



NORTH CAROLINA
DEPARTMENT of
COMMERCE

Job Retention Grant Program

August 2020

Straight Facts on Job Retention Program

- Targeted at employers, both for-profit and non-profit
- Supported by federal Coronavirus Relief Funds sent to the state
- Authorized by General Assembly (S.L. 2020-80)
- Funded with \$15 million
- Designed as a noncompetitive grant not a loan
- Created to be a one-time deal
- September 1 firm deadline

Is My Business/Nonprofit Eligible?

1. **Are you an employer?** – can be private businesses and certain types of nonprofits, including PERHAPS 501c6 nonprofits
2. **Have you been offered some COVID-related aid already?** – not eligible if you've participated in the Paycheck Protection Program, the Main Street Lending Program loan, or the state Rapid Recovery Loan Program.
3. **Have you kept your employees?** - you must have at least 90 percent of the North Carolina full-time employees at the end of May/June 2020 as you did at the end of February 2020
4. **Has COVID affected your revenues?** – you must have seen a decline of at least 10 percent in companywide sales/receipts from March-May 2019 to March-May 2020

How Much May I Receive?

- 125 percent of two months of your 2019 average North Carolina payroll, using the same definition as federal PPP, which included:
 - Wages, Salaries, Bonuses for employees earning less than \$100,000
 - Wages, Salaries, Bonuses capped at \$100,000 for employees earning above that amount
 - Employer contributions to health insurance
 - Employer contributions to retirement plans
 - Employer taxes paid for unemployment insurance

NOTE: Maximum grant request is \$250,000 if the calculation above exceeds that amount

Quick Review



Use North Carolina full-time employees for eligibility



Use companywide sales/receipts for eligibility



Use North Carolina payroll for benefits calculation



Only one application for an EIN – for that portion in North Carolina

What Do I Need To Apply?

- Your Secretary of State ID and EIN
- Documentation of your full-time equivalent employees on payroll at the end of February 2020 and the end of May/June 2020 from NCUI-101 forms or some alternative.
- Documentation of sales/receipts during the period March-May 2019 and March-May 2020
- Documentation of North Carolina average payroll expenses (as defined above) for 2019, including federal W-3 forms

What Is The Timeline For the Program?

- Job Retention Grant (JRG) Program enacted into law on July 1, 2020
- Economic Investment Committee authorized Program on July 28, 2020
- **Applications Available Early August 2020**
- **HARD APPLICATION DEADLINE OF SEPTEMBER 1, 2020**
- Department Review and Verification of Applications – September 2020
- *Economic Investment Committee Grant Approval – by early October 2020*
- *Grant Awards and Contracts Signed – October 2020*
- *Grant Reports Due – TBD*
- *All JRG Grant Funds MUST Be Spent by December 2020*

What Are My Odds of Getting A Grant?

Odds are as close to 100 percent as they can be of receiving some amount of grant if your business/nonprofit is eligible and you submit a completed application by the deadline

Odds of receiving the FULL amount requested depend on the total amount of eligible requests received by the deadline. If those requests exceed the \$15 million allocated for the program, then we will prorate the grants to fit within that \$15 million cap.

What Is The Fine Print?

- Your application is subject to the state Public Records law. It's likely that your company name and amount received may be disclosed subject to media requests.
- You must certify that you do not have overdue tax debts and that you have a conflict of interest policy that meets state requirements
- You will be considered a grantee of the state and have to complete a W-9 form and a contract. The Department may review your NCUI-101 forms.
- You must spend this money on legitimate business expenses by December 30,2020 and complete all necessary federal and state reporting requirements.
- The Job Retention Grant is counted as taxable income

Special Case of 501c6 Nonprofits

- 501c6 nonprofits were not eligible for the PPP, although they are significant employers
- The General Assembly intended to include 501c6 organizations in the program, but the necessary reference to include those organizations was inadvertently left out. The GA hopes to fix that oversight at its next opportunity.
- Applications will be accepted from 501c6 organizations, but it is understood that they cannot receive any support unless and until the law is changed.

Thank You for Your Interest!

- Contact jrg@ncommerce.com with followup questions