City and County of Honolulu

COVID-19 Related
2022 Non-Profit Recovery Grant Program
Program Guidelines
Tranche 1
COVID-19 Related
2022 Non-Profit Recovery Grant Program
Program Guidelines

**Schedule of Events**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deadline for Requests for Clarification</td>
<td>Date: January 6, 2023</td>
</tr>
<tr>
<td>The City is not obligated to respond to requests for clarification received after the deadline.</td>
<td></td>
</tr>
<tr>
<td>Questions must be made in writing and transmitted to <a href="mailto:bfspurchasing@honolulu.gov">bfspurchasing@honolulu.gov</a>.</td>
<td></td>
</tr>
<tr>
<td><strong>All responses to questions that were submitted timely will be posted via written addenda. Depending on the volume of questions received, the City may issue addenda periodically up until the Deadline to Issue Addenda to address questions timely.</strong></td>
<td></td>
</tr>
<tr>
<td>Deadline to Issue Addenda</td>
<td>Date: January 13, 2023</td>
</tr>
<tr>
<td>Oral interpretations, clarifications, and changes will be without legal effect. Only interpretations, clarifications, and changes provided by the City as formal written addenda to the solicitation shall be binding.</td>
<td></td>
</tr>
<tr>
<td>Deadline for Tranche 1 Application Submission</td>
<td>Date: January 27, 2023 11:30 p.m. HST</td>
</tr>
<tr>
<td>Application submissions via email are prohibited and will not be accepted.</td>
<td></td>
</tr>
<tr>
<td>Notification of Award</td>
<td>Estimated February-March 2023</td>
</tr>
</tbody>
</table>

**Program Overview**

**Background**

Between May and December 2020, the City and County of Honolulu (the “City”) allocated funds awarded from the Coronavirus Relief Fund under the CARES Act to the Small Business Relief and Recovery (“SBRR”) Fund. The SBRR Fund awarded grants to aid small businesses and non-profits with operational expenses incurred during closures under State and City COVID-19 emergency orders. Qualified small businesses and non-profits were eligible to receive up to fifteen thousand dollars ($15,000) as working capital to cover day-to-day operating expenses such as rent/lease payments, mortgage payments, utility expenses, payroll and benefits costs, costs for personal protection equipment and other COVID-19 precautions, and other ordinary business not covered by other federally supported programs or an insurance claim. As many as
COVID-19 Related
2022 Non-Profit Recovery Grant Program
Program Guidelines

450 non-profits qualified for assistance from the SBRR Fund and collectively received $5,629,644 in grants.

The City recognizes that many non-profits provide vital services and benefits to residents and their communities, and rely upon grants, donations and other charitable support to provide those services. Many operate on a cost-reimbursement basis and without a margin, and therefore, are not as resilient as for-profit commercial businesses. The City’s discussions with both Aloha United Way and the Hawaii Community Foundation confirmed that while non-profits had access to revenue streams to continue serving their communities, non-profits were hard hit and struggled to overcome financial hardships due to the pandemic. Therefore, in response to the continuing financial impacts experienced by many non-profits, the City will award additional assistance to non-profits that can demonstrate economic harm related to the COVID-19 pandemic.

About the Program
The City has established a Non-Profit Recovery Program (“Program”) which will provide grants to nonprofits that can demonstrate a need for financial assistance to overcome the negative economic harm and temporary loss of revenue due to the COVID-19 pandemic. The Program is funded by an award to the City from the Coronavirus State and Local Fiscal Recovery Funds provisions of Section 9901 of Title IX, Subtitle M (“CSLFRF”) of the American Rescue Plan Act of 2021 (“ARPA”), federal award number(s) SLFRP2643 and/or SLFRP2789. The U.S. Department of Treasury adopted the Final Rule, effective April 1, 2022, which implements the CSLFRF; both the CSLFRF provisions of ARPA and the Final Rule recognize the non-profit sector as an industry class negatively impacted by the COVID-19 pandemic.

The Hawaii Alliance for Non-profit Organizations conducted a Hawaii Sector Pulse Survey in September of 2021, and Aloha United Way recently surveyed O‘ahu non-profits in June of 2022, the results of which reflect that:

- Between 54% and 57% of non-profits surveyed experienced an increase in revenue during the pandemic;
- Approximately 17% of non-profits experienced no change in revenue during the pandemic; and
- Between 26% and 29% of non-profits experienced a loss in revenue during the pandemic.

This Program aims to assist the last group of non-profits who truly experienced economic harm due to the COVID-19 pandemic. Examples of economic harm include, but is not limited to:

- Loss in revenues due to a decline in charitable donations and gifts due to COVID-19 restrictions cancelling or otherwise impairing participation in significant fundraising events.
COVID-19 Related  
2022 Non-Profit Recovery Grant Program  

Program Guidelines

- An increase in operating costs due to staffing inefficiencies because COVID-19 restrictions may have decreased the ratio of staff to clients in a program, and such losses exceed the relief provided through the federal payroll protection program (PPP).
- A loss in revenues due to closures as a result of COVID-19 infections in the workplace not otherwise recovered through a business interruption insurance claim.
- An operating loss due to carrying costs of a facility that was unused, or under-utilized due to COVID-19 capacity restrictions during the pandemic, where facility-based program revenues ordinarily covered these carrying costs.

Funding Availability

The City is allocating up to thirty-million dollars ($30,000,000) in CSLFRF funds for the Program. Grants awarded under the Program are based upon the availability of funds, compliance with program guidelines, submission of all required information and supporting documentation. Eligible non-profits demonstrating a need for financial assistance because of the negative financial harm suffered as a result of the pandemic may receive a grant up to one-hundred thousand dollars ($100,000). Relief will be limited to O‘ahu-related operations of the non-profit.

Grants will be awarded to qualified non-profits with complete applications on a first-come, first served basis, until the funding is exhausted. Only complete applications with the required supporting documentation will be considered for determining the non-profits’ qualification for a grant under the Program.

City Reserved Rights

The City reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or terminate this program with no recourse for any proposing applicant; (2) to choose or reject any or all applications received in response to this program; (3) to modify the application deadlines, including accepting and/or processing applications in tranches; (4) initiate additional awards from this solicitation should additional funding become available; (5) to request, at any time, additional information of the applicants as deemed necessary and appropriate by the City; (6) to conduct further due diligence with applicants or any third party; (7) to modify the City’s objectives or the scope of the program; (8) to modify program requirements, general terms and conditions, or eligible activities; (9) to disqualify any proposing applicant on the basis of any real or perceived conflict of interest that is disclosed or revealed by materials submitted or by any data available to the City, and (10) to outsource administration of this program to a qualified service provider. In the event it is discovered on credible information that a grant beneficiary has utilized grant funds for a purpose outside of the eligible activities described herein, City reserves the right to seek a refund of grant award.
COVID-19 Related  
2022 Non-Profit Recovery Grant Program  
Program Guidelines

**Program Eligibility Requirements**

*Eligibility Requirements to Apply for a Grant*

To be eligible for a grant under the Program, the non-profit must meet certain criteria established herein by the City and the guidelines set forth by the U.S. Department of Treasury for utilizing CSLFRF funds. The non-profit must also demonstrate the need for economic support resulting from financial hardship caused by the COVID-19 public health emergency.

For the purposes of this grant, financial hardship will be limited to organizations that experienced a net loss, which means that total expenses exceeded total revenues over its two tax years ended in 2020 and 2021, relative to their O‘ahu operations. Organizations must also provide a justification describing how the net loss was attributable the COVID-19 public health emergency. Eligibility for payment will be the accumulated net losses attributable to the COVID-19 public health emergency in the 2020 and 2021 tax years for O‘ahu operations only.

The non-profit applicant must meet the following minimum requirements to be considered for grant funding:

- The Applicant must be a 501(c)(3) non-profit organization on O‘ahu and provide direct assistance, services, and/or benefits to O‘ahu residents.
- The Applicant must have been established long enough to have complete tax filings for tax years ending 2019, 2020, and 2021.
- The Applicant must be able to document and substantiate that it has experienced an economic loss due to the COVID-19 pandemic and its associated impacts.
- The Applicant must submit only one application and all the required supporting documentation described in the Application Process section below.
- The Applicant must provide Equity information as required in the application.
- The Applicant must be in compliance and good standing with all State and City laws, rules and regulations.

**Eligible Uses of the Grant Award**

The purposes of this Program are two-fold: First, the grants will assist in mitigating the financial hardship caused by declines in revenues and/or increases in operating expenses due to the COVID-19 pandemic, which resulted in economic losses to the non-profit that would not have occurred but for the pandemic. Second, the grants aim to assist impacted non-profit organizations to become stronger and more resilient so they can continue to provide much needed services to the communities on O‘ahu.

Non-profit grantees may exercise its discretion to utilize the grant awards in a manner consistent with achieving their mission goals and purposes. Such uses can include but are not limited to
COVID-19 Related
2022 Non-Profit Recovery Grant Program
Program Guidelines

paying operational expenses, launching new or maintaining existing programs, or to provide new or ongoing services to the communities.

**Ineligible Uses of the Grant Award**

Grant awards may not be used for the following activities:

- Rainy day funds or financial reserves.
- Funding of executive compensation and bonuses, or workforce pay bonuses.
- Capital campaign contributions, or capital expenditures, upgrades or improvements, including but not limited to land purchases and new construction.
- Lobbying activities.
- Reimbursement to donors for donated or gifted items or services.

For purposes of this Program, the grantees will be required to submit a closing report after the grant funds are expended, but no later than June 30, 2024.

**ARPA Equity Requirements**

The ARPA requires the use of “equity” in the provision of certain relief funds. “Equity” is defined as:

“…the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.”

The City will require the non-profit applicant to identify equity issues and describe how inequities are addressed through the programs and services provided by their organization. Program eligibility requires all applicants to complete the eligibility questions, however, responses will not be subject to evaluation or scored relative to grant award.

The CSLFRF and the guiding documents published by the U.S. Department of the Treasury require CSLFRF monies be used for eligible purposes, identify uses that respond to inequities among impacted and disproportionately impacted communities, and ensure transparency regarding how CSLFRF monies are applied. For purposes of this Program, the grantees will be required to submit a closing report after the grant funds are expended but no later than June 30, 2024, and describe how equity principles were incorporated in the use of the grant funds. For example, the closing report can identify grant-funded programs or services that promoted equitable recovery by providing additional services to populations that have been historically
COVID-19 Related
2022 Non-Profit Recovery Grant Program

Program Guidelines

disinvested and/or disproportionally impacted by COVID-19. The City reserves the right to utilize the data from the closing report at its discretion, including but not limited to the publication of Program data on its public ARPA/CSLFRF dashboard or press releases.

Grant Terms

The Final Rule, the Uniform Guidance at 2 C.F.R. Part 200 and other guiding documents from the U.S. Department of the Treasury require the City to monitor compliance, maintain records and provide certain reporting in the use of CSLFRF monies. Therefore, notice is given that if a grant is awarded under this Program, the receipt of such grant is conditional upon the non-profit’s agreement to comply with the following grant terms:

- The grantee will not use the grant in a manner that conflicts with or contravenes the purpose of the ARPA (e.g., uses of funds that undermine COVID-19 mitigation practices in line with guidance and recommendations from the Centers for Disease Control and Prevention).

- The grantee will expend all funds received under this Program to support its organization’s mission and goals.

- Once the grant award is fully expended, the grantee will submit a closing report describing (1) how the grant funds were used (i.e., operational expenses, programs or services to the communities, etc.), (2) what equity principles were incorporated in the use of the grant funds; and (3) how the grant funds contributed towards improving and strengthening the grantee’s resiliency in fulfilling its mission goals.

- The grantee will maintain all records relating to the economic losses claimed as a result of the pandemic for five (5) years from the date of the grant is awarded.

- The grantee will promptly allow the inspection of all records relating to the claimed economic losses due to the pandemic and the use of the grant funds upon the City's request, and shall cooperate with any audit conducted by the City and/or the United States Department of the Treasury.

- The grantee consents to immediately forfeit and/or return the funds upon the City's written request if the City determines that any portion of the grant is misused or was obtained by fraud or misrepresentation.

Application Process

As the administrator of the Program, the City’s Department of Community Services (DCS) will review grant applications for completeness, assess whether the applicant meets the eligibility guidelines, determine the grant amount based on the application submission, and issue grant awards to qualified applicants. Only electronically submitted applications will be accepted. For more information regarding the application portal, interested Applicants may visit:

https://www.oneoahu.org/nonprofitreliefprogram
COVID-19 Related
2022 Non-Profit Recovery Grant Program
Program Guidelines

All questions and any responses to clarification requests shall be provided by the City in writing. Oral interpretations, clarifications, and changes will be without legal effect. Only interpretations, clarifications, and changes provided by the City as formal written addenda to the solicitation shall be binding.

Application

Non-profit organizations may have only one application open at any one time. If more than one application is submitted and open, only the first one submitted will be considered. For the purposes of Tranche 1, applications determined incomplete will be rejected and that application will be closed. If the non-profit organization is able to resolve the reasons for rejection, they may submit a new application.

Applications submitted in any other manner than as prescribed will not be accepted by the City. All costs to prepare and submit an application shall be at the applicant’s expense. The non-profit Applicant must provide the following information in the Application:

- Organization information including details regarding the services provided, and the number of O‘ahu clients served.
- Identify total revenues, total expenses and resulting net loss attributable to assistance, services, and/or benefits provided to O‘ahu clients.
- A narrative demonstrating a need for financial assistance that explicitly details the direct negative economic harm caused by the COVID-19 public health emergency. Adequate detail should be provided to link the direct negative impact on the organization to the COVID-19 (Example - COVID-19 gathering size restrictions impaired the ability to generate adequate facility use revenues to cover the carrying cost of the facility).
- Identify the types and amounts of funding received from all government and/or privately sponsored COVID-19 relief programs, or from any insurance policy for business interruption or losses claimed in 2020 and/or 2021 due to the COVID-19 pandemic.
- The financial assistance under the Program –
  - Cannot exceed the sum of the net loss suffered to its operations on O‘ahu due to COVID-19 pandemic.
  - Must exclude all expenditures that were covered or reimbursed under any government and/or privately sponsored COVID-19 relief program, such as the Paycheck Protection Program, Economic Injury Disaster Loan emergency advance program, other CARES or ARPA sourced funding.
  - Must exclude all expenditures that were covered or reimbursed under any insurance policy for business interruption or losses claimed in 2020 and/or 2021 due to the COVID-19 pandemic.
COVID-19 Related
2022 Non-Profit Recovery Grant Program

Program Guidelines

- Must exclude all expenditures that were paid or reimbursed as direct or indirect fees or costs in the administration of any program funded by a grant, subaward, subrecipient agreement, service contract or similar agreements.

- If the Applicant has operations in other counties or States, and the financial statements and Form 990s consolidate revenues and expenditures for all operations, the Applicant must:
  - Disaggregate revenues and expenses related only to its O‘ahu operations from revenues and expenses related to its operations in other counties or States; and
  - Provide its best estimate of its annual results and lost revenue for its O‘ahu operations.

- Complete the Equity portion of the Application.

- Sign a declaration attesting that the information provided in the application is true, accurate and complete.

- Sign an acknowledgement form, acknowledging that the organization understands the terms of the grant and agrees to comply with them.

Required Documents
The non-profit must submit with its application the following supporting documents:

- Internal Revenue Service Tax Exemption letter.
- Statement of Hawaii Attorney General Charitable Organization Registration, Current Filing or Exemption.
- Current list of board members and affiliations.
- Current non-profit organization by-laws.
- Current IRS Form W-9.
- The Applicant’s 2019, 2020 and 2021 IRS Form 990 or Form 990-EZ tax returns.
- If the 2021 IRS Form 990 or 990 EZ is not available, or if the Applicant filed IRS Form 990-N for tax years 2019, 2020 and 2021, the applicant must provide its financial statements, and its best estimate of its annual results with a signed attestation on the accuracy of the estimates provided.
- If the Applicant’s financial statements and/or Form 990/990-EZs aggregate all revenues and expenditures for its Statewide or national operations, then the Applicant must disaggregate the data and provide its best estimate of its annual results for its O‘ahu operations. The Applicant must provide a signed attestation on the accuracy of the disaggregated estimates provided.
COVID-19 Related
2022 Non-Profit Recovery Grant Program

Program Guidelines

- Authorization from the non-profit board that the person applying for the Program grant is authorized to apply for grants on behalf of the organization if the person is not designated in the by-laws.

Application Period

Non-profits interested in the Program will have three (3) opportunities to submit their application. Note that grants will be awarded based upon a completed application on a first come, first served basis until either all available funds have been exhausted or the demand for relief has been met.

Currently, the City plans to open the application portal using three (3) tranches to allow for timely processing of applications. The City anticipates opening the first tranche as early as December 2022 with all offerings as follows:

- Tranche 1 – December 2022 through January 2023, approx. $15,000,000
- Tranche 2 – Estimated February through March 2023, approx. $10,000,000
- Tranche 3 – Estimated April 2023, approx. $5,000,000

Unused funding from each tranche will automatically be rolled in to the subsequent tranche. If there are funds remaining after the final scheduled offering, the City will evaluate unmet demands at that time to determine whether further openings will be made available. Notices for funding availability for subsequent Tranches (2 and 3) will be published when those funds are ready to be made available.

Grant Review and Approval Process

Administrative Review

DCS will manage the three series of Program offerings through its online portal. DCS will review the electronically submitted applications and supporting documents for completeness of the submission, eligibility under the Program guidelines, and determine the amount the non-profit is qualified to receive.

Grant Award Determination

Under the Final Rule, use of CSLFRF funds must be reasonably related and proportional to the extent of the negative financial harm experienced due to the COVID-19 pandemic. The award amount may be less than the amount requested by the Applicant if:

- It appears that some or all of the award is duplicative of sums received from sources that covered or reimbursed Applicant for certain expenditures.
- It appears that the amount requested exceeds the economic or revenue loss reflected in the IRS Form 990/990-EZ and/or the financial records submitted.
COVID-19 Related
2022 Non-Profit Recovery Grant Program
Program Guidelines

Status of Submitted Applications
The City intends to notify applicants via e-mail:

1. To confirm receipt of their complete application;
2. If further information is needed to process their application;
3. If their application has been rejected;
4. If their application has been approved for award; and
5. When their award is being processed for payment.

Grant Award Requirements:

The following are not required to submit an application but upon notification of an award, the Applicant will:

- Register in the City’s Vendor Self Services System (VSS): https://vss.honolulu.gov/VSSPSRV1/AltSelfService. Registration is required in order for the City to make payment to the grantee.


  For assistance with registration on VSS, applicants may email bfspurchasing@honolulu.gov.

- Provide a current, “Compliant” Certificate of Vendor Compliance from Hawaii Compliance Express*. Information may be found at https://vendors.ehawaii.gov/hce/contact.html. The City reserves the right, in its sole discretion, to waive this requirement on a case by case basis.

- Provide a current Certificate of Good Standing from the Department of Commerce and Consumer Affairs (DCCA)*. Information may be found at https://cca.hawaii.gov/breg/.

- Provide a Unique Entity Identifier (UEI) number obtained at https://sam.gov/content/home*.

* The CITY reserves the right to reject an Applicant if the Grant Award Requirements are not completed within the time as specified in the City’s request. It is recommended that Applicants obtain full compliance in advance of the award, as some requirements may take months to complete.
COVID-19 Related
2022 Non-Profit Recovery Grant Program
Program Guidelines

Contact Information
For questions and clarifications regarding the Non-Profit Recovery Grant Program, please submit formal requests to:

bfspurchasing@honolulu.gov

All questions and clarifications shall be submitted via email and sent by the Deadline to Request for Clarifications in the Schedule of Events. The City is not be obligated to respond to requests for clarification received after the deadline. All responses to questions received will be posted online via written addenda at the following website(s):

https://www.oneoahu.org/nonprofitreliefprogram

https://hands.ehawaii.gov/hands/
(Click “Bidding Opportunities”)

Depending on the volume of questions received, the City may issue addenda periodically up until the Deadline to Issue Addenda to address questions in a timely manner. Applicants are advised to read the posted questions and answers prior to submitting a question. A response to your inquiry may already be provided.