

MAKING CENT\$\$ OF STIMULUS MONEY

Shuttered Venue Operators Grant

April 1, 2021

Timeline

- Economic Aid Act (EAA) signed into law on December 27, 2020 authorized \$15 billion to SVOG
- American Rescue Plan Act signed into law March 11, 2021 added an additional \$1.2 billion to the program
- SBA SVOG portal opens April 8
- First 14 days of grants awarded to entities that suffered a 90% or greater revenue loss between April 2020-December 2020
- Next 14 days of grants awarded to entities that suffered a 70% or greater revenue loss between April 2020-December 2020
- Third priority for entities that suffered a 25% or greater earned revenue loss between one quarter in 2019 and the same quarter in 2020

Eligibility Requirements



- In operation on February 29, 2020
- Reduction in gross earned revenue by at least 25%
- Live venue operator or promoter, theatrical producer, live performing arts organization operator, motion picture theater operator, museum operator, or talent representative
- Currently open or intends to re-open
- Defined space where performances/movies are held (excludes talent reps)

Ineligibility

- Not located in the US
- Not in operation as of February 29, 2020
- Publicly traded corporation or majority owned and controlled by a public company
- More than 10% of it's 2019 gross earned revenue came from the federal government
- Owns or operates in more than one country
- Owns or operates venues in more than 10 states AND has more than 500 employees as of February 29, 2020

Award Detail

- Maximum grant award of \$10 million
- May qualify for grants equal to 45% of 2019 gross earned revenue
- 1 year from date of award to use funds
- PPP loans received after December 27, 2020 will reduce the amount of the total grant awarded



Revenue Types

- Gross Revenue
 - All revenue in whatever form from whatever source. Includes contributions, donations, and grants (excluding disaster assistance). Also includes restricted revenue.
 - Used to identify first and second priority groups
- Gross Earned Revenue
 - Revenue received from the sales of good or services. Excludes donations, sponsorships, government assistance, and return on investments.
 - Used to identify third priority group

How to Apply

- Review SBA.gov portal splash page prior to start date
- Register for DUNS number at dnb.com if you don't already have one
- Register to receive federal grant award at SAM.gov
 - Must have DUNS number prior to SAM.gov registration
- Review Eligibility Requirements and Preliminary Application Checklists at SBA.gov
- Compile necessary documents
- On April 8th, be prepared to submit your application
- Applications will be reviewed on a first come, first serve basis and will be put into the correct priority bucket based on information provided

Federal Award Process

- If organization is eligible, will receive a proposed award amount
- Applicant can accept up to the proposed award amount
- Create proposed budget based on proposed award amount
- Must provide estimated date of re-opening
- Required to report on expenditures on Form SF-425, Federal Financial Report
- Budget must be adhered to
 - Typically okay to move 10% of funds between expenditure buckets without prior approval
- May receive one lump sum disbursement or up to 3-4 disbursements, depending on level of assessed risk

Use of Funds

- Allowable

- Payroll
- Rent
- Utilities
- Mortgage payments
- Debt payments
- Worker protection
- Payments to independent contractors up to \$100,000 annualized
- Other ordinary and necessary business expenses

- Not Allowed

- Purchase real estate
- Debt payments on loans received after 2/15/2020
- Prepayments of mortgage or debt
- Make investments or loans
- Contributions to political parties



Important Notes

- Final SF-425 is due 15 days after expending all funds
- Must retain employment records for 4 years and all other documents for 3 years
- Grantees who expend more than \$750,000 in their fiscal year are subject to single audit requirements
- Supplemental funding may be available if money does not run out in first three priority groups or if more funding is added to the program

SVOG and PPP

- PPP loans received in 2020 have no impact on SVOG
- PPP loans received in 2021
 - Loan received prior to SVOG approval will reduce SVOG amount received
 - PPP loan of \$100,000 received in 2021. Maximum SVOG of \$450,000. SVOG received will be \$350,000.
 - CANNOT apply for PPP loan after you have been approved for SVOG

Resources

- COVID-19 Resource Center

<https://www.wegnercpas.com/wegner-resources/covid-19/>

- SBA

<https://www.sba.gov/funding-programs/loans/covid-19-relief-options/shuttered-venue-operators-grant#section-header-11>

Thank You!

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