

Beaver County 2021 Pennsylvania Hospitality Industry Recovery Program

Program Guidelines

Introduction

The Commonwealth of Pennsylvania has allocated \$145 million to counties for a grant program to provide financial relief to businesses with a primary activity in NAICS Code subsector 721 (Accommodations) and 722 (Food Service and Drinking Places) per Senate Bill 109, known as Act 1 of 2021, signed by Governor Wolf on Friday, February 5th, 2021. Beaver County received \$1,856,720 for their share of the program. The eligibility, application requirements, program design, and program administration are all developed from the text of Act 1 of 2021.

The application window for this program will open at NOON on Thursday, March 11th, 2021 and remain open until all available grant funds have been awarded or June 15th, 2021 whichever comes first. The Beaver County Corporation for Economic Development is the administrative entity for this program as the Certified Economic Development Organization (CEDO) for Beaver County.

Program Eligibility

Eligible applicants must meet the following criteria:

- Applicant entities may apply for one grant for one business location in Beaver County, Pennsylvania. Applications can be made for each eligible business for which a unique FEIN exists.
- Must have a business location in Beaver County, Pennsylvania that was in operation as of February 15th, 2020, remains in operation, and does not intend to permanently cease operations within one year of the date of application. If your business has multiple locations in multiple counties you must apply in the county in which the business is headquartered.
- Is not a publicly traded entity.
- The primary activity of the business within Beaver County, Pennsylvania has a NAICS designation within the Accommodation subsector (721) or Food Services and Drinking Places subsector (722).
 - Primary activity is defined as the primary means by which the business generates revenue. For example, a business that serves food, but is a venue engaged primarily in another activity, such as a movie theater, would not be eligible to apply.
- Has fewer than 300 full-time equivalent employees currently and had fewer than 300 full-time equivalent employees during 2019. For purposes of determining the number of full-time equivalent employees, the calculation shall include each employee of the eligible applicant notwithstanding whether the eligible applicant has employees at multiple locations.
- Has a maximum tangible net worth of not more than \$15,000,000 computed in accordance with generally accepted accounting principles. This is per individual business, not in whole for an individual and/or entity.
- Must have a demonstrable and documented financial impact (applicants will need to submit appropriate supporting documentation) from COVID-19 of at least 25% of revenue, defined as a reduction in revenue in calendar year 2020, in one of the following ways:
 - The applicant had gross receipts during the first, second, third or fourth quarter in calendar year 2020 that demonstrate at least a 25% reduction from the applicant's gross receipts during the same quarter in calendar year 2019. The applicant will need to submit a 2019 tax return and a Profit & Loss statement from a quarter in 2019 and the corresponding quarter in 2020 to meet the requirements of this criteria. Applicants are

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strongly encouraged to submit a full 2019 and full 2020 P&L statements to demonstrate the total revenue loss if the business was in operation for all of 2019 and 2020.

- If the applicant was not in business during the first or second quarter of calendar year 2019 but was in business during the third and fourth quarters of calendar year 2019, the applicant had gross receipts during the first, second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the applicant's gross receipts during the third or fourth quarter of calendar year 2019. The applicant will need to submit a 2019 tax return and a Profit & Loss statement from a quarter in 2019 and the corresponding quarter in 2020 to meet the requirements of this criteria.
 - If the applicant was not in business during the first, second or third quarter of calendar year 2019, but was in business during the fourth quarter of calendar year 2019, the applicant had gross receipts during the first, second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the fourth quarter of calendar year 2019. The applicant will need to submit a 2019 tax return and a Profit & Loss statement from a quarter in 2019 and the corresponding quarter in 2020 to meet the requirements of this criteria.
 - If the applicant was not in business during calendar year 2019, but was in operation on February 15, 2020, the applicant had gross receipts during the second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the gross receipts of the entity during the first quarter of calendar year 2020. The applicant will need to submit a Profit & Loss statement from the first quarter of 2020 and from a corresponding quarter in 2020.
 - An applicant that was in operation in all four quarters of calendar year 2019 is deemed to have experienced the revenue reduction in subparagraph if the applicant experienced a reduction in annual receipts of at least 25% in 2020 compared to 2019 and the applicant provides copies of its annual 2019 and 2020 Federal tax forms substantiating the revenue decline (again, applicants are strongly encouraged to submit full 2019 and full 2020 Profit & Loss statements to demonstrate the total revenue loss if the business was in operation for all of 2019 and 2020).
 - If an applicant changed ownership or control in calendar year 2020, the applicant may measure its reduction in revenue in calendar year 2020 under any of the above using the gross receipts of the entity for 2019.
- Is current with all taxes owed to any local, county, state, or federal taxing authority/entity.

Grant Awards & Eligible Use of Grant Funds

Grant awards will be determined based upon eligible operating expenses. Act 1 of 2021 requires grants to be awarded in increments of \$5,000. To help as many establishments as possible Beaver County has capped the maximum award at \$25,000. Eligible applicants must submit documentation to justify their grant request in full up to \$25,000.

The Beaver County Corporation for Economic Development may determine the amount of funds awarded to be less than the amount an applicant applies for. Please note that awards must be increments of \$5,000. For example, if an eligible applicant submits an application with \$18,600 in eligible expenses, the grant award would be for a maximum of \$15,000.

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Eligible Expenses

Grant funds may be used for eligible expenses incurred and paid between March 1, 2020 up to the date of application. Eligible expenses are defined as an operating expense, including a payroll and non-payroll expense that is both ordinary and necessary. An ordinary expense is one that is common and accepted in an eligible applicant's industry. A necessary expense is one that is helpful and appropriate for an eligible applicant's trade or business. For purposes of determining an eligible operating expense, the following limitations shall apply:

- For a mortgage obligation, the mortgage must have been in force before February 15, 2020.
- For rent, under lease agreements, the lease agreement must have been in force before February 15, 2020.
- For utility costs, service must have begun before February 15, 2020.
- If an existing mortgage obligation or lease agreement in force before February 15, 2020, is refinanced or restructured after February 15, 2020, the mortgage obligation or lease agreement is deemed to have been in force before February 15, 2020.
- For contractor expenses, those contracted services that are directly related to COVID-19 health and safety measures. (i.e. cleaning, sanitizing, etc.)

Ineligible Expenses

Awardees must certify that grant funds are not being used for any operating expenses that are impermissible per Act 1 of 2021 as described below:

- Operating expenses for which an eligible applicant receives or received payment, reimbursement, and/or loan forgiveness from the following sources:
 - Beaver County Cares Act Grants received in 2020.
 - Any PA Small Business Grant Program of 2020 administered by the CDFI Network.
 - Any US SBA EIDL and PPP funds.
 - Any of public sector funding due to COVID-19 from any sources public or private between March 1st, 2020 through the date of application for this program as described in Act 1 of 2021.
- Providing funds, directly or indirectly, for a dividend distribution, return of capital, or otherwise to owners, partners, or shareholders of the business enterprise.
- Payments to 1099 employees and/or those identified as subcontractors not associated with Contractor expenses are for those contracted services that are directly related to COVID-19 health and safety measures. Cleaning etc.
- The payment of any local, school district, county, state, and/or federal tax obligations (including the remittance of Sales Tax, the Hotel Occupancy Tax, or any other tax obligations to a government entity).
- To finance a business, project, activity, and/or location primarily located outside the geographic boundaries of Beaver County, Pennsylvania.
- Any business activities not otherwise specified as allowable costs per the grant agreement.

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Application Process and Requirements

To apply, eligible businesses will be required to complete an online application – the online application and other program information can be found at https://www.beavercountyced.org/chirp_program.php. The online application will not be available prior to NOON on Thursday March 11th, 2021; applications may not be submitted online prior to the specified date and time. Applications will be accepted until all grant funds are awarded.

Applicants will be required to provide general information including:

- Physical location, address, and business contact information.
- Mailing address of the business.
- A brief description of your business and approximate gross receipt loss.
- Number of employees.
- Amount of grant dollars being requested for consideration.
- 2019 Federal and State Tax Return.
- 2020 Federal and State Tax Return / or Filed Extension along with 2020 P&L and Balance Sheet broken down into quarters.
- A list of any/all assistance previously received under the Federal CARES Act and/or any federal or state grant or forgivable loan program. *Note: having previously received assistance under any of these programs does NOT disqualify you from applying.
- A list of revenue losses and operating expenses to be paid by the CHIRP Grant proceeds.

Grant applications require acknowledgements and certifications in order to be considered a completed application for submission and review.

Applications will be reviewed on a rolling basis. As grant awards are determined, grant awardees will get an email from the Beaver County Corporation for Economic Development to begin the contracting and disbursement process. During the review period, we ask that all applicants keep the following in mind:

- Submission of an application is not a guarantee of funding.
- Please do not email or submit questions asking for an update on the status of or feedback on a particular application as that information will not be provided.

Award of Grant and Grant Contracting

Applications will be reviewed on a rolling basis. Due to the competitive nature of this grant a complete and thorough application is recommended. Completed applications will be reviewed and considerations for grant awards will be based on satisfaction of eligibility criteria and demonstrated need in the grant application. Particular consideration will be given to business that:

- Have not received a loan or grant issued under the authority of the Commonwealth or the Commonwealth's political subdivisions or by the Federal Government under the CARES Act or Consolidated Appropriations Act, 2021.

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- Were subject to closure by the proclamation of disaster emergency issued by the Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency.
- Can demonstrate a reduction in revenue which meets one of the following:
 - A reduction in gross receipts of 50% or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after March 31, 2019, and ending before December 31, 2019.
 - If the eligible applicant was not in operation during the entire comparison period described in the above paragraph, but was in operation on February 15, 2020, a monthly average reduction in gross receipts of 50% or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after January 1, 2020, and ending before April 1, 2020.

Successful applicants awarded grant funding will be contacted via email by the Beaver County Corporation for Economic Development and required to sign a grant contract and documentation provided as part of the award and disbursement process. Submission of a grant application is not a guarantee of funding.