

COVID-19 Small Business Energy Support Grant Program Round 2

Frequently asked questions

If my business meets the eligibility criteria, can I claim the \$1,000 grant for each of my utilities (i.e., electricity, water, sewerage)?

No, the grant is a \$1,000 one-off payment amount.

If my business received the COVID-19 Small Business Energy Support Grant in Round 1 am I eligible for the grant in Round 2?

No, the grant is a \$1,000 one-off payment amount.

My electricity is not metered, am I eligible for the grant?

If you meet all the eligibility criteria and can provide evidence that you pay for your electricity you are eligible for the grant.

My business is on a commercial tariff but I haven't received the waiver, am I eligible for the grant?

The waiver is automatically applied by energy service providers to first quarterly bills issued on or after 1 March 2020. Please contact your energy provider to confirm if you are eligible for the waiver. If you are not eligible for the waiver ask your energy provider for evidence that you can attach to your grant application (for example, an email indicating that you will not receive the waiver) to be considered for this program.

What are some examples of supporting information I could provide?

In order for an application to be deemed eligible supporting documentation to demonstrate the eligibility must be provided.

You must **include every page** of your supporting documents.

If suitable information is not provided, the application will be declined.

Examples of evidence include:

- Most recent financial statements and or management accounts
- Copy of most recently submitted Business Activity Statement
- Copy of the most recent taxation returns
- Copy of the property lease agreement if applicable
- Evidence of payment for metered electricity to property owner/manager (for example, every page of your electricity bill covering the period March 2020 to June 2020)

Can I apply for the grant if I'm in an embedded network?

Yes, small businesses that operate in 'embedded networks' and don't deal directly with a retail provider are eligible, provided they meet the eligibility criteria.

What is an embedded network customer?

Embedded network customers are businesses that get their power from a landlord or building owner. Examples of this are shops in a shopping centre, tenants in managed office accommodation or leaseholders at a business estate.

When does the grant program open and close?

The grant program opens for applications at 12 noon on Wednesday 4 November 2020 and will close at 12 noon on Monday 21 December 2020.

Who can lodge an application?

Applications must be submitted and lodged by the business owner.

I run my business from my place of residence, am I eligible for the grant?

No, businesses that operate from a home residence are not eligible for the grant. Home-based businesses should be claiming their energy costs as part of their regular tax return. This includes accommodation business such as bed and breakfast businesses, where there is no separation between the home energy bill and the business energy bill.

I run an accommodation business, but **not** from my place of residence, am I eligible for the grant?

Yes, as long as you meet all the eligibility criteria and the business has its own energy account.

I am a self-employed, sole trader or owner operator am I eligible to claim for a grant?

Yes, sole traders are eligible in Round 2.

I am a sole trader with no employees and I run my business from my home can I apply?

No, sole traders who operate their business from their place of residence are not eligible unless they can demonstrate a separation between their home energy bill and their business energy bill. Home based businesses should be claiming their energy usage as part of their taxation returns.

Who is eligible for the grant?

Tasmanian small businesses that meet all the eligibility criteria and have not received the small business electricity, water and sewerage waiver from their utility provider for their first quarterly bill from 1 March 2020 or received the COVID-19 Small Business Energy Support Grant in Round 1.

The eligibility criteria are as follows:

- Not received the COVID-19 small business electricity, water and sewerage waiver from their utility provider for the first quarterly bill from 1 March 2020.
- Not received the \$1,000 COVID-19 Small Business Energy Support Grant in Round 1.
- Have fewer than 20 Full Time Equivalent Staff (FTEs) as at 12 March 2020.
- Hold an Australian Business Number (ABN) – this ABN must be for the applicant business, have been active on or before 12 March 2020 and continues to be active.

- Be registered for GST.
- Have demonstrated an aggregated annual turnover of under \$10 million (excluding GST).
- Have submitted and lodged the most relevant activity Business Activity Statement on time.

What organisations are ineligible for the grant?

- Any Tasmanian small business that has received the small business electricity, water and sewerage waiver from their utility provider for their first quarterly bill from 1 March 2020.
- Any Tasmanian small business that has received the COVID-19 Small Business Energy Support Grant in Round 1.
- Businesses that operate from a home residence.
- Any public company under the meaning as defined in the Corporations Act 2001.
- Any government body, government agency and government business enterprises.
- Not-for-profit organisations, incorporated associations and charities unless trading or financial activities are a substantial part of the organisation activities.
- Any business that is under External Administration or bankruptcy.
- Third party submissions on behalf of a business owner.

What is the assessment process for this grant?

Applications will be assessed in order of receipt and will be assessed on applicant eligibility and evidence provided by the applicant in support of the application.

Applications will be assessed by the Department of State Growth.

I am not registered for GST, why am I not eligible to apply?

Businesses have to be registered for GST as per the guidelines. Having submitted and lodged the most relevant activity Business Activity Statement (BAS) is one of the criteria and to do this the business must be registered for GST.

What is an FTE, and how does it apply to my businesses eligibility?

FTE = Full Time Equivalent.

As a rule, one FTE works 38 hours per week, 52 weeks a year.

So if an employee works, for example, 20 hours per week that is regarded as 0.5 FTE.

If you have less than 20 FTE employees. A FTE can be made up of more than one employee where they do not work full time.

What does my annual turnover need to be to apply for the grant?

The requirement for annual turnover must be under \$10 million excluding GST. This is in place as this grant scheme is targeted at small business with fewer than 20 FTEs.

What are the taxation and financial implications of the grant?

The receipt of funding from this program may be treated as income by the ATO. While grants are typically treated as assessable income for taxation purposes, how they are treated will depend on the recipient's particular circumstances.

It is strongly recommended that potential applicants consider seeking independent advice about the possible tax implications for receiving the grant under the program from a tax advisor, financial advisor and/or the ATO, prior to submitting an application.

My business structure is a partnership, can each partner apply for a grant?

No. It is important that all partners are aware an application is being submitted.

I have one ABN for multiple businesses that meet the eligibility criteria, can I apply for multiple grants?

No. You can only apply for a maximum of two grants under this program.

I have multiple businesses and multiple ABNs, can I apply for multiple grants?

No. You can only apply for a maximum of two grants per business owner under this grant program.

Am I able to claim for a grant as a not-for-profit business?

No, unless trading or financial activities are a substantial part of the organisations activities and supporting evidence is provided.

If my application for the grant is approved how and when will I receive the funds?

Assessment of applications will commence as applications are submitted and applications will be assessed in order of receipt.

The grant program will open on Wednesday 4 November 2020 at 12 noon and close on Monday 21 December at 12 noon.

The Department of State Growth is expecting a high number of applications to be submitted. The time taken to assess applications will be dependent on the actual number of applications received.

Applicants will be notified of the outcome of their application via SmartyGrants. Applicants who are unable to apply online via SmartyGrants can access a manual application form by calling Business Tasmania on 1800 440 026.

It is important to check your 'junk mail' folder in case the notification from SmartyGrants has accidentally been placed there by your email system.

Once approved, will I need to invoice the department to receive the grant funds?

No. The department will organise payment of funds once your application has been deemed successful. It is essential that the bank details you provide in your application form are accurate. The department does not take responsibility for incorrect details provided in the application.

If I submit my application and then realise I have forgotten to upload some supporting information can I still submit it?

No, once your application is submitted there is no opportunity to provide more information. The assessors can only assess an application on the information that is provided so it is vitally important that you provide all of the information requested.

I don't have an ABN can I still apply?

No, only businesses with an ABN registered on or before 12 March 2020 and continue to be active are eligible to apply for the grant.

I have already received another COVID Grant can I still apply for this grant?

You can apply for a grant provided you meet the eligibility criteria.

If you received the COVID-19 Small Business Energy Support Grant in Round 1 you are not eligible for this grant.

The guidelines ask applicants to certify that they meet the eligibility criteria, what does this mean?

Applicants need to tick a box on the application form to verify the information they are providing is true and accurate.

My business is significantly impacted by COVID-19, however I don't meet the criteria, what other support is available to me?

A range of support programs are offered by the Tasmanian Government to assist the business community. Please contact Business Tasmania on 1800 440 026, email ask@business.tas.gov.au or go to www.business.tas.gov.au to find out more.