

SOUTH DAKOTA'S PLAN FOR CARES ACT FUNDS

Round One:

- Make 100 million available for grants. Focus on small business.
- Target 2nd quarter 2020, but allow applicants to submit data for additional months of July and August if still being impacted.
- Use private accounting firm and secure privacy of data from all applicants unless being investigated for fraudulent activity.
- Require financial data comparing 2019 to 2020, year over year financial loss evidence. Corresponding tax returns (Schedule C or F or whatever) to support the loss data and to be sure they were profitable.
 - Funds will be paid out for negative cash flow from operations
 - +income
 - cash expenses excludes depreciation, amortization etc.
 - term debt principal payments
 - = cash flow from operations
 - +other COVID relief i.e. PPP or SBA loans Gov's loan program farm payments etc.
 - = adjusted COVID cash flow from operations – grantable amount
- Maximum grant for the 1st Round is \$100,000. Inform applicants that additional funds may be made available, depending upon the number of applicants.
- Perhaps consider making the grants for a % of the loss incurred. (Losses under \$15,000 = 100%; \$15,000 to \$50,000 = 90%, but not less than \$15,000; Over \$50,000 = 80%, but not less than \$45,000.) This will show preference to the small businesses.
- Exclude other government entities if they received or were eligible to have received previous funding direct from the Feds or through the State procedure.

Round Two:

- Analyze data received from Round One and adjust if warranted. Consider a focus on industries hit specifically hard.
- Make \$200(?) million available.
- Evaluate any possible changes in the federal guidelines or federal funds made available directly to specific industries.
- Consider excluding industries/businesses given direct federal government funds or at a minimum offsetting their losses with other benefits received.

Round Three:

- Adjust as needed from above and changes from the Feds.
- If the December 2020 deadline for using the money has not been extended, use the remaining funds.