

COVID-19 Small Business Continuity Grant Round two

Frequently asked questions

How much funding is available?

A total of \$2 million is available as limited number of grants of \$750 each.

The grant program opened for applications at 12 noon on 10 August 2020 and will close at 12 noon on 7 September 2020 or when the funding has been fully allocated. A maximum of 2666 grants will be awarded.

Who can lodge an application?

Applications must be submitted and lodged by the business owner.

Who is eligible for the grant?

To be eligible for a grant an applicant must first meet **all** eligibility criteria outlined below:

- Have employed fewer than 20 Full Time Equivalent staff (FTEs) at 29 February 2020.
- Have an Australian Business Number (ABN) – this ABN must be for the applicants business, have been active on or before 29 February 2020, and continues to be active.
- The business registered address per the ABN registration needs to be Tasmanian.
- Have a business bank account in the same name as the applicant business name.
- Businesses must predominantly operate in Tasmania and business owners must reside in Tasmania.
- Have an annual turnover of more than \$50,000 (excluding gst) for 2018-19 or 2019-20 financial year OR for recently established businesses, estimate that annual turnover will exceed \$50,000 (excluding gst) in the 2020-21 financial year. Supporting documentation must be provided, otherwise the application will be declined.

Notes:

1. *Applicants must certify that they meet the eligibility criteria. Providing false or misleading information will result in the grant being repayable on demand, and jeopardise any current and future applications for support.*
2. *Where a business owner has multiple ABNs for multiple businesses, they can apply for maximum two grants under this Program only.*
3. *Accountants and financial advisors are not permitted to complete and/or submit applications on behalf of their clients.*

What organisations are ineligible for the grant?

- Businesses that have received a grant under Round 1 of this program.
- 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.
- Accounting and financial advisor businesses.
- Investment entities (such as unit trusts) for residential and commercial property investment/rentals.

What can I spend the money on if I am successful?

Expenditure must be used for the purpose of receiving assistance in relation to business continuity planning or advice relating to:

- Maintaining solvency (ie avoiding insolvency)
- Cashflow projections
- Managing financial risk
- Diversifying/pivoting the business enterprise
- Adding value to products and services provided by the business enterprise.

If I am successful, what am I not allowed to spend the money on?

Grant funds must be used for the purpose of receiving assistance in relation to business continuity planning. Examples of what funding cannot be used for include, but are not limited to:

- Servicing creditors or personal debts.
- Annual business tax or accounting services.
- The purchase, hire or lease of physical goods and equipment.
- The cost of marketing activities, advertising placements and marketing and communication production costs.
- Any advice, services and activities that form part of routine business management and operations, or advice, services and activities that sit outside of, or do not directly relate to the operations of the business enterprise.

What is the assessment process for this grant?

Applications will be assessed in order of receipt.

Applications will be assessed on applicant eligibility, project expenditure eligibility, and evidence provided by the applicant in support of the application.

What are the timeframes for this grant?

- The grant program opened on 10 August 2020 and will close at 12 noon on 7 September 2020 or when the funding has been fully allocated, whichever occurs first.
- A maximum of 2 666 grants will be awarded.
- Assessment of applications will commence as applications are submitted and applications will be assessed in order of receipt.
- The Department of State Growth expects that there will be a high volume of applications received. 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 by calling Business Tasmania on 1800 440 026.

What is the application process for this grant?

- Applicants must determine if they meet the eligibility criteria before submitting an application, by carefully reading the program guidelines.
- Applicants should complete and lodge an application online via the Business Tasmania website www.business.tas.gov.au. Applicants who are unable to apply online via SmartyGrants can access a manual application by calling Business Tasmania on 1800 440 026.
- Applicants should ensure that all required information is provided in the application, as there will be no opportunity for applicants to provide additional information after lodgement.
- Applications will be assessed by the departmental assessment team.
- Applicants will be advised via email of the outcome of their application once assessed.

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.

Your business meets the FTE criteria 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 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.

Can I use the grant to get my accountant to help me with Job Keeper or find other grants to apply for?

No that is not an eligible activity.

[My consultant is a BAS Agent or a book keeper can I use them for this grant?](#)

Only if they are a Certified Practising Accountant (CPA), Chartered Accountant (CA) or Member of the Institute of Professional Accountants (MIPA). To achieve these qualifications requires a higher level of study to meet the minimum standards set out by the three professional bodies.

[I am a self-employed, sole trader or owner operator am I eligible to claim for a grant?](#)

Yes, provided:

- You have not already received a grant under round one.
- You have been operating your business (not a hobby or charity) on or before 29 February 2020.
- Your business is able to meet the minimum \$50,000 turnover threshold.

[My business structure is a partnership, can each partner apply for a grant?](#)

No. Only one grant is permitted per ABN and it is important that all partners are aware an application is being submitted.

[I applied for a grant under round one and was unsuccessful, can I apply for a grant under round two?](#)

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

[Am I able to claim for a grant as a not-for-profit business?](#)

No, this grant is for profit businesses.

[If my application for the grant is approved how and when will I receive the funds?](#)

Given the high volume of applications anticipated applications could take up to six weeks for assessment.

Once assessed and approved, payment will be within five business days of grant approval, or as long as it takes for the transfer of funds into your bank account.

You will be notified by email once your application has been approved/declined. It is important to check your 'junk mail' folder in case the notification from SmartyGrants has accidentally been placed there by your email system.

[My business name does not match my bank account name, does that mean I am ineligible?](#)

If your bank account name differs from the business name you must explain why in the application form.

[Once approved, will I need to invoice the department to receive the grant funds?](#)

No. The department will organise payment of funds once an 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 have multiple businesses each with different ABN's. Can I apply for each separate business?

You can apply for up to two businesses with different ABN's provided they have not been funded under Round 1 of the Business Continuity Grant.

If a business has been operating prior to 29 February 2020, but there has been a change in ownership after this date, then is the business still eligible to apply for the grant?

Yes, the business is still eligible to apply provided it meets the eligibility criteria.

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

No, only those businesses with an ABN registered on or before 29 February 2020 are eligible to apply for the grant.

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.

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

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