electric remove and reconnect electrical to work areas	747.80
	Profit and overhead	220.43
	NOTE: billing excludes Patterson Dental charges as it is presumed they will e bill directly and the flooring installation	

Terms

Total	\$3,159.51
1.5% Service Charge on Unpaid Balance After 30 Days. \$2.00 Minimum Charge.	
Payments/Credits	-\$3,159.51
Balance Due	\$0.00

Please Pay From This Invoice.

YOUR QUESTIONS ANSWERED

UTILITY BILLS

Q: Can we upload all the utility bills on the same line?

A: No, each utility bill, along with accompanying proof of payment, needs to be on a separate line item.

Q: Will the utility bill from previous month qualify to show we have paid the expense?

A: No, you need to upload an accompanying both sides of a canceled check, bank statement, or redacted credit card highlighted to show the amount has been paid.

Q: Are internet service charges, cable/satellite tv eligible?

A: Yes

PAYROLL

Q: Can funding go toward wages of lost hours due to early shut down hours?

A: No, only paid hours

Q: For payroll, will a copy of the employees check printed from quickbooks work for a receipt?

A: Yes, as names are necessary

BE SURE TO LIST EMPLOYEES NAMES



Invoice						
				Invoice Date	11/12/2020	
				Invoice #	BL12560	
				Checks:	19	
				Page #	1	
Description				Amount		
Gross Payroll				\$9,879.79		
Employer Deductions						
FUTA				\$17.41		
Medicare				\$143.26		
ND Unemployment				\$7.90		
Soc. Sec.				\$612.53		
				Employer Deductions Subtotal:	\$781.10	
Insurance Benefits						
Employer Contributions				\$62.67		
				Insurance Benefits Subtotal:	\$62.67	
Fees						
Fee Description	Count	Rate	Fee Amount			
Payroll Processing Fee	1.0	\$122.27	\$122.27			
				Fees Subtotal:	\$122.27	
				Invoice Subtotal:	\$10,845.83	
				Invoice Total:	\$10,845.83	
				Invoice Balance Due:	\$10,845.83	
Payroll Runs						
Run #	Payroll Period	Net	DD	# of Checks	Frequency	Gross Payroll
12149	10/21/2020 To 11/3/2020	2	16	2	BiWeekly	\$9,879.79
						Operator: Name here
Total Outstanding	Current Invoice	Total Credit	Total Due	ACH Withdrawal	Balance Due	
0.00	10,845.83	0.00	10,845.83	10,845.83	0.00	

FOOD SERVICE / BEVERAGE

Q: If all prepared food and drink establishments are qualified to apply, what about breweries and wineries?

A: Yes, breweries and wineries that have at minimum of 51% of the revenue come from prepared food or drink served on premise are eligible.

Q: What happens if we receive grant funding, but seating capacity guidelines are not followed?

A: ND Smart Restart protocols and all executive order details must be followed. Noncompliance with these protocols will result in repayment of all grant funds.

FOOD SERVICE / BEVERAGE

Q: Can I receive grant money for all bar staff salaries from March 17 through grant submission?

A: Operation costs including payroll for your bar staff must occur on or after March 27, 2020.

Q: Can businesses that aren't specifically hospitality, but used as a gathering place in small towns (i.e. morning coffee at the elevator, gas station, or car dealership) qualify?

A: The intent of the grant is to support hospitality businesses who have lost revenue due to COVID-19 – therefore other gathering places would not be eligible.

DOCUMENTATION

Q: Is there any possibility for an extension if additional measures are advised?

A: 24 hours will be provided to turn around documents

Q: If a utility is paid by autodraft and reflected as paid in a subsequent month's bill, may we upload both as proof or will you require a bank statement, credit card bill, etc.?
Also, is a cleared check sufficient for rent, or is a rent invoice required as well?

A: Corresponding document, e.g. a cleared check or invoice is sufficient with the bank statement

OWNERSHIP

Q: Please provide clarification on if there are multiple owners and locations

A: You may only fill out ONE application and will be eligible for up to \$25,000 for one eligible location, up to \$50,000 for two eligible locations, and up to \$75,000 for three or more eligible locations. If you receive a grant for more than one location, you cannot spend more than \$25,000 per location. An eligible location must meet business eligibility requirements as listed at <https://belegendary.link/HERG> and is defined by the customer facing marketplace. List all locations in which your ownership is 50% or greater, regardless of whether business has a separate EIN. Applicant must list each business under this guideline and will be awarded according to the \$25,000, \$50,000 and \$75,000 maximum rule.

APPLICATION INFORMATION

APPLICATION WINDOW WILL OPEN ON
FRIDAY, NOVEMBER 20 AT 10:00 A.M. CST
AND CLOSE ON FRIDAY, DECEMBER 4 AT 5:00 P.M. CST.

HERG APPLICATION

- To get to the application login – visit <http://belegendary.link/HERG>



The screenshot shows the North Dakota Department of Commerce website. At the top left is the logo "NORTH Dakota | Commerce" with the tagline "Be Legendary™". At the top right are a home icon and a "Sign In" link. Below the navigation bar is a red banner with the text "DEPARTMENT OF COMMERCE" in white. The main content area has a light gray background and contains the following text:

The Legislative Emergency Commission and the Legislative Budget Committee has approved the **Hospitality Economic Resiliency Grant (HERG)**. This funding will go to businesses within the hospitality industry and be REIMBURSED based on RECEIPTS for operational costs.

This includes restaurants, bars, breweries, cafes and similar on-site dining establishments. Additionally, the HERG will also focus on businesses affected by the closures such as theaters, music and entertainment venues, and professional production companies that support major venue meetings and events.

\$25,000 maximum grant for per eligible entity and \$75,000 maximum for eligible entities with multiple locations. If an entity receives grant funds for more than one location, they cannot spend more than \$25,000 per location. Grantees will be chosen on a first come, first served basis among all recipients who have self-certified that they are complying with the current North Dakota Smart Restart protocols. Noncompliance with these protocols will result in the repayment of all grants funds.

HERG funds will be used to reimburse eligible entities for costs in operations, such as payroll, rent, utilities and other expenses that comply with federal guidelines. Payroll taxes and other taxes are not eligible for reimbursement.

HERG APPLICATION

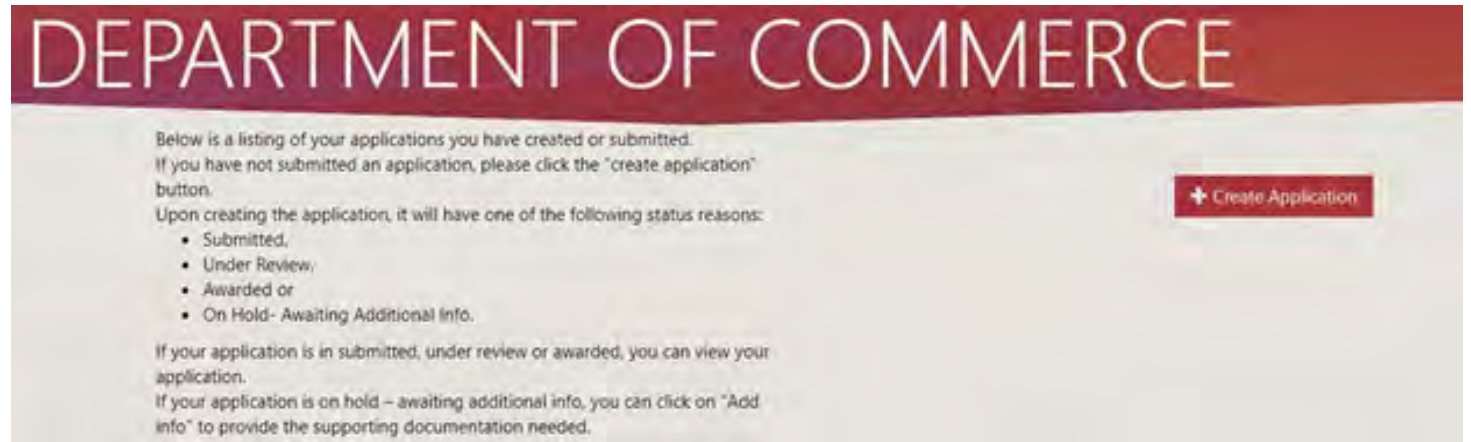
- If you were a previous applicant, you can use your same login information from round 1 ERG. If you are new applicant, you will see a sign-up button.



The screenshot shows the login interface for Dakota Commerce. At the top, the logo "Dakota Commerce" is displayed with the tagline "Be Legendary." below it. To the right of the logo, there is a "Sign in" link. Below the logo, the text "Sign in with a local account" is centered. The login form consists of two input fields: "Email" and "Password". The "Email" field contains a redacted email address, and the "Password" field contains a redacted password. Below the password field, there is a checkbox labeled "Remember me?". At the bottom of the form, there are two buttons: a red "Sign in" button and a "Forgot your password?" link.

HERG APPLICATION

Once signed in, if you are a returning applicant, you can select the “create application” button. If you are a “new” registration applicant, meaning you have not registered previously, you will need to follow the “verify email” button and prompts and also complete that part of the registration.



HERG APPLICATION

- Enter in business name – should match LEGAL name EXACTLY to any tax records.
- Tax Identification Number - If your business has an EIN number, that should be used, if an EIN is not available, then the following are allowed: State Tax ID, Tribal Tax, TERO or SS# for Sole Proprietor.

Create Application

Business Name (text) *

Business Name should match Legal Name EXACTLY to any tax records – DO NOT put the Doing Business As (DBA) as your business name.

Doing Business As

Tax Identification Number *

If your business has an EIN number, that should be used, if an EIN is not available, then the following are allowed: State Tax ID, Tribal Tax, TERO or SS# for Sole Proprietor.

Save

HERG APPLICATION

- Please enter in all taxpayer information. The physical address **MUST** be the physical address of your business. The Mailing address is where the check will get mailed if awarded.

Edit Application

1 Taxpayer Information

Contact Information

Primary Contact

Tricia Miller

Primary Contact Title

Applicant Telephone Number *

eg (000) 000-0000

Contact's Relationship to Business *

Number of Employees

of Employees at Physical Location as of 01/01/20 *

of Employees at Physical Location Today *

Physical Address of Business

Physical Address Line 1 *

No PO Box is allowed.

Physical Address Line 2

City *

Zip Code *

eg 00000

State

ND

Mailing Address for mailing of check if awarded

Mailing Address Line 1 * Same as Physical Address

PO Box is allowed.

Mailing Address Line 2

City *

Zip Code *

eg 00000

State *

eg XX

HERG APPLICATION

Business must:

- Must be located in North Dakota
- Registered to do business in ND
- Allowed to conduct business in ND

Edit Application

1 Taxpayer Information ✓ 2 Application

Instructions to fill Step 3

Business Information

Is this business located in North Dakota? *

Is this business in your home? *

What is the registering entity for this business? *

If you are a tribal business, do you participate in the 477?

Is this business registered to do business in ND? *

Is your business registered or a sole proprietor and in good standing in ND?

Is this business allowed to legally conduct business in ND? *

Type of Business *

What portion of your funding is from a public funding source? *

Do you receive all or part of your funding from local, state, tribal, or federal sources? (excluding grants)

Industry Type (NAICS Code) *

Industry Title (NAICS Level 2 Code)

Description of Business Operations Conducted *

◀ Previous

Next ▶

HERG APPLICATION

You may only fill out ONE application and will be eligible for up to \$25,000 for one eligible location, up to \$50,000 for two eligible locations, and up to \$75,000 for three or more eligible locations. If you receive a grant for more than one location, you cannot spend more than \$25,000 per location. An eligible location must meet business eligibility requirements as listed at <https://belegendary.link/HERG> and is defined by the customer facing marketplace. List all locations in which your ownership is 50% or greater, regardless of whether business has a separate EIN. Applicant must list each business under this guideline and will be awarded according to the \$25,000, \$50,000 and \$75,000 maximum rule.

Edit Application

1 Taxpayer Information ✓ 2 Application ✓ 3 Facilities

List the Facilities in North Dakota

One application will be allowed per contact social security number. If there are duplicates entered in, they will be cancelled. You may only fill out ONE application and will be eligible for up to \$25,000 and \$75,000 maximum for eligible entities with multiple locations. If an entity receives a grant for more than one location, they cannot spend more than \$25,000 per location. ALSO – applicant where ownership is 50% or greater, applicant must list each of those businesses under this guideline and will only be allowed according to the \$25,000 and \$75,000 maximum rule.

+ Add Location

Facility Name ↑	Line 1	Line 2	City	County	Zip Code	# of Employees Today	# of Employees as of 01/01/20	
Tricia's test for Briefing	555 Love It Here		Adrian	Lamoure	58503	40	50	Edit Delete
Tricia's test for briefing 2	555 Harmony Lane	Apt 6	Akra	Pembina	58503	25	60	Edit Delete

HERG APPLICATION

Add Expenditure

Qualifying Purchase (Sales tax is not an allowable expense)

Name or Description of Purchase *

Payroll costs for June

How does this purchase qualify for the HERG program? *

Will assist with my business in paying payroll.

Vendor or Source(s) *

Tricia's Test for Briefing 2

Expenditure Type *

Purchase Date

Receipts prior to March 27, 2020 will not be accepted.

10/1/2020

Total Receipt Amount *

Dollar amount of full receipt

\$ 50000

Qualifying Portion of Purchase Amount *

Dollar amount of line item from receipt/quote/bid/estimate

\$ 50000

Non-qualifying Portion of Purchase Amount

Please include Sales Tax amount when calculating this field

\$

Please list each receipt item on separate line items. **DO NOT** combine receipts for multiple expenses on one line item.

May need to upload same receipt for multiple line items.

HERG APPLICATION

When entering in your receipt amount. Be sure to note the following:

- **Total Receipt Amount:** *this is the dollar amount of full receipt*
- **Qualifying Portion of Purchase Amount:** *this is the dollar amount that you would like to be reimbursed from the total receipt amount.*
- **Non-qualifying Portion of Purchase Amount:** *Sales tax is not allowable and could be placed in this field.*
- **When entering in supporting documents for your expense,** please note the supporting document file types: JPG, JPEG, PDF, .doc, .xls. Files need to be less than 20MB.

HERG APPLICATION

Please review your line expenditures, you will notice your award amount max at the top, which aligns with the previously discussed protocol on multiple businesses.

Sales tax is not an allowable expense.

Please list each receipt item on separate line items. **DO NOT** combine receipts for multiple expenses on one line item.

Maximum award you qualify for is:

\$50,000

Application Line Items

[+ Add Expenditure](#)

Line #	Description	Detailed Description of Purpose	Store/Vendor	Expenditure Type	Purchase Date ↑	Documentation Type	Total Receipt Amount	Non-Qualifying Cost	Qualifying Purchase Cost	Edit Delete
1	test for briefing	test	Amazon	Personal Protection Equipment	8/27/2020		\$50.00		\$50.00	Edit Delete
4	Payroll costs for June	Will assist with my business in paying payroll.	Tricia's Test for Briefing 2	Other	10/1/2020		\$50,000.00		\$50,000.00	Edit Delete

HERG APPLICATION

- Business was profitable
- Not more than 90 days delinquent prior to March 1, 2020
- Business is in good standing in the State of North Dakota
- Business is not delinquent on Federal or State Taxes
- Incurred a negative financial impact due to COVID-19
- Verify that nothing you are expensing in HERG was approved in ERG Round

The undersigned certifies that the information provided in this document and its attachments is true and accurate.

1. I certify that my business was financially viable based on the following:

Business was profitable on 03/01/2020 or my business was a startup and in operation prior to 03/01/2020 and is projected to be profitable within 180 days of 03/01/2020 *

Business was not more than 90 days delinquent on any loans prior to 3/1/2020 *

Business is in good standing in the state of North Dakota or equivalent Tribal entity *

Business is not currently delinquent on Federal or State taxes *

HERG APPLICATION

8. Businesses must certify the appropriate requirements are met for their business type.

A restaurant (food trucks included) - to include food services and drinking establishment that derive a minimum of 51% of their sales from prepared food and must certify that 75% sales were derived in ND, as well as a current food establishment license.

A bar or lounge with a current on-sale liquor license issued by the appropriate legal entity that derive a minimum of 51% from on-sale sales.

An entertainment venue to include movie, drama or music theaters and facilities used to host community and private events; and that derive a minimum of 51% of your revenue from either rental fees or admissions.

A production company that provides technology and audio-visual services to meetings and events; and must certify that 75% sales were derived in ND.

HERG APPLICATION

The grantee must be one of the following:

- A restaurant (food trucks included) - to include food services and drinking establishment that derive a **minimum of 51%** of their sales from prepared food and must certify that 75% sales were derived in ND, as well as a current food establishment license.
- A bar or lounge with a current on-sale liquor license issued by the appropriate legal entity that derive a **minimum of 51%** from on-sale sales.
- An entertainment venue to include movie, drama or music theaters and facilities used to host community and private events; and that derive a **minimum of 51%** of your revenue from either rental or admissions.
- A production company that provides technology and audio-visual services to meetings and events; and must certify that **75% sales** were derived in ND.

HERG APPLICATION

Business Obligations

- Certify that all information is true and accurate
- Read and agree to abide by the Smart Restart guidelines

YOUR OBLIGATIONS SHOULD YOU RECEIVE ERG GRANT FUNDING

I Certify Correct *

By submitting application for this grant, I certify that the answers and information given above are true and accurate. I understand that making any false or misleading answers will result in denial of my application and may result in criminal prosecution.

I have read and agree to abide by the Smart Restart guideline *

HERG APPLICATION

Process and submit application:

- If you would like a copy of your application, please print from the browser when on the review screen

Edit Application

1 Taxpayer Information ✓ 2 Application ✓ 3 Facilities ✓ 4 Qualified Expenditures ✓ 5 Certifications ✓ 6 Certifications ✓
7 Certifications ✓ 8 Certifications ✓ 9 Obligations ✓ 10 Review

Business Verification

Business Name (text)

another HERG

Doing Business As

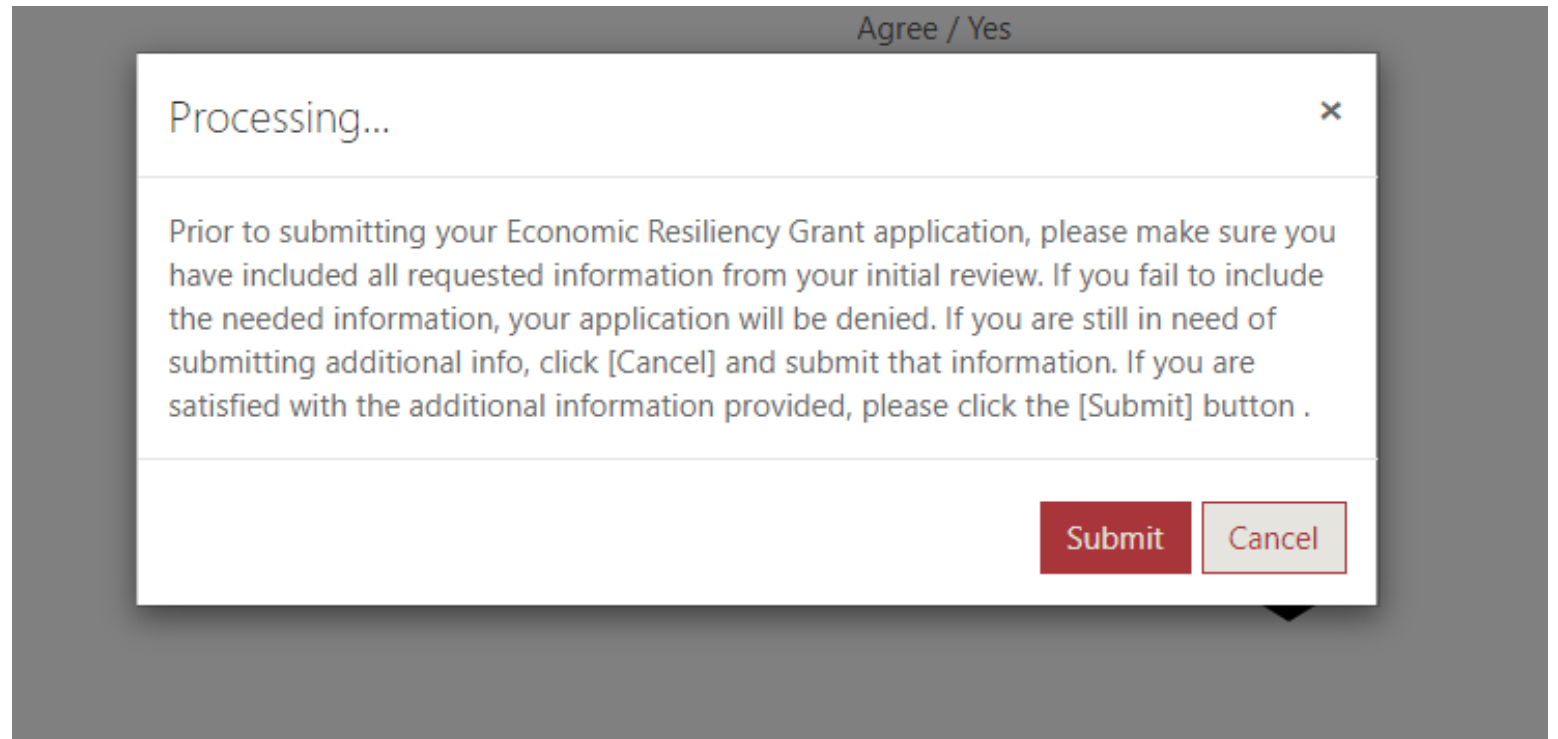
—

Tax Identification Number

3643657

HERG APPLICATION

Submit and process your application:



QUESTIONS AFTER APPLYING

EMAIL: businesshelpCOVID19@nd.gov

Once you submit your application and if you have questions, please make sure your ID number AND business name is listed in the email as it appears on the application.

NEXT STEPS



@CommerceND



@commercenorthdakota



Department of Commerce

COMMERCE NEWSLETTER:

<https://commerce.nd.gov/news/SignUpNewsReleases/>

EMAIL: businesshelpCOVID19@nd.gov

CLOSING REMARKS



ARIK SPENCER
President & CEO, GNDC

THANK YOU