

# Treasurer: 'Large amount' of Main Street grants being denied

By: Natalie Chandler, Editor September 15, 2020 0

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Louisiana's program to reimburse small businesses for COVID-19 related expenses has \$232 million available and seven weeks left to apply. But many applicants are being denied.

That's according to State Treasurer John Schroder, whose office is managing the Main Street Recovery Program that offers grants of up to \$15,000. He spoke Tuesday on a webinar hosted by GNO Inc. to answer some of the program's most frequently asked questions.

Only 4,439 of the 26,000 applications have received funding, according to LouisianaMainStreet.com. The average grant amount has risen to \$9,570 compared to previous numbers posted on the website.

The deadline to apply is Nov. 4, and questions are increasing over why more has not been spent. Program administrators are encouraging some businesses who have been denied to reapply.

"The biggest problem is how many applications we have that have been denied," Schroder said. "We have a large amount denied for not filing their taxes, or not being current with the Secretary of State's office, or not telling the truth when asked whether they received prior federal aid. A lot of people think you are not eligible if you received prior federal aid, and that's just not true."

Applicants are asked to provide the amount of prior aid they have received so that it can be deducted from their final grant amounts in order to comply with federal laws that forbid duplication of benefits. 'Main Street' is funded with the same federal legislation that funded PPP and EIDL loans, administrators said.

Some businesses that have been denied the grants may now qualify with the program's newly expanded "Quick Relief" option, they said. It allows all applicants to submit their 2018 or 2019 tax returns instead of instead of an itemized list of expenses. Previously, only those that had received \$1,000 or less in federal assistance were eligible for the option.

"Some people got a lot of money for PPP or EDIL, and (the itemized method) made more sense for them. It is still a good fit for some people, but for some, 'Quick Relief' is a better option," said Rachael Higginbotham, marketing director for Postlewaithe & Netterville, the firm hired to review applications and calculate payments.

Most applicants receive a higher award if they use that option, she said.

"You will need to tell us how much (prior federal aid) you received because we will have to check against SBA's records, and we want to make sure the numbers are accurate," she said. "More than likely, it's a better option to submit your tax return and disclose how much federal aid you received."

Businesses that submitted applications prior to the "Quick Relief" expansion will not automatically be enrolled in it, she said. P&N will "automatically evaluate" the application to determine which method would work best for the applicant, Higginbotham said.

"We look at both, and look at the greatest benefit to the applicant," she said.

Applicants have three days to appeal the decision on their grant. A webinar attendee asked for that to be lengthened to accommodate businesses that are non-English speaking, have literacy issues or do not have strong computer skills or reliable internet service. Higginbotham said she would discuss it with the program's policy team.

In response to why nonprofits are excluded from the program, she said state lawmakers wrote that rule into the legislation that created 'Main Street.'

“Their intent was to help small businesses throughout the state recover from the pandemic,” she said.

She said that a majority of applications that have moved through the grant process from beginning to end have been minority, women and veteran-owned businesses. The state has set a goal of awarding \$40 million to those by Sept. 25, and Schroder said \$32 million has been awarded so far.

“My belief is that we are going to exceed (\$40 million),” Higginbotham said. “As of now, we are not actively prioritizing those businesses because everyone is moving through the process .. over time, I think those businesses will receive the support they need.”

Schroder, whose office has faced questions over outreach efforts, urged webinar participants to help.

“We have several hundred thousand businesses out there that could use this money and they have done the things they need to do,” he said. “I need your help in spreading the word to businesses to please call us and we can help them through the process.”