

Business Recovery Grant Program

Phase 2 Outreach Toolkit

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Thank you for helping NCDOR spread the word about the Business Recovery Grant Program.

Here's how you can help:

- Include information in newsletters and other communications
- Mention the program in speeches
- Email information to employees
- Share on social media
- Cohost a webinar with NCDOR for your group

Outreach Contact

If you have any questions, suggestions for outreach efforts, or would like NCDOR to present to your group about the program, contact Will Futrell, Strategic Planning and Public Engagement Officer, at will.futrell@ncdor.gov.

Phase 2 Overview

The N.C. Department of Revenue (NCDOR) plans to launch the application for Phase 2 of the Business Recovery Grant Program (BRG) program on Monday, May 2. The last day to apply for a grant is Wednesday, June 1.

The BRG issues awards of up to \$500,000 to eligible North Carolina businesses that suffered substantial economic loss during the pandemic. Two types of grants are available through the program:

- A hospitality grant is available to an eligible arts, entertainment, or recreation business, as well as an eligible accommodation or food service business such as a hotel, restaurant, or bar (NAICS code 71 and 72).
- A reimbursement grant is available to an eligible business not classified in NAICS Code 71 and 72.

The law was changed to make more businesses eligible in Phase 2. In addition to COVID-19 impacted businesses in the hospitality industry such as restaurants, hotels and bars, the BRG is open to other businesses in all other industries that were affected by the pandemic, including, but not limited to:

- | | |
|---|---------------------------------------|
| • Farmers and Agribusinesses | • Doctor Offices |
| • Gyms and Personal Training businesses | • Interior Design businesses |
| • Salons and Barbershops | • Hardware Stores |
| • Massage Therapy businesses | • Pharmacies |
| • Dental Offices | • Landscape businesses |
| • Law Firms | • Tailors and Dry Cleaning businesses |

Businesses are encouraged to visit <https://www.ncdor.gov/business-recovery-grant> to learn more about eligibility criteria. More detailed information and Frequently Asked Questions will be available on the agency's website.

Starting May 2, eligible business owners will be able to visit www.ncdor.gov to apply or print out a mail-in application. More detailed information and Frequently Asked Questions will also be available on the agency website.

Phase 2 Eligibility Information

Eligibility Expansion in Phase 2

Legislation signed by Governor Cooper in March 2022 made more businesses eligible to apply for a BRG in Phase 2.

Here are some of the biggest changes to the BRG in Phase 2:

- **More businesses will be able to meet the 20% economic loss requirement**
 - In Phase 1, a business was required to calculate economic loss using certain gross receipts reported on the following forms:
 - Form E-500, NC Sales and Use Tax Return
 - Federal Form 1065, U.S. Partnership Return of Income
 - In Phase 2, a business can calculate its economic loss based on certain gross receipts reported on the following forms:
 - Form E-500, NC Sales and Use Tax Return
 - Federal Form 1065, U.S. Partnership Return of Income
 - Federal Form 1120, U.S. Corporate Income Tax Return
 - Federal Form 1120-S, U.S. Corporate Income Tax Return-Sole Proprietorships
 - Federal Form 1040, Schedule C, Profit or Loss from Business
 - Federal Form 1040, Schedule F, Profit or Loss from Farming
- **Businesses not eligible in Phase 1 because they previously received previous other COVID-19 relief may be eligible in Phase 2**
 - In Phase 1, a business could not receive a reimbursement grant if it received an award from one of the following programs:
 - COVID-19 Job Retention Program
 - Economic Injury Disaster Loan Advance (EIDL)
 - Paycheck Protection Program (PPP)
 - Restaurant Revitalization Fund
 - Shuttered Venue Operators Grant
 - In Phase 2, a business may be eligible for a grant if it received an award from one of those programs listed above, provided that the business also:
 - Suffered an Economic Loss of at Least 20%, and
 - Subject to NC Income Tax

- **Businesses that received a grant in Phase 1 that demonstrate additional economic loss *may* be eligible for an additional grant in Phase 2**
 - If a business received a Business Recovery Grant in Phase 1 it may be eligible for an additional grant in Phase 2 if all of the following conditions are met:
 - The business has gross receipts that were not reported on Form E-500;
 - The business has gross receipts that were not reported on its federal Form 1065;
 - The grant award the business received in phase one was less than \$500,000; and
 - The gross receipts of the business that meet the following criteria were reduced from the Pre-COVID Period to the COVID Period:
 - The receipts were not reported on Form E-500;
 - The receipts are for transactions apportioned to North Carolina; and
 - The receipts were reported on one of the following:
 - Line 1a of federal Form 1120;
 - Line 1a of federal Form 1120-S;
 - Line 1 of federal Form 1040, Schedule C; or
 - Line 9 of federal Form 1040, Schedule F.

Grant Eligibility Requirements for Phase 2

Hospitality Grants

For Phase 2, Hospitality Grants are available to businesses that meet **all** of the following requirements:

1. Classified in the North American Industry Classification System (NAICS) Code 71 or 72
 - a. This includes businesses primarily engaged in the following industries:
 - i. Accommodations
 - ii. Arts & Entertainment
 - iii. Food Services
 - iv. Recreation
2. Suffered an economic loss of at least 20%; and
3. Subject to NC Income Tax under Article 4 of Chapter 105

Reimbursement Grants

For Phase 2, Reimbursement Grants are available to businesses that meet **all** of the following requirements:

1. **NOT** classified in NAICS Code 71 or 72
2. Suffered an economic loss of at least 20%; and
3. Subject to NC Income Tax under Article 4 of Chapter 105

20% Economic Loss Requirement

To qualify for a grant, a business must have suffered an economic loss of at least 20%.

Economic loss is defined as the economic damage a business experienced in connection with the COVID-19 pandemic.

A business's economic loss is calculated based on the amount its gross receipts in North Carolina were reduced from the period March 1, 2019 through February 29, 2020 ("Pre-COVID Period") to the period March 1, 2020 through February 28, 2021 ("COVID Period").

For Phase 2, gross receipts are calculated using the sum of the following eligible gross receipts:

1) Gross receipts reported on line 1 of Form E-500, Sales and Use Tax Return ("Form E-500"). If the business did not report gross receipts on line 1 of Form E-500, it may substitute the sum of the receipts listed on lines 4 through 8 of Form E-500 in place of gross receipts listed on line 1 of Form E-500;

2) Gross Receipts that meet all of the following criteria:

- a. The gross receipts were not reported on Form E-500.
- b. The receipts are for transactions apportioned to North Carolina.
- c. The gross receipts were reported on one of the following:
 - Line 1a of federal Form 1065.
 - Line 1a of federal Form 1120.
 - Line 1a of federal Form 1120-S.
 - Line 1 of federal Form 1040, Schedule C.
 - Line 9 of federal Form 1040, Schedule F.

Sharing on Social Media

#BusinessRecoveryNC



@NCDOR



@NCDOR1



@NorthCarolinaDepartmentofRevenue

Business Recovery Grant Webpage

- www.ncdor.gov/business-recovery-grant#about
- Shortened URL: <https://bit.ly/3uwLYMi>

QR Code



Did your business suffer during the pandemic AND miss out on the Business Recovery Grant? No worries. You may be eligible for Phase 2. Application deadline is June 1. Visit <https://bit.ly/3uwLYMi> to learn more. @NCDOR #BusinessRecoveryNC

BUSINESS OWNERS: @NCDOR has opened up Phase 2 of the Business Recovery Grant Program! Your business may be eligible for a grant of up to \$500k. Application deadline is June 1. Learn more at <https://bit.ly/3uwLYMi> @NCDOR #BusinessRecoveryNC

Up to \$500K FOR NC BUSINESSES: Eligible businesses can apply for a Business Recovery Grant to help recoup their losses due to the pandemic. Application deadline I June 1. <https://bit.ly/3uwLYMi> @NCDOR #BusinessRecoveryNC

Newsletters and Emails

Subject Line: Are You Eligible for a Business Recovery Grant?

A message from the N.C. Department of Revenue (NCDOR):

NCDOR plans to launch Phase 2 of the Business Recovery Grant Program (BRG) on May 2, with an application deadline of June 1.

Legislation passed by the N.C. General Assembly and signed by Governor Cooper in March will allow far more businesses to be eligible for a Business Recovery Grant in Phase 2.

The BRG issues awards of up to \$500,000 to eligible North Carolina businesses that suffered substantial economic loss during the pandemic.

Two types of grants are available through the program:

- A **hospitality grant** is available to an eligible arts, entertainment, or recreation business, as well as an eligible accommodation or food service business such as a hotel, restaurant, or bar (NAICS code 71 and 72).
- A **reimbursement grant** is available to an eligible business not classified in NAICS Code 71 and 72.

For Phase 2, the law was changed to make more businesses eligible for a grant. The law now allows a business that received other COVID-19 relief may be eligible for a grant in Phase 2. In addition, gross receipts reported on an expanded list of tax forms can be used to calculate an economic loss for Phase 2, making the BRG available to eligible sole proprietors, corporations, and other businesses that do not report gross receipts on Form E-500 or Federal Form 1065.

This means that farmers and businesses that primarily provides services—such as gyms, hair salons, and tour guides, just to name a few—may now be eligible for a grant or a larger grant!

Visit <https://www.ncdor.gov/business-recovery-grant> for more information and to apply.

Important Links and Resources

- [NCDOR Business Recovery Grant Website](#)
- [Application](#)
- [Frequently Asked Questions](#)
- [Business Recovery Grant Outreach Page](#)
 - Contains resources such as this toolkit, infographics, promotional flyers, and more.

Webinars

- NCDOR will be hosting a Business Recovery Grant Informational Webinar on Wednesday, May 4 at 11:00 AM
 - Registration Link: https://www.ncdor.gov/seminarworkshop-registration-form?title=Business%20Recovery%20Grant%20Informational%20Webinar&program_date=05/04/2022%20%7C%2011%3A00am%20-%2011%3A45am&location&webinar_in_person=Webinar

Helpline

Should potential applicants have any questions about the program or application, you may call the North Carolina Department of Revenue at **1-877-252-4487** (8:00 am until 4:30 pm EST, Monday through Friday).

Bilingual assistance is available to assist as needed.

How to Apply

To be considered timely, applications must be received on or between May 2, 2022 and June 1, 2022.

- Fill out the application by going to <https://www.ncdor.gov/business-recovery-grant>
- Complete the online application at one of the Department's [service centers](#) by scheduling an appointment by phone or on the Department's website.
- If you cannot apply online, a paper application is available on the Department's website or by request.