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During the Division of Small Business webinar on applying for the second round of DE Relief Grants, more than 700 participants asked more than 500 questions in the chat box and Q&A. While they could not all be addressed during the session, DSB staff has compiled answers to all the questions\* asked in both areas as a tool for those in attendance and those not able to be part of the event.

Should you have additional questions after utilizing this document, the best way to get an answer is to email [DEReliefGrants@delaware.gov](mailto:DEReliefGrants@delaware.gov).

\*Many questions were the same and have been combined into one

## Eligibility

Question	Answer
Are churches, faith-based organizations or 501(c)(2) eligible for this grant?	No, but they may be eligible for a program for non-profits run by the Office of Management and Budget - <a href="https://governor.delaware.gov/relief/#Nonprofit">https://governor.delaware.gov/relief/#Nonprofit</a>
Are short term rental businesses or vacation homes eligible for a grant?	If this business has at least one employee, it may be eligible.
Do nonprofits qualify for this grant?	Yes, some do. All 501(c)(6) and 501(c)(19) are eligible. And 501(c)(3) in a "disproportionately impacted industry" are, too.
Does a business need to have employees to be eligible?	Yes, an eligible entity must have at least one employee.
I have multiple businesses. Can I apply for all of them?	Yes, provided they are all individually eligible.
I opened my business in 2020. Is it eligible for a grant?	A business that began operations between Jan 1 and Mar 15, 2020 is eligible to apply if it is in a "disproportionately impacted industry." Otherwise, no it is not eligible.

I own a (insert business type). Is it eligible for this grant?	You can read the full eligibility requirements in the FAQ section of the DE Relief Grants webpage. In general any business that meets the SBA definition of a small business in its industry that is primarily located in Delaware is eligible.
I received PPP money. Am I still eligible for this grant?	Yes, as long as you did not receive more than \$1 million.
I started a new business in July 2020 to support existing operations as a result of COVID. Is that business eligible for a grant?	No. The latest an eligible business could have started would be March 15 (only some industries).
I'm not sure my business will be able to show a 7.5% decline. Should I still apply?	If you are unsure, you may want to wait for a later round to have a better sense of your 2020 revenue. Not having a drop of 7.5% will result in the grant needing to be repaid with interest.
My business started midway through 2019. How much am I eligible for?	Use the same formula as a business that was open the entire year.
My retail store's sales have remained steady but total retail sales have remained steady, but expenses have significantly increased. Am I eligible?	Yes, retail is a disproportionately impacted industry.
My revenue this year is up from 2019 but down from what it would have been without the pandemic. Can I apply for more funds?	There is no pro-rating of grant amount, it is based on 2019 revenue per tax return. At a minimum you are still be eligible for \$15,000.
The beginning of the pandemic was very difficult, but things have smoothed out since then. Should I apply?	Consult with your accountant or tax advisor. You must be able to show a 7.5% revenue decline, or you will out back the grant with interest.
What is the minimum amount my business is eligible for?	All businesses are eligible for at least \$15,000.
What should I do if I have filed my tax return but not paid it in full?	Applicants must be in good standing with all applicable taxing authorities.

## Expenses

Question	Answer
Are personnel costs eligible expenses (payroll, health insurance, UI, etc.)?	No, those are not eligible expenses.
Are storage bills an eligible expense?	No, storage bills are not eligible.
Can future expenses in 2020 be eligible?	Yes, but you still must show proof of payment forthcoming.
Can I apply inventory as an expense?	Inventory is not an eligible expense.
Can I claim lost revenue as an expense?	No, lost revenue is not an eligible expense.
Can I submit a quote for a planned expense?	A quote is acceptable for the purposes of applying for the grant.
Can I use this money to take advantage of new opportunities that have emerged in the market?	Equipment purchased in order to expand business opportunities would be considered an eligible expense. For instance, a restaurant who purchased tables/chairs/other items in order to expand its outdoor dining capacity.
Can mortgage payments be eligible expenses if you work from home?	Only commercial mortgage notes are eligible and must be held in the name of the applicant business.
Can my HELP documents be used in place of other receipts and invoices?	Send PDF of all applied for expenses. While HELP is also administered by DSB, it is not necessarily the same team of reviewers. They may not have access to your HELP file for detail.
Can the grant money be used to pay down EIDL or HELP?	Yes, both are eligible expenses. Proof of payment would be required illustrating the payment made for the express purpose of paying down your loan.
Can the grant money be used to pay taxes?	No, the grant money cannot be used to pay taxes of any kind (e.g. property, payroll, income, etc.). This is a federal government stipulation.
Could rent and utilities already paid through PPP be reimbursed by this grant?	Yes.

How do I detail an eligible bulk purchase for multiple locations of my business?	Prepare the same file in support of each location, which should include total expense and allocation by location. For the application, it is not necessary to supply this as an attachment. But it will be required for your 2021 reporting.
How granular should the information I provide about how the grant money will be used be?	The more granular, the better. The more split apart your expense submissions are, the more likely you will get your largest possible award.
I took a bank loan instead of an EIDL, HELP or something else. Can I use the grant to pay that back?	A draw on a line of credit is eligible if you can demonstrate that the draw was necessary due to the effect of the pandemic on cash flow. However, it is recommended to prioritize other eligible expenses before credit draws.
Is a car payment an eligible expense?	No, a car payment would not be eligible.
Is a personal loan (from relatives, shareholder, myself, etc.) an eligible expense?	No, a loan must be from a financial institution to be eligible.
Is equipment an eligible expense?	It may be if you can demonstrate the purchase was necessary due to the pandemic. Check out the list of eligible expenses at <a href="http://delbiz.com/relief">delbiz.com/relief</a> for more info.
Is there a list of allowable expenses, and documentation required?	There is a list of allowable expenses in the FAQ section of <a href="http://delbiz.com/relief">delbiz.com/relief</a> .
The rent for my business, which is in a disproportionately impacted industry, includes other fees, like trash and parking. Is it all eligible?	Yes.
What are the rules for rent, utilities and insurance?	Rent, utilities, and insurance are only eligible expenses for businesses that operate in a disproportionately impacted industry as defined by NAICS code. These expenses are eligible if they are incurred from April 1, 2020 to December 31, 2020.
What does deferred for payment mean?	This means a landlord or bank allowed payments to be deferred to a future date, which typically means the business owes a large lump sum later instead of monthly payments now.



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What if your qualifying expenses are more than the estimated amount the system generates?	Submit as many expenses you believe to be eligible as you would like. This way if one is denied, the reviewers can go to the next expense option. You can submit for as much total money as you would like but will only be approved for a maximum of your allowed amount based on your 2019 revenue.
What kind of insurance is an eligible expense?	Only business insurance is eligible (not health insurance, workers compensation, etc.) and only for businesses in disproportionately impacted industries.
When should the expenses be from?	For most expenses to be considered eligible they must be incurred between April 1, 2020 and December 31, 2020.

## General Round 2

Question	Answer
Am I required to make a minimum request?	The minimum eligibility (regardless of business size) is \$15,000. But you are not required to submit for the full amount.
Can documents be submitted ahead of time to confirm they are acceptable?	You can connect with your area's regional business manager to have them look before you submit - <a href="http://delbiz.com/contact">delbiz.com/contact</a> .
Can I see my Round 1 rejected application?	There is no way to view a rejected application currently.
Can the application be downloaded?	The application is only available through the web portal and cannot be downloaded.
Do all documents uploaded need to be PDFs?	Tax returns must be PDF. Licenses can be PDF or JPG/PNG.
Do I use the same email and password from Round 1?	Yes, use the same log in and password from Round 1.



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How do I know what information was wrong or incomplete in Round 1 to adjust for Round 2?	The denial email you received listed the application's problem. Importantly, this may not have been the only issue. It was the first one the review team noted, which ended the review process. To have your documents reviewed before submission, connect with your area's regional business manager - <a href="http://delbiz.com/contact">delbiz.com/contact</a> .
How/when will I know if I was approved or denied for Round 1?	All Round 1 applicants will be notified if they have been approved or denied on or before September 30, 2020.
If I have multiple businesses, do I need multiple log ins?	No, you can complete multiple applications by using one portal log in account. This will allow you to see all applications on one dashboard.
If my application was "in progress" at the end of Round 1, can I simply pick up where I left off?	Yes, you can continue with an "in progress" application. You cannot go back and rework a submitted application.
If my business was not eligible in Round 1 because it received more than \$1 million from PPP, is it eligible now?	The program is not open to business that received more than \$1 million in PPP funds at this time.
Is the application website secure to send sensitive documents?	Yes, the website is secure.
There was an issue with my Round 1 application, and it was declined. Do I need to fully reapply in Round 2 or simply make the required change to the existing application?	You will need to complete a new application.
What do I do if I need tech support?	Email <a href="mailto:DEReliefGrants@delaware.gov">DEReliefGrants@delaware.gov</a> .
What do I need to have ready ahead of time?	Gather you complete 2019 federal tax return, State of Delaware Business License and receipts/quotes for qualifying expenses.
What documents need to be included in my application?	Complete 2019 tax return, State of Delaware Business License (must submit unless in an industry with a legal exemption from this requirement), receipts for qualifying past expenses or quotes for qualifying future expenses (carefully check what qualifies as an eligible expenses).



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What exact time does portal open for second round?	Round 2 opens at 10 am on Thursday, October 1 at <a href="http://delbiz.com/relief">delbiz.com/relief</a> .
What should I do if I have issues as I am applying?	From 10 am to 4:30 pm on 10/1 and 10/2 you can call (302) 673-6816. You can also email <a href="mailto:DEReliefGrants@delaware.gov">DEReliefGrants@delaware.gov</a> any time.
Where can I see a sample of the application in advance?	A video on <a href="http://delbiz.com/relief">delbiz.com/relief</a> will show you the entire application portal and process.

## Financial

Question	Answer
Are donations to nonprofits considered revenue?	Yes.
Can I have more than one NAICS code?	Yes.
Can I submit 1099s instead of a tax return?	No, federal income tax returns are required. A 1099 form will not satisfy this requirement.
Do I need to include (insert federal tax return section) with my application?	When in doubt, submit.
Do you accept 1065 forms?	Yes, if this is appropriate for your business entity.
Does PUA count toward 2020 income?	Consult with your accountant or tax advisor.
Does tax return have to be signed and dated?	The tax return should be a copy of the exact file that is filed with the IRS. The copy provided to businesses by its tax preparer usually bears some type of watermark and may not always contain signatures because of the way returns are e-filed.
How do I estimate my 2020 income?	Consult with accountant or financial advisor.
How do I show my business's 2020 loss if I haven't filed my 2020 taxes yet?	There is no need to report 2020 revenue yet. Grantees will need to supply their 2020 tax returns in 2021 to close out the grant.
How do you determine the correct NAICS code for my business?	Your tax return includes your code (most on the first page).
How is the 7.5% decline in revenue determined?	This percentage compares 2019 tax return to 2020 tax return. Grant recipients will be required to submit their 2020 tax return once it is filed to prove the decline.



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I file 1120s and 1040s. Which should I upload?	Assuming you are an S-Corp (hence the 1120), you should file the 1120.
I have not filed my 2019 taxes yet. Can I submit 2018?	No, 2018 tax returns will not be accepted. You should apply once your 2019 returns have been filed.
If I file a separate tax return for business and personal, do I have to submit both?	You only need to submit business. But if you file on a Schedule C, the full 1040 should be included.
If the names of an LLC's partners on an application do not match those on the 2019 return, will the application be rejected?	It will not necessarily be rejected. Include a note explaining the change.
Is revenue gross sales or net profit?	It means gross sales.
My business operates on a fiscal year different from the calendar year. What tax return year do I submit?	Calendar year businesses must submit 2019 returns. A fiscal year business should submit the closest federal return it has sent to the IRS. Be aware that returns from too old a time period will not be accepted.
The business code is blank on my tax return. Will I be denied for this?	No, you would not be rejected based on this.
What federal tax return should I provide?	The return provided should contain the tax data of the applicant business. For a lot of applicants this will mean a separate corporate return; for others that file on their Schedule C, they should include the entire Form 1040.
What if I file a consolidated federal return but separate state returns?	The federal income tax return is required, but the Delaware separate returns should be included to verify revenue for each individual entity.
What should a nonprofit file instead of a tax return?	Nonprofits should file their 990.
Will enhanced reimbursements that were distributed to early childcare providers be counted as part of our gross revenue?	Consult your tax advisor or accountant.
Will the PPP loan be included in my gross revenue for 2020?	Consult your tax advisor or accountant.

## Licenses

Question	Answer
Does business license issue date affect eligibility?	No, as long as the license is valid.
If I have an issue with my state business license and/or believe I don't need one to operate, who should I contact to fix and/or confirm?	For questions regarding your specific circumstances we recommend reaching to the business license team at the Delaware Division of Revenue. Business Licensing Dept. can be contacted by email at bustax@state.de.us and by phone at 302-577-8778. If you operate in an industry that does not require a business license from the Delaware Division of Revenue, you should upload the license issued by the body which regulates your industry. For example, real estate agents should attach their professional license issued by the Delaware Division of Professional Regulation. In any instance, the file name must contain 'LICENSE' for the application to be accepted.
What should a nonprofit file instead of a business license?	Nonprofits should supply their IRS determination letter in lieu of a business license. Make sure, however, that when you upload the letter that the file name contains the word "LICENSE" so that the system will accept it.

## Disproportionately Impacted

Question	Answer
I'm in a disproportionately impacted industry, but the NAICS code on my taxes is wrong. What should I do?	We follow the tax return. Discrepancies can be appealed through published process, but there is no guarantee of success.

Is (insert business type) in a disproportionately impacted industry?	The list of NAICS codes for disproportionately impacted industries is available in the FAQ section of <a href="http://delbiz.com/relief">delbiz.com/relief</a> . Check the codes there against the code on your tax return.
Is an industry that is directly connected to a "disproportionately impacted industry" also given this categorization?	No, only businesses with the listed NAICS codes are considered "disproportionately impacted."
My business is in (insert industry), which isn't but, I believe, should be considered "disproportionately impacted." How can I get this changed?	You can appeal the designation by emailing <a href="mailto:DEReliefGrants@delaware.gov">DEReliefGrants@delaware.gov</a> .

## Other

Question	Answer
Are felons excluded from the grant?	They are not excluded but would need to disclose the status in the disclosures section of the application.
How do I file an appeal?	Email <a href="mailto:DEReliefGrants@delaware.gov">DEReliefGrants@delaware.gov</a> with your business name and explanation.
How do I know who my business manager is?	The business managers are listed on our homepage <a href="http://delbiz.com">delbiz.com</a> .
How do we get an Access Code to apply for a W-9 form for the state?	Visit <a href="https://accounting.delaware.gov/suppliers">https://accounting.delaware.gov/suppliers</a> .
How do you handle multiple retail locations under one corporation?	There is a place in the application to put down multiple locations.
How long to receive grant money after approval?	Funds should be distributed 7-10 days after receipt of signed grant agreement.
I already have a DE vendor account. Do I need a new one for this program?	No, only one account is required.
I received a phone call about my application. What should I do?	This call was a scam. All initial communication from DSB will come via email.
Is there an order the applications are reviewed?	Applications are reviewed in the order they are received.



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Is this a grant or a loan?	This is a grant program. Only if the terms of the grant are not fulfilled will the funds convert to a loan with a high interest rate.
My business's 2019 revenue was severely hurt by a non-COVID factor. Can I submit a 2018 tax return instead?	The program is focused solely on the effects of the pandemic. Only 2019 tax returns are accepted.
What are the stages of review in "Status" after I submit my application?	In progress, Submitted, Assigned to processing team, Assigned to review team, Approval Pending (will automatically update to approved when there is capacity in the grant processing queue) or Denied.
What does "approval pending" mean?	"Approval pending" means your review is done. As soon as there is capacity in the grant agreement process you will automatically move to "Approved."
What email address will a decline or approval email come from?	Emails will come from DEReliefGrants@delaware.gov.
What is the interest rate if I end up having to pay back the grant as a loan?	It will be the WSJ Prime Rate plus 500 basis points. On 9/29/20, that would be 8.25%.
What is the timeframe for employee count?	Your business's current employment levels.
When will the 3rd round of funding be?	Round 3 will open in early November. An exact date will be shared when available.
Who can I speak to about something not covered here?	Go to delbiz.com/contact and select the regional business manager for your business's area.
Why does the application ask questions about other business interests owned by the submitting business?	This is an additional check to make sure the entity is indeed a small business. It also makes the State aware of any potential conflicts.