

**4305.0050 ELIGIBLE USES OF LOAN FUNDS.**

Subpart 1. **In general.** The agency shall make interest-free loans to eligible businesses that sustain or are likely to sustain a substantial economic injury resulting from an essential employee being called to active duty according to parts 4305.0010 to 4305.0080 and Minnesota Statutes, section 116J.996.

Subp. 2. **Permitted uses of loan.** An eligible business must use a loan under the program to:

- A. meet its obligations as they mature;
- B. pay its ordinary and necessary operating expenses as defined by United States Code, title 26, section 162, and Code of Federal Regulations, title 26, section 1.162-1; or
- C. manufacture, produce, market, or provide a product or service ordinarily manufactured, produced, marketed, or provided by the eligible business.

Subp. 3. **Prohibited uses of loan funds.** An eligible business may not use loan funds for the following:

- A. charitable contributions and gifts;
- B. illegal payments to government officials or employees;
- C. illegal payments under any Minnesota or federal law;
- D. kickbacks, rebates, and bribes under Medicare and Medicaid;
- E. lobbying and political expenditures;
- F. fines and penalties due or paid to a government for the violation of any civil or criminal law;
- G. payment of taxes;
- H. treble damage payments under the antitrust laws; or
- I. employee remuneration exceeding \$1,000,000.

**Statutory Authority:** *MS s 14.389; 116J.996*

**History:** *33 SR 2052*

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