
FISCAL UPDATE Article

Fiscal Services Division

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NOTICE OF APPROPRIATION FY 2020 TRANSFER FOR THE IOWA ECONOMIC DEVELOPMENT AUTHORITY FOR THE SMALL BUSINESS RELIEF PROGRAM

Appropriation Transfer. The Fiscal Services Division of the Legislative Services Agency (LSA) received notification of an FY 2020 transfer of funds pursuant to Section 11 of [SF 2408](#) (Supplemental and Continuing Appropriations Act). The transfer is for \$15.0 million from the Iowa Economic Emergency Fund to the Iowa Economic Development Authority (IEDA) for the Small Business Relief Program. The Act appropriated up to 10.0% (approximately \$19.6 million) of the FY 2020 ending balance of the Iowa Economic Emergency Fund for purposes approved by the Governor. The Act further permits the Governor, with the approval of the Legislative Council, to exceed the 10.0%, up to the maximum balance (approximately \$196.0 million) of the Iowa Economic Emergency Fund, if more funds are needed.

Iowa Small Business Relief Program. The Iowa Small Business Relief Program provides financial assistance to small businesses that have been impacted by the COVID-19 pandemic. The Program offers eligible small businesses grants ranging from \$5,000 to \$25,000 and permits the deferral of sales and use or withholding taxes and the waiver of penalty and interest.

Details on the Program are as follows:

- **Grants.** The Small Business Relief Grants will assist eligible businesses in maintaining operations or reopening business following the COVID-19 pandemic. The grants cannot be used to pay debts incurred prior to March 17, 2020. The grant amount will be determined by the level of impact, including the loss of sales revenue and employees.
 - **Eligibility.** To be eligible for a grant, a business must satisfy the following requirements:
 - Be experiencing business disruption due to the COVID-19 pandemic.
 - Have employed between 2 and 25 people prior to March 17, 2020.
 - **Funding Source.** The Program was initially allocated \$2.0 million from the Economic Emergency Fund and \$2.0 million from Iowa Values Fund repayments and recaptures. The transfer of the \$15.0 million is additional funding, and further funds may become available. The Program may be restricted due to funding availability and is not first-come, first-served.
- **Tax Deferral.** The Iowa Department of Revenue will review each application to determine whether it is appropriate to grant a deferral of the eligible taxes and waiver of penalty and interest.
- **Application Deadline.** The deadline for applications was March 31, 2020.

Reason for Transfer. The IEDA received nearly 14,000 applications for a total of over \$148.0 million.

Awards. The IEDA has made awards totaling over \$10.0 million to 503 applicants. Additional information about awards can be found [here](#).

More Information. Additional information is available from the LSA upon request.

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