



U.S. Small Business  
Administration



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# Shuttered Venue Operators Grant Information Session

March 30, 2021

# Meeting Logistics

- Listen only mode
- Meeting is being recorded
- Questions were accepted and reviewed prior to the meeting
- General, novel questions not answered during the session may be added to SVOG Frequently Asked Questions (FAQs)



# Agenda



- SVOG Background and Award Basics
- Eligibility
- Prior to Application
- Application
- Notice of Award and Grant Funds
- Monitoring, Close-outs, and Audits
- Other Information and Next Steps
- Questions and Answers

# SVOG Background

- **Established** by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, signed into law on December 27, 2020
- **Amended** by the American Rescue Plan Act, signed into law on March 12, 2021
- **Administered** by the Small Business Administration (SBA)
- **Intended** to provide relief in response to financial challenges from the coronavirus (COVID-19) pandemic
- **Includes** over \$16 billion in grants to shuttered venues

# Notice of Funding Opportunity

- Posted in the Federal Register [Federal Register :: Applications for New Awards; Shuttered Venue Operators Grants \(SVOG\)](#)
- Includes definitions and detailed grant information
- Applicants should read the entire notice



# Award Basics

- **Applications available:** April 8, 2021
- **Information session:** March 30, 2021
- **Funding amount:** \$16.2 billion
- **Award amount:** Up to \$10,000,000
- **Estimated number of awards:** 15,000
- **Estimated average award:** \$1,000,000



*SBA is not bound by any estimates in the Notice of Funding Opportunity.*

# Award Amount

- **For an eligible entity in operation on January 1, 2019**, grants will be for an amount equal to 45% of their 2019 gross earned revenue OR \$10 million, whichever is less.
- **For an eligible entity that began operation after January 1, 2019**, grants will be for the average monthly gross earned revenue for each full month you were in operation during 2019 multiplied by six (6) OR \$10 million, whichever is less.
- **Venue or promoter who received a PPP loan** on or after December 27, 2020, will have the SVOG reduced by the PPP loan amount.



# Priorities

- **First priority**

- First 14 days of grant awards
- Entities that suffered a 90% or greater revenue loss April-December 2020

- **Second priority**

- Next 14 days of grant awards
- Entities that suffered a 70% or greater revenue loss April-December 2020

- **Third priority**

- 30 days after first priority awards are made
- Entities that suffered a 25% or greater revenue loss between one quarter in 2019 and corresponding quarter in 2020

# Revenue Defined

- **First and second priorities** – gross revenue
- **Third priority** – earned revenue

## What is included in revenue?

- **Earned revenue** – monies received from the sale of goods or services. Does not include other funds such as donations, sponsorships, government assistance or returns on investments.
- **Gross earned revenue** - the total of earned revenue from various sales of goods or services, such as admission tickets, merchandise, food and beverages, advertising sales and contracted presentation income.
- **Gross revenue** – all revenue in whatever form from whatever source. Included contributions, donations, and grants (except disaster assistance).

# Supplemental Funding

- Available after all priority periods have passed
- Recipients of first, second, or third priority round awards who suffered a 70% or greater revenue loss for the most recent calendar quarter (April 1, 2021 or later)
- Information will be posted at a later date



# Small Business Set-Aside



**During the first 59 days of opening SVOG**, SBA will reserve no less than \$2 billion of program funding for grants to entities that have **not more than 50 employees**.

# Eligibility (Entities)

- **Live venue** operators or promoters
- **Theatrical producers**
- **Live performing arts** organization operators
- **Relevant museum operators, zoos and aquariums** who meet specific criteria
- **Motion picture theater** operators
- **Talent representatives**
- **Each business entity owned by an eligible entity** that also meets the eligibility requirements

# Eligibility (Subsidiaries & Affiliates)

- A subsidiary is an entity that is **either wholly or majority-owned and controlled by another entity**.
- **Maximum of five business entities** related via affiliation (for example, one parent firm and four subsidiaries) can receive an SVOG.
- **Only one SVOG application** and award will be allowed per EIN.
- An eligible museum, and all other museums it operates as subsidiaries **may receive no more than \$10 million combined under the program**.

# Eligibility (Principal Business Activity)

- **The business activity in which the entity has the greatest combined amount** of revenues, expenses, employees and work hours, assets, and contracts.
- **Will consider the distribution** of an entity's receipts, employees and costs of doing business among the different lines of business activity in which its business operations occurred for the most recently completed fiscal year.
- **May also consider other factors**, such as the distribution of patents, contract awards, and assets.



# Eligibility (General)



- **Must have been in operation** as of February 29, 2020
- **Must have documentation** to support eligibility



# Entities Not Eligible



- **Not in operation as of February 29, 2020.**
- **Does not have a place of business located in the United States**, does not operate primarily within the U.S., and does not make a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor.
- **Publicly traded corporation**, or majority owned and controlled by a publicly traded corporation.

## Entities Not Eligible (cont.)

- Presents live performances or sells products or services of a **prurient sexual nature**.
- **More than 10% of 2019 gross revenue came from the federal government** (not counting disaster assistance).
- Owns or operates venues, theatres, museums or talent **agencies in more than one country**, owns or operates venues, theatres, museums or talent agencies in **more than ten states, AND had more than 500 employees as of February 29, 2020**.

# Prior to Application

- **Register** in the System for Award Management
  - SAM.gov
- **Sign up for updates** at [svograntportal.sba.gov](https://svograntportal.sba.gov)
- **See Application Checklist** for required forms and documents
- **Read Frequently Asked Questions** (FAQs)



# Registrations

## DUNS Registration

- Your organization must obtain a DUNS number.
- Call 1-866-705-5711 or go to [dnb.com](https://dnb.com).

## System for Award Management (SAM) Registration

- Register both DUNS number and tax ID number (TIN) with SAM.
- Takes approximately 7 business days but may take longer.
- Allow 24 to 48 hours for information to be active.
- Requires an annual registration – application will be flagged if registration has not been updated. Updating may take 3 or more business days.

# Application Portal



Application portal will open  
April 8, 2021

[svograntportal.sba.gov](https://svograntportal.sba.gov)

# Application Due Date



- Applications are accepted on a rolling basis
- Reviewed based on time of receipt
- SBA will determine, based on revenue information, the priority phase the application will be processed
- Grants will be awarded until all funds are obligated



# Basic Application Process

- **Create an account** in the application portal
- **Enter information** in all required and applicable fields
- **Upload** all required and applicable documents
  - May upload .pdf, .jpg, .xls, .doc
- Application documents are saved throughout the process
- Application not received by SBA until submitted
- SBA staff are not permitted to provide assistance



# Application Documents (Background Documents)

- **Written Certification of Need**
- **Corporate documents** (may include Articles of Incorporation, Certificate of Existence, Certificate of Organization, State LLC Agreement, Certificate of Formation or Articles of Information)
- **Government issued photo ID** (front and back) of the business owner or a primary officer of the organization
- **Employee list with job titles and employee status** (full and part time)
- **Tax exempt documents** (non-profits)



# Application Documents (Financial Documents)

- **2019 Tax Return**
- **2020 Tax Return**, when filed (non-profit organizations that have a late fiscal year must submit 2018 and 2019 tax returns)
- **4506-T**
- **Quarterly Income Statements for 2019 and 2020**, signed by a primary officer of the organization
- **Payroll statements** covering February 29, 2020
- **Copy of most recent audited financial statement or Single Audit** (if applicable) or link to where the document can be located, if obtained within the normal course of business in 2019

# Application Documents (Standard Forms)

- **SF-424B** – Assurances for Non-Construction Programs (found on [grants.gov](https://www.grants.gov))
- **Certification of a Drug-free Workplace**
- **SBA Form 1623**, Certification Regarding Debarment, Suspension, and Other Responsibility Matters
- **SBA Form 1711**, Certification Regarding Lobbying & Disclosure of Lobbying Activities



# Application Documents (Applicant Specific)

- Specific to each type of venue



# Applicant Documents (Certification of Need)

- A **good faith certification** that the uncertainty of current economic conditions makes the grant necessary to support the ongoing operations of the eligible person or entity.
- If the entity is currently in operation, **must state** that the entity will remain in operation after receipt of the funds. If the entity is currently shuttered, the statement shall include the intent to reopen with an estimated reopening date.
- All statements shall **include an assurance** that the entity was fully operational on February 29, 2020.

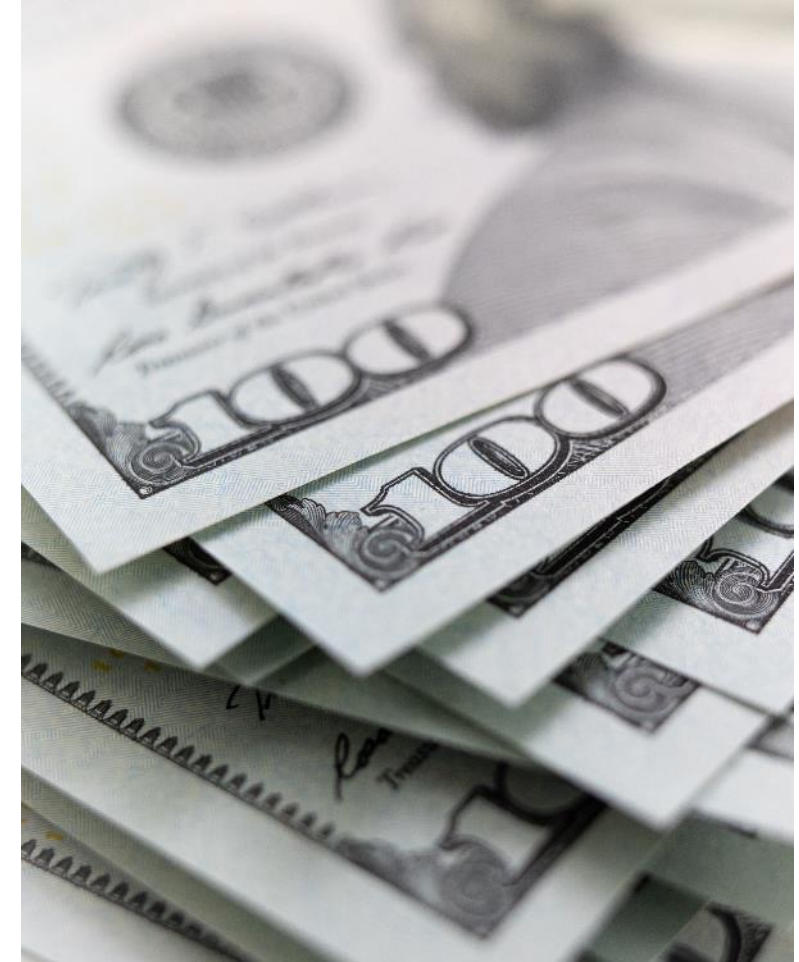
# Certification of Need Example

*Due to the uncertainty of current economic conditions, the SVOG is necessary to support the ongoing operations of the Disco Live Venue Museum Talent Company, LLC. DLVMTC opened its doors on November 13, 1989. It is currently shuttered but intends to reopen on April 26, 2021.*



# Proposed Award

- Based on the financial information entered by the applicant, a proposed award amount will be automatically calculated.
- This amount will appear as the “Proposed Award.”
- SBA is **NOT** bound by the proposed award.
- If an applicant **does not** want the entire award amount calculated as the proposed award, the applicant may reduce this amount in the proposed budget.



# Proposed Budget

- Applicants will fill out a “proposed budget.”
- The proposed budget delineates how the applicant intends to expend grant funds.
- Each proposed expenditure must be entered on a line that corresponds to the allowable funding categories.
- The proposed budget must include ONLY proposed expenditures for grant funds.
- The proposed budget cannot exceed the proposed award amount.
- If an applicant received a PPP loan after December 27, 2020, SBA will reduce the proposed budget by the amount of the PPP loan.

# Electronic Submission

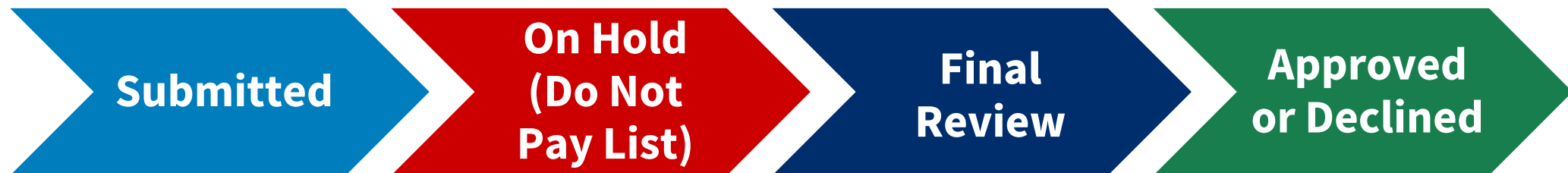


Applications for grants under this program **must be submitted electronically**, unless you qualify for an exception to this requirement in accordance with the instructions in the Notice.



# Application Status

- Application is not submitted until the application status is “Submitted”
- Applicants will be notified of a status change
- Applicants must log into the system to review the change in status
- Application status prior to award:



# Do Not Pay List

- Federal agencies **may not award** grants to (or otherwise do business with) individuals or companies on the Do Not Pay List.
- SBA will check the Do Not Pay List multiple times during the application process.
- If an applicant appears on the Do Not Pay List, the applicant has **30 days** to clear its name.
- The applicant must upload evidence that the Do Not Pay List hold has been cleared.
- If the applicant does not clear the Do Not Pay List hold in 30 days, the application will be declined.

# Notice of Award

PURPOSE: This form is used to notify grant recipients of award reporting and record keeping requirements. Grantees are required to review and sign the form and return to SBA at the address: SBDC- SBA/OSBDC, 409 Third Street, SW 6th Floor, Washington, DC 20416 All other SBA/OGM, 409 Third Street, 5th Floor, Washington, DC 20416

OMB Approval No.: 3245-0140  
Expiration Date 7/31/2018

U.S. Small Business Administration		NOTICE OF AWARD	
1. AUTHORIZATION <i>(Legislation/Regulation)</i>		2. Grant/Cooperative Agreement No.:	
3. RECIPIENT: <i>(Name, Organizational Unit, Address)</i>		4. PROJECT PERIOD <i>(Mo./Day/Yr.)</i>	<i>(Mo./Day/Yr.)</i>
		From	Through
		5. BUDGET PERIOD <i>(Mo./Day/Yr.)</i>	<i>(Mo./Day/Yr.)</i>
		From	Through
8. TITLE OF PROJECT/PROGRAM <i>(limit to 53 spaces)</i>		6. FEDERAL CATALOG NO.	7. ADMINISTRATIVE CODES
		9. AWARD AMOUNT Amount of SBA Financial Assistance	
10. DIRECTOR OF PROJECT <i>(Program or Center Director, Coordinator or Principal Investigator)</i>		11. RECOMMENDED FUTURE SUPPORT <i>(Subject to the availability of funds and satisfactory progress of the project)</i>	
NAME		BUDGET YEAR	TOTAL DIRECT COST
Last First Initial			
ADDRESS			

## Notice of Award (cont.)

- **Provides the name and general information of the grantee**
- **Contains terms and conditions of the grant**
  - Project period and budget period will be 1 year from the date of the Notice
  - Award amount
  - Approved budget
- **Special conditions**
  - Information about disbursements
  - Requirement to submit 2020 taxes
  - Other conditions based on application information
- **Must be signed and uploaded**

# Approved Budget



- Enter how you plan to use proposed grant funds within allowable use of funds



- Proposed budget will be finalized by SBA as the approved budget (PPP deducted)



- Applicant required to report on expenditures according to approved budget

# Program-Specific Assurances

- Applicant must initial each individual assurance
- Applicant must also provide a full signature
- Any misrepresentation initialed may lead to a False Claims Act action
- Must be uploaded with signed Notice of Award



# Grant Disbursements

- **Dependent on multiple factors determining risk**
- **Lowest risk** may have one disbursement (lump sum), with submission of 2020 tax returns
- **Moderate risk** will have 2-3 disbursements
- **Highest risk** will have 3-4 disbursements

# Allowable Use of Funds

- **Payroll costs**
- **Rent payments**
- **Utility payments**
- **Scheduled mortgage payments** *(not including prepayment of principal)*
- **Scheduled debt payments** *(not including prepayment of principal on any indebtedness incurred in the ordinary course of business prior to February 15, 2020)*
- **Worker protection expenditures**
- **Payments to independent contractors** *(not to exceed \$100,000 in annual compensation per contractor)*



## Allowable Use of Funds (cont.)

- **Other ordinary and necessary business expenses**, including maintenance costs
- **Administrative costs** (*including fees and licensing*)
- **State and local taxes and fees**
- **Operating leases** in effect as of February 15, 2020
- **Insurance payments**
- **Advertising, production transportation, and capital expenditures** related to producing a theatrical or live performing arts production. (*May not be primary use of funds*)

# Unallowable Use of Funds

- **Purchase real estate**
- Make **payments on loans originated after February 15, 2020**
- Make **investments or loans**
- Make contributions or other payments to, or on behalf of, **political parties, political committees, or candidates for election**
- Any other use **prohibited by the Administrator**



# Expending Grant Funds

- **One year from the date of award** to expend grant funds.
- Funds can only be used to **pay allowable items of cost incurred between March 1, 2020, and December 31, 2021.**
- **For Supplemental grants, grantees will have 18 months** from the date of its Initial Phase Award to expend its grant funds
  - Supplemental funds can only be used to **pay allowable costs incurred between March 1, 2020 and June 30, 2022.**

# Cost Principles (General Assumptions)

## Grantee assumes responsibility for:

- **Administering grant funds** efficiently and effectively
- **Managing funds** according to agreements, objectives, and terms of the award
- **Using accounting practices** and consistent with Uniform Guidance cost principles
- **Providing adequate documentation** for costs charged to the award

# Cost Principles

- **Costs must be allowable, allocable, and reasonable**
  - Who is a prudent person?
- **Reasonable and necessary**



# Monitoring

- **All grants with multiple disbursements will be monitored**
- **Submit SF-425** (Report Type “Quarterly” and supporting documents in order to receive subsequent disbursements
- SF-425 gives detailed budget information related to the approved budget – **report on expenditures for each budget category**
- **Supporting documents** that verify expenditures must accompany the SF-425
  - Receipts, paid invoices, etc.

# Grant Close-out

- SF-425 Report Type “Final”
- Report on expenditures in each budget category
- Provide supporting documents for expenditures
- Answer questions regarding “performance”





# Grantee Record Keeping



- Grantees are required to maintain documentation demonstrating their compliance with eligibility and other requirements of the SVOG program.
- Employment records must be maintained for four years following the receipt of a grant and all other records must be maintained for three years.

# Internal Audits

- Grants will be audited by SBA SVOG and SBA Office of Inspector General (OIG)
- Grants may be audited by the Government Accountability Office (GAO)
- Audits may include all aspects of the application, eligibility, use of funds, and reporting
- Grantees are required to cooperate with all audits

# External Audits

- Grantees who expend \$750,000 or more in Federal funds during its fiscal year must receive an external audit.
- Non-profit entities must obtain a Single Audit.
- For-profit entities must choose a Single Audit or audited financials.
- Single audits must be uploaded to the Federal Audit Clearinghouse.

# Enforcement Actions

In the case of fraud, waste, abuse, or noncompliance with grant conditions, SBA may:

- Seek repayment of funds
- Initiate legal action to collect funds
- Add individual and organization names to the Do Not Pay List
- Initiate a False Claims Act action
- Refer the grantee to the Inspector General



# SVOG and PPP

- If an entity applied and was approved for a PPP loan prior to December 27, 2020, it is eligible to apply for an SVOG and the PPP loan has no effect on SVOG.
- Entities were originally prohibited from receiving PPP and SVOG after December 27, 2020, however the American Rescue Plan Act, which became law on March 11, 2021, removed this restriction.
- The full amount of any PPP loan received on or after December 27, 2020, must be deducted from an entity's SVOG without regard to whether a portion of that PPP loan was forgiven or not.
- Entities will be ineligible for a PPP loan AFTER they receive an SVOG.

# Applicable Legislation and Regulations



- Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues **Act, P.L. 116-260**
- American Rescue Plan Act, **P.L. 117-2**
- Uniform Guidance, **2 C.F.R. 200**
- False Claims Act, **31 U.S.C. §§3729-3733**
- Cash Management Improvement Act of 1990, **31 C.F.R. 205**

# Information and Support

- **SVOG Website** ([sba.gov/svogrants](https://sba.gov/svogrants))
- **SVOG Portal** ([svograntsportal.sba.gov](https://svograntsportal.sba.gov))
- **SBA Resource partners** (<https://www.sba.gov/local-assistance>)
- **SBA District Offices** for connection to community resources and additional SBA programs



# Next Steps

- **Obtain and DUNS number and register in SAM**
- **Collect documents** on the Application Checklist
- **Read the Notice** of Funding Opportunity
- **Sign up for updates** at [svograntportal.sba.gov](https://svograntportal.sba.gov)





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# SVOG Q&A



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# Thank you!