

HOSPITALITY ECONOMIC RESILIENCY GRANT (HERG) ROUND 2

The Consolidated Appropriations Act allowed continued spending of previous Cares Act dollars. Following review by the Office of Management, Legislative Counsel and Budget and the Attorney General's Office, it was determined that ND Commerce was authorized to spend these funds from 2020 programs authorized by the Emergency Commission and Budget Section. As a result, the Department determined the hospitality sector has continued needs, therefore, another round of Hospitality Emergency Resiliency Grants (HERG) would be available.

You may only fill out **ONE** application and will be eligible for up to \$25,000 for one eligible location, up to \$50,000 for two eligible locations, and up to \$75,000 for three or more eligible locations. If you receive a grant for more than one location, you cannot spend more than \$25,000 per location. An eligible location must meet business eligibility requirements as listed at <https://belegendary.link/HERG> and is defined by a customer facing marketplace. List all locations in which your ownership is 50% or greater, regardless of whether business has a separate EIN. Applicant must list each business under this guideline and will be awarded according to the \$25,000, \$50,000 and \$75,000 maximum rule.

If an eligible entity received funding in HERG Round 1, they are capped at \$25,000; for example, entities that received \$25,000 are entitled to \$0; an entity that received \$15,000 would be eligible for up to \$10,000 and an entity that received \$5,000 would be eligible for up to \$20,000. The same concept applies to multiple entities as the cap remains \$75,000 with \$25,000 per facility using the same logic. There can be no single entity that receives in excess of a total of \$25,000 or group of businesses with combined ownership structure involving multiple eligible entities that receive in excess of \$75,000.

Grants must be used for costs such as:

- Rent
- Mortgage with no BND affiliation
- Wages and salaries
- Work comp
- Utilities
- Marketing and advertisement
- Insurance
- Repairs

Businesses eligible for the grant include:

- A restaurant (food trucks included)-to include food services and drinking establishment that derive a **minimum of 51%** of their sales from prepared food and must certify that 75% sales were derived in ND, as well as a current food establishment license
- A bar or lounge with a current on-sale liquor license issued by the appropriate legal entity that derive a **minimum of 51%** from on-sale sales
- An entertainment venue to include movie, drama or music theaters and facilities used to host community and private events; include indoor recreation entertainment, e.g. bowling alleys, indoor golf clubs, and indoor trampoline parks where membership/class fees do not exceed 51% of revenue
- A production company that provides technology and audio-visual services to meetings and events; and must certify that **75% sales** were derived in ND

Eligible businesses must:

- ✓ Business is in good standing in North Dakota
- ✓ Have a permanent physical location in North Dakota (P.O. Boxes or mailing addresses are not considered a physical location)
- ✓ Be able to demonstrate they were financially viable prior to the COVID-19 pandemic (including operational and workforce needs)
- ✓ Must demonstrate they had a negative financial impact by the COVID-19 pandemic
- ✓ The business must be in good standing with the North Dakota Secretary of State or appropriate Tribal business license authority
- ✓ Eligible expenses must have been incurred on or after March 27, 2020, and no later than December 29, 2020.
- ✓ Applicant will self-certify that these criteria will be met as the onus will be on the applicant to ensure that they meet these criteria
- ✓ Must have spent the money prior to requesting reimbursement within the 2020 timeframe
- ✓ Verify that expenditures were not awarded in HERG Round 1
- ✓ Applicants must self-certify that they meet the requirements and will comply with current North Dakota Smart Restart protocols. Noncompliance with these protocols will result in the repayment of all grants funds

Funding will be approved if the application meets all criteria and if funding is still available. The application and additional information, including educational sessions will be available shortly at: <https://belegendary.link/HERG>.

For questions on the HERG Program, contact our business help line at businesshelpCOVID19@nd.gov.

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