

Small Business Advice for Recovery Program

Frequently asked questions

How much funding is available?

Total funds available for this program is \$1.538 million.

A maximum of 2 050 grants will be awarded.

The Grant program will open for applications on Wednesday 28 October 2020 at 12:00 pm and close on Monday 22 February 2021 at 12:00 pm, or when the funding has been fully allocated, whichever occurs first.

Who can lodge an application?

Applications must be submitted and lodged by the business owner. If you need a third party to submit the application on your behalf, please contact Business Tasmania on 1800 440 026 to seek approval.

For what reason can a third party lodge my application?

If you have a legitimate barrier, for example, English is not your first language, you may contact Business Tasmania to seek approval for someone else to submit an application on your behalf. If approval is given please ensure this is noted in your application.

Who is eligible for the grant?

To be eligible for a Grant the applicant must meet **all** of the eligibility criteria outlined below:

- have an Australian Business Number (ABN) as at 29 February 2020 that continues to be active
- be a business located and operating in Tasmania with the business owner also residing in Tasmania
- not be subject to any legal impediment, including bankruptcy or liquidation
- have employed fewer than 20 Full-Time Equivalent staff (FTEs) at 29 February 2020
- be able to demonstrate an annual turnover of more than \$50 000 (excluding GST) for 2018-19 or 2019-20 OR for recently established businesses, demonstrate that indicative turnover would have exceeded \$50 000 (excluding GST)
- have a business bank account in the same name as the applicant business name
- where a business owner has multiple ABN's for multiple businesses, they can apply for a maximum of two businesses only.

Note:

For an application to be deemed eligible, supporting documentation to demonstrate the above eligibility must be provided. If suitable information is not provided, the application will be declined.

Notes:

- i. *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.*

What organisations are ineligible for the grant?

Applications will NOT be accepted from:

- Local, state or Australian Government entities, including Government Business Enterprises.
- Not-for-profit organisations, incorporated associations and charities, unless trading or financial activities are a substantial part of the organisation's activities.
- Any public company under the meaning as defined in the Corporations Act 2001.
- Any business that is under external administration or bankruptcy.
- Investment entities (such as unit trusts and superannuation funds) including residential and commercial property investments/rentals
- Third party submissions on behalf of a business owner.

Note:

- i. *If you were funded under Round 1 or Round 2 of the Small Business Continuity Program, the advice or service you are seeking funding for under the Small Business Advice for Recovery Program must be different.*

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

Applicants must outline the advice required for business recovery, why it is required, and justify why their nominated consultant is appropriately qualified to provide that advice.

Advice could cover issues including:

- cash flow projections
- managing risk
- diversifying the business enterprise
- adding value to products and services produced by the business enterprise
- marketing plans and or business plans
- legal matters
- supporting the lodgement of an application for the Business Growth Loan.

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

Grant funding must be used for the purpose of receiving assistance in relation to business recovery advice or service. Examples of what funding cannot be used for include, and is not limited to:

- servicing creditors or personal debts
- annual or quarterly business tax or accounting services (such as BAS, PAYG, all Tax and Annual returns, and data input entry)

- the purchase, hire or lease of physical goods and equipment
- activities that could ordinarily be described as operational expenditure outside the scope of this program
- advertising
- business advice is not to be used for advice within your own business area of expertise – for example, an accounting firm could not seek advice for business continuity advice, or a web design business could not seek advice re web designs.

Note:

- Tasmanian Government funded Enterprise Centres cannot be a consultant under this program as they are funded to provide free advice to small business under the Enterprise Centre program.*

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 will open on Wednesday 28 October 2020 at 12:00 pm and close on Monday 22 February 2021 at 12:00 pm, or when the funding has been fully allocated, whichever occurs first.
- Assessment of applications will commence as applications are submitted and applications will be assessed in order of receipt.
- The Department of State Growth (the Department) 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.

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 notified of the outcome of their application via Smarty Grants.

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, before submitting an application.

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

No that is not an eligible activity.

What sort of services can I engage a consultant to perform on my behalf?

Any service that will assist your business in its recovery from the COVID-19 pandemic. Examples include but are not limited to:

- A social media expert to review your online presence and how to improve it.
- A point of sale expert to advise and assist in upgrading your point of sale system.
- An accountant to provide a cash flow forecast.
- A technical expert to advice on a new product or service.
- A bookkeeper to provide training in systems implementation of software including Xero, or POS training

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

Yes provided:

- The advice or service you are seeking funding for under the Small Business Advice for Recovery Program is different to any project funding you may have received under Round 1 or Round 2 of the Small Business Continuity Program.
- 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.

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, the assessment process could take up to six weeks.

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

The bank details you provide in your application form must be 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 important 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 for the same activity/activities 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.

Should my turnover figure be before or after-tax?

Turnover is defined as normal operating revenue (excluding GST) such as proceeds from the sale of goods and services to customers. Proceeds from irregular sources such as grants, JobKeeper and the sale of plant and equipment will not be counted as turnover.

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

You can apply for a grant provided you meet the eligibility criteria. Noting that meeting the eligibility criteria does not automatically mean you will be successful for a grant.

Do I need to make a new SmartyGrants account?

No. You can use an existing SmartyGrants account if you have one.

I forgot my SmartyGrants password, can you reset it?

For all technical assistance and password reset options, please contact SmartyGrants using the details below.

SmartyGrants

Phone: 03 9320 6888, Email: service@smartygrants.com.au, Technical help guide for applicants