Shuttered Venue Operators Grant
SVOG

Presented By: Virginia Small Business Development Center Network
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Virginia Small Business Development Center (SBDC) Network

https://www.virginiасsbdc.org/office-locations/
Agenda

• Goals of Presentation
• History of the SVOG
• Role of SBDC in Assisting Applicants
• Universal Application Requirements
• Processing Priority
• Other recommendations
• Conclusion
• Questions and Answers
Overview

- Became law on 12/27/2020 as part of American Aid Act
- SBA had never been charged with establishing this kind of grant program
- $15 billion set aside for eligible entities (last week an additional $1.25 billion was added)
- To date 6 versions of FAQs published
- No application has been published
- A definite opening date not announced
- Must have been in operation on February 29, 2020
- Maximum per applicant $10 million or 45% of gross revenues earned in 2019
- $2 billion for venues with 50 or fewer employees
What is an “eligible entity”?  

- Live venue operators or promoters  
- Theatrical producers  
- Live performing arts organization operators  
- Museum operators  
- Motion picture theatre operators  
- Talent representatives  
- Entities of these types owned by state or local governments*  
  - *if the governmentally-owned entity also acts solely as a venue operator, museum, etc., and does not also include other types of entities*
Disqualified Entities

- Does not have a place of business located in the US
- Does not operate primarily within the US
- Does not make a significant contribution to the US economy
- Not in operation as of 2/29/2020
- Entity is publicly-traded or is majority owned and controlled by a publicly-traded entity
- Presents live performances or sells products or services of a prurient sexual nature
- More than 10% of its 2019 gross revenues came from the federal government (excluding disaster assistance)
- Owns or operates venues in more than 1 country, more than 10 states, AND had more than 500 employees on 2/29/2020
Entities can also receive a 1\textsuperscript{st} or 2\textsuperscript{nd} draw PPP loan as long as they receive those funds before applying for the SVOG.
Roles

SBA

Due to restrictions in place to assist grant applicants:
- Refer interested parties to resource partners
- The SBA will not interact directly with interested parties
- The SBA will provide general interest information to potential applicants, including loan programs, etc.
- Will publish information on the agency’s website

Resource Partners:
- Guidance to interested parties
- Guidance on specific documents required
- Assistance to applicants for completion of specific documents
Requirements for All Applicants

- Entity was operational on 2/29/2020
- Had earned revenue during any of the 1\textsuperscript{st}, 2\textsuperscript{nd}, 3\textsuperscript{rd}, or 4\textsuperscript{th} quarter in 2020 that reflected not less than a 25% reduction from the same periods in 2019
- Cannot be a public company
- Cannot have overseas operations
- Maximum of 10-state venues
- Maximum of 500 employees
Live Venue Operator or Promoter, Theatrical Producer, or Live Performing Arts Organization Operator

- Principal business activities for which (i) a cover charge through ticketing or front door entrance fee is applied, and (ii) performers are paid in an amount that is based on a percentage of sales, a guarantee, or another mutually beneficial formal agreement
- Either:
  - Not less than 70% of the earned revenue of the business is generated through, to the extent related to a live event, cover charge or ticket sale, production fee or production reimbursements, nonprofit educational initiatives, or the sale of beverages, food, or merchandise; or
  - One of its principal business activities is making available for purchaser by the public an average of not less than 60 days before the date of the event tickets to live events described above
- Operational Requirements:
  - Has resumed or intends to resume organizing, promoting, producing, managing, or hosting future Eligible Live Events
- Facility Requirements:
  - Has a defined performance and audience space
  - Has mixing equipment, a PA system, and specialized lighting
  - Specialized staff for specific technical or management functions
  - Paid ticket or cover charge
  - If a nonprofit, must have paid staff
  - Uses a range of marketing/advertising for it’s performances
Motion Picture Theatre Operator

- Business Requirements:
  - A principal business activity is owning and operating at least one place of public accommodation for the purpose of motion picture exhibitions for a fee

- Operational Requirements:
  - Is open or intends to reopen for the primary purpose of public exhibition of motion pictures

- Facility Requirements:
  - Has at least one auditorium that includes a screen and fixed audience seating
  - Has a projection booth or space that includes at least one projector
  - Requires a paid ticket charge to attend
  - Markets exhibitions through various advertising avenues
Museum Operator

- Business Requirements:
  - A principal business activity is owning and operating a Relevant Museum

- Operational Requirements:
  - Is open or intends to reopen

- Facility Requirements:
  - Has an indoor exhibition space that is a component of its principal activity, subject to pandemic-related occupancy restrictions
  - Has at least 1 auditorium, theater, or performance or lecture hall with fixed seating and regular programming

Talent Representative:

- Business Requirements:
  - Not less than 70% of operations are engaged in representing or managing 2 or more artists and entertainers

- Operational Requirements:
  - Represents or manages artists and entertainers
Universal Requirements

- Background Documents:
  - Written statement of need:
    - A good faith certification that economic conditions make the grant necessary
    - Statement that entity is currently operating or if shuttered, that it intends to re-open with an estimated re-opening date
    - Statement confirming that the entity was fully operational on 2/29/2020
  - Corporate/organizational documents
  - Government issued photo ID

- Employee List:
  - Complete name
  - Description of employee
  - Number of hours worked

- Tax exempt status letter
Documentation

- Financial Documents:
  - 2019 tax return
  - 2020 tax return (if filed). If not filed, then must provide when filing completed
  - Quarterly Income statements for 2019 and 2020
  - Audited Financial Statements (if typical for entity, or if amount received is over $750,000
  - Indirect cost rate agreement (if applicable)

- Standard Forms:
  - SF-424B- Assurances for Non-Construction Programs
  - 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
Documentation Continued

• Applicant-Specific Documents:
  • Floor Plan, to include projection booth, fixed seating service agreements, invoices, etc.
  • Proof of audio and mixing equipment, PA, and specialized lighting in the form of invoices for purchase & installation, insurance documents, etc.
  • Marketing materials
  • Box office/Ticketing reports
  • State or local COVID-19 occupancy restrictions

• Contractual/Consultant agreements
  • List of individuals represented and venues
Special Requirements for Grant Applicants:
- DUNS Number – www.dnb.com/govtduns
- 1-866-705-5711

- SAM (System for Award Management)
  - www.sam.gov
  - 1-866-606-8220
This program is not “first-come, first served”

1\textsuperscript{st} Priority:
- 1\textsuperscript{st} 14 days of grant awards
- Entities that suffered a 90% or greater revenue loss between April 2020 and December 2020 due to the COVID-19 pandemic

2\textsuperscript{nd} Priority:
- 2\textsuperscript{nd} 14 days of grant awards
- Entities that suffered a 70%+ revenue loss between April 2020 and December 2020 due to the COVID-19 pandemic

3\textsuperscript{rd} Priority:
- Beginning 28 days after 1\textsuperscript{st} and 2\textsuperscript{nd} Priority Awards
- Entities that suffered a 25% or greater earned revenue loss between one quarter of 2019 and the corresponding quarter of 2020

Supplemental Funding:
- Available after all Priority Periods have passed
- Recipients of 1\textsuperscript{st}, 2\textsuperscript{nd}, and 3\textsuperscript{rd} Priority round awards who suffered a 70% or greater revenue loss for the most recent calendar quarter (as of 4/1/21 or later)
Use of Proceeds

- Payroll costs
- Rent payments
- Utility payments
- Scheduled mortgage payments (excluding principal prepayments) on any indebtedness incurred in the ordinary course of business prior to 2/15/2020
- Worker protection expenditures
- Payments to independent contractors (not to exceed $100K in annual compensation per contractor)
- 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 2/15/2020
- Insurance payments
- Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production (cannot be primary use of funds)
Proceeds Cannot be Used

- Purchase real estate
- Make payments on loans originated after 2/15/2020
- Make investments or loans
- Make political contributions
- Any other use prohibited by Administrator of the SBA
**Recommendations**

- Obtain DUNS number
- Register with SAM
- Collect required financial information
- Set up separate accounting system or account
- Prepare to maintain documentation demonstrating their compliance with all requirements for the grant program
- All employment records must be maintained for 4 years after the grant is received
- All other documents must be maintained for 3 years after the grant is received
- There are no appeals if the application is declined
- It is not known at this time how long it will take for the SBA to process applications and they currently have no mechanism for obtaining status updates

**Start Now if you believe you are eligible for the grant. Funding is limited and the process is time-consuming!!!**
For one-on-one counseling or questions, email help@virginiasbdc.org

For a counseling appointment: http://www.virginiasbdc.org/request-appointment/