In response to Governor Mike Dunleavy's Public Health Disaster Emergency Declaration on March 11, 2020, the Alaska Department of Commerce, Community, and Economic Development (DCCED), working with the Alaska Industrial Development and Export Authority (AIDEA), established a grant program to provide economic relief to small Alaskan businesses impacted by the COVID-19 public health emergency. DCCED contracted with AIDEA to manage and implement the program, and AIDEA contracted with program operators – Credit Union 1 and the Juneau Economic Development Council – to process grant applications and disburse funds. In an effort to speed up processing times, AIDEA and DCCED are also acting as program operators.

The AK CARES program has been oversubscribed since September 2, 2020, meaning more funds were requested than are available through the program. We continued to accept applications because we know not all requested funds will be approved – either due to the business or individual expense being ineligible. However, the online application portal closed at 5:00pm on Tuesday, September 15th after more than $100 million in excess of the program’s cap had been requested.

If we have remaining funds available after all applications received between June 1st and September 15th have been processed, we will reopen the portal with advance notice to the public.

To expedite the application process, small businesses were strongly encouraged to review the checklist and FAQs carefully prior to submitting the application. These materials are provided through the "FAQ and Checklist" link below. Incomplete application packages do not preserve an applicant’s priority in the processing queue. The AK CARES Program is operated on an equal access/non-preferential (i.e. first-come, first-served basis).

The application period for the AK CARES Grant Program opened on June 1, 2020. The expanded eligibility criteria (which made commercial fishermen, 501(c)6 nonprofit organizations, and businesses that received $5,000 or less in PPP/EIDL funds eligible) went into effect on August 6, 2020. As of August 31, 2020, businesses that received any amount of PPP/EIDL funding and secondary income source businesses became eligible as well.

Updated: October 9, 2020
Please [click here for a PDF preview of the online application](#) to prepare your application package accordingly.

Please [click here to view a 30-minute instructional video on how to fill out the application correctly](#), created by the Alaska Small Business Development Center.

Once you have applied for an AK CARES grant, you may receive follow up phone calls and/or emails from the grant processor. Your prompt response to these follow up communications is necessary in order to finalize the processing of your grant application. Please be sure to check your inbox(es) and voicemail(s) daily, including the junk folders. Please also ensure you have room in your voicemail to receive messages.

If you have questions on the AK CARES grant program or application process, please contact (907) 771-3019 or Grants@akcaresonline.org.

[Click here](#) for a printable version of these FAQs and the application checklist.

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**AK CARES Funding Program FAQs**

### When can I apply?

The AK CARES online portal closed at 5:00pm on Tuesday, September 15th.

The AK CARES program launched on June 1, 2020; and the online application portal ([www.akcaresonline.org](http://www.akcaresonline.org)) went live on August 6, 2020; the same date the AK CARES expanded eligibility criteria went into effect.

As of August 31, 2020, the AK CARES program became available to businesses that receive any amount of PPP or EIDL funding, and to businesses that are secondary sources of income. This change came as a result of the Revised Program Legislative (RPL) that was submitted by Governor Dunleavy and approved by the Legislative Budget & Audit Committee on August 27, 2020.

### How can I apply?

As of 5:00pm on September 15th, we are no longer able to accept new applications.

If you have already applied, but need assistance in completing and submitting additional documentation (as requested by the grant processor), you are encouraged to reach out to your [local ARDOR](#) or their [local Small Business Development Center](#) for assistance. The Small Business Development Center (SBDC) also has business kiosks in Nome, Cordova, Haines, and Kodiak, which are available for use by AK CARES applicants. These kiosks have basic business functionality (scanners, printers, internet and email access, etc.), as well as the ability to support one-on-one business advising by the SBDC team using videoconference software.

Many of the ARDOR and SBDC offices have closed their doors to the public due to COVID-19. However, they will assist businesses with AK CARES applications upon request. We recommend calling your local ARDOR or SBDC to set up an appointment.

### Will these funds be issued to businesses as loans or grants?

These are grants.

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Updated: October 9, 2020
What is the minimum and maximum grant amounts?

$5,000-$100,000.

What are the terms?

As a grant, there is no repayment required except in the case of malfeasance. There will be a grant agreement requiring signature by the recipient outlining the conditions of the grant funding.

Are there fees associated with these grants?

There are no fees that will be charged to the applicant business.

Are there restrictions on how the proceeds are used?

Grant proceeds are to be used for COVID-19 emergency related business expenses ("Eligible Expenses") incurred and previously paid or currently unpaid by the applicant business or held in arrears. Business will be liable for any misuse of funds and the grants are subject to audit.

Eligible Business Expenses include:

- Payroll costs and expenses;
- Payment of eligible expenses incurred during the eligible timeframe and charged to a credit card or charge account (a copy of the credit card or charge account statement is required for verification, and eligible expenses should be highlighted on the document);
- Rent or mortgage payments for business facilities (unless otherwise waived by lessor/lender);
- Utilities payments;
- Purchase of personal protective equipment required by the business;
- Business related equipment; and
- Expenses incurred to replenish inventory or other necessary re-opening expenses

(See below for examples of eligible expenses for Small Businesses and Commercial Fishermen.)

**AK CARES funds cannot be used for any expenses claimed or paid by other assistance/relief programs; including, but not limited to: PPP, EIDL, and municipal/local grant programs. (I.e., no “double dipping”.)

**AK CARES funds cannot be used to directly employ, retain, or contract with a lobbyist, nor can they be directly related to lobbying activities meant to influence legislative or administrative action by the government. See AS 37.05.321.

Who Can Apply?

The AK CARES online portal closed at 5:00pm on Tuesday, September 15th.

Small businesses based, licensed, and located in Alaska with an Employer Identification Number (EIN) – including C-corps, S-corps, Partnerships, LLCs, Nonprofits (501(c)3 501(c)6, and 501(c)19 organizations) and sole proprietorships – impacted by COVID-19 that meet the following criteria:

- Business was licensed and established when the public health disaster emergency declaration was issued by Governor Dunleavy on March 11, 2020;
- Business has, on average, 50 or fewer full-time equivalent employees; and
Commercial fishermen impacted by COVID-19 who held and fished a Limited Entry Permit or Interim Use Permit issued by the Commercial Fisheries Entry Commissioner (CFEC) and meet the following criteria:

- Fishermen who held a Limited Entry Permit or Interim Use Permit in 2019 and 2020, including an embossed gear card, and participated in an open fishery that produced income in 2019.
  - Exception: Card Holders who purchased a Limited Entry Permit for the first time in 2020 must have been a crew member in 2019 that actively participated in an open fishery in Alaska to be eligible.
  - Exception: Card holders who emergency transferred their permit in 2019, and are actively fishing in 2020 are eligible.
  - Exception: The temporary permit holder who held Limited Entry Permit(s) by emergency transfer are eligible.
- Fishermen who engage primarily in Alaskan fisheries.
- Fishermen with, on average, 50 or fewer full-time equivalent employees.

Are Nonprofits eligible to apply for the AK CARES grant program?

The AK CARES online portal closed at 5:00pm on Tuesday, September 15th.

Yes, if your nonprofit is a 501(c)3, 501(c)6, or 501(c)19 that meets the program guidelines in addition to meeting the following requirements:

- Current or 2019 IRS Form 990 on file with the IRS (if you do not have a current or 2019 IRS form, you can provide a 2018 form)
- IRS letter of determination of nonprofit status for more than one year.
- Directed by a voluntary board of directors or local advisory board whose majority of members are residents of the State of Alaska
- Was providing in-state aid or services when the public health disaster emergency declaration was issued by Governor Dunleavy on March 11, 2020.

**AK CARES funds cannot be used to directly employ, retain, or contract with a lobbyist, nor can they be directly related to lobbying activities meant to influence legislative or administrative action by the government. See AS 37.05.321.**

Who is NOT eligible for AK CARES grant program?

- Marijuana related businesses
- Out of State businesses
- Business with more than 50 full-time equivalent employees (on average)
- Businesses involved in an active bankruptcy
- Businesses that do not otherwise meet the eligibility criteria
- Commercial fishermen that did not renew their permit and did not receive a gear card for 2020 or 2019
- Commercial fishermen who hold a permit for a fishery that was closed in 2019 and 2020
- Commercial fishermen that emergency transferred their permit and did not actively fish themselves in 2019 and 2020

Examples of Eligible Expenses for Small Businesses and Commercial Fishermen:

- Payroll costs and expenses (the amount awarded for expenses listed under "payroll costs and expenses" will be calculated on an annualized basis and pro-rated over the allowable period):
  - Business owner: Wages, commissions, income, or net earnings shown on 2019 tax return (i.e. Schedule C) from self-employment.
- Vessel owner: Wages, commissions, income, or net earnings shown on 2019 tax return (i.e. Schedule C) from self-employment.
- Crew shares for each crew member. The amount awarded will be based on 2019 earnings as reported on 1099s.
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit.
- State and local taxes assessed on compensation pro-rated for each employee.
- Any portion of payroll costs covered by unemployment insurance are not eligible.

- Payment of eligible expenses incurred during the eligible timeframe and charged to a credit card or charge account (a copy of the credit card or charge account statement is required for verification, and eligible expenses should be highlighted on the document):
  - Expenses paid or charged for eligible expenses starting during the eligible timeframe.
  - Expenses charged on credit cards for eligible expenses during the eligible timeframe.
  - Store charge accounts for eligible expenses during the eligible timeframe.
  - Seafood Processor charge accounts for eligible expenses during the eligible timeframe.
  - Total debts financed with a term over 24 months are not eligible, but individual payments incurred during the grant period may be claimed if the purpose of the loan was for an eligible business expense.

- Rent or mortgage payments (unless otherwise waived by lessor/lender):
  - Payments for building mortgage or lease agreement within the eligible timeframe. (The mortgage/lease agreement must have been in full force before March 11, 2020.)
  - Rent payments within the eligible timeframe.
  - Vessel mortgage or lease agreement in force for the 2020 fishing season (ship mortgage or vessel loan must have been in full force before March 11, 2020).
  - Vessel moorage, dunnage, or storage payments.
  - Rent, vessel, mortgage/loan, or lease payments that were waived are not eligible.

- Utilities payments:
  - Electricity, gas, heating oil, vessel fuel, water, transportation, telephone access, or internet access.

- Purchase of personal protective equipment required by the business:
  - Personal protective equipment required for employees or business operations.

- Business related equipment:
  - Equipment that is vital to continue standard operation of the business as it was before the COVID-19 public health emergency, or equipment necessary for adapting to amended business operations during or after the COVID-19 public health emergency.
  - New equipment to expand services, expand business operations, or unnecessarily replace or upgrade currently functional equipment are not eligible.

- Expenses incurred to replenish inventory or other necessary re-opening expenses.
  - Inventory that is vital to continue standard operation of the business as it was before the COVID-19 public health emergency, or inventory necessary to adapt to amended business operations during or after the COVID-19 public health emergency.
  - Expenses that meet all other eligibility requirements and are vital to re-staff and/or re-open the business.
  - New types of inventory to expand services, expand operations, or that were not previously used by the business are not eligible.

**AK CARES funds cannot be used for any expenses claimed or paid by other assistance/relief programs; including, but not limited to: PPP, EIDL, and municipal/local grant programs. (I.e., no “double dipping”.)**
Examples of Ineligible Expenses:

- Insurance premiums (other than payments required for the provisions of group health care benefits to employees as part of payroll costs and expenses);
- Government revenue replacement (such as property tax, income tax, and government fees);
- Any business expenses claimed or paid by other assistance/relief programs;
- Expenses intended to directly employ, retain, or contract with a lobbyist, or expenses directed related to lobbying activities meant to influence legislative or administrative action by the government.

Amortized Monthly and Annual Expenses:

- Eligible expenses that are paid monthly will be considered for payment only for the payments due over the eligible timeframe.
- Eligible expenses that are paid annually, regardless of when the payment due date falls, will be prorated over the eligible timeframe.
- The due date of a payment will be used to determine if it falls within the eligible timeframe, rather than the billing statement date.

How do I calculate the grant amount in the application?

Subject to the cap of $100,000 per applicant business, the maximum amount of funding a business can apply for is based upon the following calculation:

1. Eligible Expenses incurred by the applicant business from March 11, 2020 through the application date; plus
2. Eligible Expenses to be incurred by the applicant business over the eight (8) weeks after the application date to re-staff/re-open (subject to review and limits based on prior year's expenses during the same period).

All grant funds must be spent on eligible costs by December 30, 2020.

The Program Operators will provide most grant funds directly to the applicant business (unless otherwise directed by DCCED). However, vendor payable expenses over $25,000 are required to be funded through controlled disbursement directly to the vendor.

AK CARES funds cannot be used for any expenses claimed or paid by other assistance/relief programs; including, but not limited to: PPP, EIDL, and municipal/local grant programs. (I.e., no “double dipping”.)

How long will the program operate?

The online application portal closed at 5:00pm on Tuesday, September 15th after more than $100 million in excess the program’s cap had been requested.

From the start of the program, we have stated that the program will run until the earlier of:

- November 15, 2020;
- The end of the Governor's declared COVID-19 State of Emergency for the State of Alaska; or
- Once the program's cap is reached.

I have a job through an employer, but I own a side business. Am I eligible to apply?

Yes. Businesses that are secondary income sources are eligible to apply for AK CARES grants as of August 31st.
I need more than the program cap of $100,000. Can I apply for multiple grants?

No. the Program Operators will only accept one grant application per business license and Federal Tax ID number/EIN, or CFEC permit.

My business has several subsidiaries which do not have individual business licenses. Are they eligible to apply individually?

No, the Program Operators will only accept one grant application per business license and Federal Tax ID number/EIN will be accepted.

I’m a commercial fisherman that holds more than one CFEC permit. Can I apply for more than one grant?

No. Each commercial fisherman can only qualify for one grant, regardless of the amount of permits they hold. Eligible expenses from all fisheries a fisherman engages in will qualify with a limit of $100,000.

What is being done to address geographic distribution?

Ensuring the availability of funds to Alaskans across the state has been a priority of the program since inception. 20 percent of the funding is being set aside for distribution to rural Alaskan businesses, recognizing that a strictly “first come, first served” arrangement may disadvantage communities with differing levels of connectivity.

Are there grant limitations for common ownership?

Common ownership is allowable, as long as each business entity meets the program qualifications.

I am a sole-proprietor. Can I apply for this grant?

Yes, provided you meet the eligibility criteria.

I'm a self-employed sole proprietor. How do I document "payroll"?

For sole proprietors or independent contractors, wages, commissions, income or net earnings from self-employment are eligible expenses. A tax document such as a 1040C from the previous year verifying the eligible income elements is required.

Can independent contractors be counted under payroll calculations?

Yes. For sole proprietors or independent contractors, wages, commissions, income or net earnings from self-employment are eligible expenses. A tax document such as a 1040C from the previous year verifying the eligible income elements is required.

If I already paid a creditor, who should I list on the schedule of expenses: the actual creditor or myself?

List the creditor/vendor and indicate the attached invoice has been paid. The reimbursement will be issued directly to the applicant business, but the Program Operators still need the creditor’s/vendor’s name and the invoice for verification purposes.

Updated: October 9, 2020
I’m applying for an AK CARES grant on behalf of a non-profit organization that does not have “owners”, and is instead ran by a Board of Directors. How should I respond to ownership question on the application?

Nonprofits that do not have owners should put “Nonprofit – Governed by Board of Directors” where most businesses would enter the owner(s) name(s), and then include contact information for whoever is submitting the application until “email” and “phone”. If the system requires a driver’s license number to be submitted, input “1111111”.

Is the grant award taxable?

Yes. Standard tax rules apply. A grant recipient should seek professional advice on the tax consequences of receiving funds from AK CARES.

If I receive funds from PPP, EIDL, a municipal relief program that is distributing CARES Act money, or from another relief funding program, am I still eligible to apply for an AK CARES grant?

Yes. Businesses that receive money from the Paycheck Protection Program (PPP), the Economic Injury Disaster Loan Program (EIDL), a local government relief program, or any other funding program are eligible to apply for an AK CARES grant, assuming they meet the eligibility criteria. However, the business cannot receive reimbursement for expenses that have already been reimbursed through another program (i.e., no “double-dipping”).

If I'm a small business owner who received federal money as an individual from a program such as unemployment, am I still eligible to apply for an AK CARES grant for my business?

Yes. Receiving unemployment insurance as an individual will not make you ineligible for an AK CARES grant for your small business. However, a business owner cannot request AK CARES funds to cover payroll costs for a period when unemployment was received.

My grant application was denied, am I able to request reconsideration/appeal?

Yes. When you receive the denial, the program operator should provide instructions on how to request reconsideration. Please note, a request for reconsideration must be submitted within 5 business days of the date you receive the denial notification.

My grant application was approved, but some of the expenses I listed were denied. Am I able to request reconsideration/appeal on the denied expenses?

Yes. When you receive the grant approval, the program operator should provide an outline of the expenses that were denied disapproved, along with instructions on how to request reconsideration. Please note, a request for reconsideration on expenses deemed ineligible must be submitted within 5 business days of the date you receive the grant approval notification.

Now that I’ve received my AK CARES grant funds, do I have to provide documentation to show expenses that I have paid with my grant money?

You will only need to provide the documentation if you are selected for audit. However, it’s essential that you retain records and documentation on expenses paid for (or reimbursed) with grant funds so that you can show the funds were spent on eligible expenses, as listed above. You do not need to submit these records to the department.
unless requested, but it’s essential that you have the verification documentation saved in case you are selected for audit. The documentation should be retained for six (6) years from the date grant funds were received.

Am I required to spend all AK CARES grant money by the end of the year?

Yes. However, an important clarification is that this is for “future” expenses that you listed on your application. If you requested funds for “past” expense (i.e., expenses you already paid for), the AK CARES grant funds are simply a reimbursement and can therefore be considered already spent. Again, you’ll need to retain documentation for funds spent on eligible expenses (past or future) in case you are selected for audit.

Successful Application Package Checklist

Applicant businesses will need to submit the listed documents electronically and individually, as the application process takes place online.

The Alaska Small Business Development Center created an instructional video on AK CARES eligibility and how to fill out the online application. To view a 30-minute instructional video on how to fill out the application, visit the AK CARES Grant website to access the available link.

For a preview of the online application (and to prepare your application package accordingly), please visit the AK CARES Grant Website and select the available link.

- Completed business grant application
  o All certifications must be acknowledged
  o Application must be signed
- Completed Schedule of Eligible Expenses. Supporting documents that confirm business-related expenses include (but are not limited to):
  o Bank or credit card statement
  o Invoice
  o Purchase order
  o Lease agreement
  o Billing statement
  o Payroll report
  o Quotes from vendor
- For reimbursement of paid business expenses, include receipt or bank statement for confirmation.
- Copy of the current business license or CFEC permit/gear card.
  o Applicants can print a copy of their business license through the State of Alaska Business License website: https://www.commerce.alaska.gov/cbp/businesslicense/search/License
    • As applicable, businesses should also ensure that the associated professional license is active and/or that the business’ corporation registration is in good standing.
  o In lieu of a business license, commercial fishermen can provide a copy of their embossed CFEC gear card or a printout from the CFEC database showing the applicant is a permit holder. Commercial fishermen can obtain these printouts through the CFEC Public Search webpage: https://www.cfec.state.ak.us/plook/#permits
- Nonprofits will need to provide an IRS letter of determination showing nonprofit status.
- Copy of the Driver’s License or Identification Card of the applicant and all business owners.
- Copy of a voided check for the business account your AK CARES funds should be deposited into.

** AK CARES Funds cannot be used for any expenses claimed or paid by other assistance/relief programs;**

Updated: October 9, 2020
including, but not limited to: PPP, EIDL, and municipal/local grant programs. (I.e., no “double dipping”.)

The most common application mistakes to watch out for:

- Residential addresses are required.
- The Applicant must be associated with the business.
- Missing copy(s) of valid ID(s).
- Articles of Organization and Certificate of Incorporation are both needed for all corporations including LLCs and nonprofit organizations.
- Nonprofit organizations must include an IRS letter of determination of nonprofit status for more than one year.
- Be sure to attach a copy of your current business license or CFEC permit.
- Include your business TIN (EIN, SSN, etc.)
- All applicable receipts, invoices, statements, lease agreements, etc. need to be included as supporting documentation.
- The schedule of expense form must be filled out completely, you cannot state “see attached”.
- Do not submit expenses or receipts for expenses incurred prior to March 11, 2020.
- If applicable, include tax form 8829 – Expenses for Business Use of Your Home.
- If applicable, include tax form 1040 Schedule C – Profit or Loss from Business.
- Online payroll related taxes should be submitted.

What to expect once an application is submitted:

- Applicant will receive confirmation and an application reference number when the application has been submitted successfully through the online portal.
- An application will not be placed in the processing queue until the completed package is received.
- As this granting process is first-come, first-served, completed applications will be processed in the order they are received.
- A Program Operator representative will call or email applicants with any follow up questions. These calls and emails may come from Credit Union 1, the Juneau Economic Development Council, AIDEA, or DCCED.
- Applicants will be notified via email once their application has been approved.
- Applicants who are denied will be notified of the decline reasons via email. Applicants may appeal denied applications and/or expenses.
- For applications processed by Credit Union 1: If the applicant needs a new account through Credit Union 1, a representative will contact the applicant for a phone interview. The applicant will not need to open a new account until the grant application is approved. While going through the new account process, applicants will retain their place in the funding queue.
- Grant documentation will be finalized via electronic signature using DocuSign.
  - For applications processed by Credit Union 1, fax and branch options will also be available for those that require additional assistance.

Technical Assistance

Online application assistance

Phone: (907) 771-3019
Email: Grants@akcaresonline.org

Updated: October 9, 2020
Alaska Regional Development Organizations (ARDORS)

ARDORS: https://www.commerce.alaska.gov/web/dcra/ARDORs.aspx

- Anchorage Economic Development Corporation: (907) 258-3700
- Bering Strait Development Council: (907) 443-5231 or (907) 304-1154
- Copper Valley Development Association: (907) 822-3071 or jhoke@coppervalley.org
- Fairbanks North Star Borough Economic Development Commission: (907) 459-1000
- Kenai Peninsula Economic Development District: (907) 283-3335 or tim@kpedd.org
- Northwest Arctic Borough Economic Development Council: (907) 442-2500 or fwestlake@nwabor.org
- Prince William Sound Economic Development District: (907) 222-2440
- Southeast Conference: (907) 586-4360 or akcares@seconference.org
- Southwest Alaska Municipal Conference: (907) 562-7380
- Yukon-Kuskokwim Economic Development Council: (907) 543-7460

Small Business Development Centers (SBDCs)

Contact information for SBDC Offices around the state: https://aksbdc.org/contact/

- Statewide: (907) 789-7201 or info@aksbdc.org
- Anchorage: (907) 786-7205
- Fairbanks: (907) 456-7232
- Juneau: (907) 463-3789
- Ketchikan: (907) 225-3184
- Kenai Peninsula: (907) 260-5643
- Mat-Su: (907) 373-7232
- Rural Alaska: (907) 463-3430