



SMALL BUSINESS ADMINISTRATION

Applications for New Awards; Shuttered Venue Operators Grants (SVOG)

AGENCY: U.S. Small Business Administration.

ACTION: Notice of funding opportunity

SUMMARY: The U.S. Small Business Administration (SBA) issues a notice inviting applications for new awards for fiscal year (FY) 2021 for SVOG, Catalog of Federal Domestic Assistance (CFDA) number 59.075. This notice relates to the approved information collection under OMB control number 4040-0004.

DATES: *Applications Available:* April 8, 2021.

Deadline for Transmittal of Applications: The SBA will receive and process applications on a rolling basis, and submission will remain available until funds become exhausted.

Pre-application webinar information: The SBA held a pre-application meeting, via webinar, for prospective applicants on January 14, 2021, Eastern time. The webinar is available for viewing at <https://www.youtube.com/watch?v=PdfQG6z-gg>.

The SBA will hold a second webinar on March 30, 2021 and will make information available on the webinar at www.sba.gov/svogrant

ADDRESSES: The SBA will only accept applications submitted electronically through the SBA's website via the following link: www.sba.gov/svogrant.

FOR FURTHER INFORMATION CONTACT: Barbara E. Carson, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416. Telephone: (800) 659-2955. Email: SVOGrant@sba.gov.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

Full Text of Announcement

I. Funding Opportunity Description

Purpose of Program¹: The Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act signed into law on December 27, 2020 included \$15 billion in grants to operators of shuttered venues, which the SBA's Office of Disaster Assistance will administer. On March 11, 2021, the American Rescue Plan Act of 2021 (Public Law 117-2, title V, sec. 5005) was enacted; it provides an additional \$1,249,500,000 in grants for these entities. Of this total grant funding, at least \$2 billion is reserved for applicants with up to 50 *full-time employees*. Grants of up to \$10 million will be disbursed to eligible entities in accordance with requirements set forth in 2 CFR part 200, as applicable. This guidance explains the rules associated with the use of federal grant funds.

Background: Under the SVOG Program, an eligible entity that was in operation on January 1, 2019 may qualify for grants equal to the lesser of an amount equal to 45% of its gross earned revenue or \$10 million. Eligible entities that began operations after January 1, 2019, may qualify for grants equal to the lesser of the average monthly gross revenue for each full month the entity was in operation during 2019 multiplied by 6 OR \$10 million. The maximum award amount is \$10 million. No less than \$2 billion of the total program is reserved for small employers who meet the eligibility requirements and have not more than 50 *full-time employees*.

The SBA will receive and process awards on a rolling basis to ensure that those entities hardest hit by the COVID-19 pandemic are granted an opportunity to access this much-needed assistance.

Priorities:

First Priority: Applicants who lost 90% or more of their revenue between April 2020 and December 2020, due to the COVID-19 pandemic.

Second Priority: Entities that lost 70% or more of their revenue between April 2020

¹ The terms in the text of this notice that are in italics are defined in the Definitions section.

and December 2020, due to the COVID-19 pandemic.

Third Priority: Entities that suffered a 25% or greater revenue loss between any one quarter of 2019 and the corresponding quarter of 2020.

Definitions:

Cover Charges means charges to encompass front door entrance fees, food or beverage minimums, or other similar charges required to gain admission to a venue, whether collected via ticket sales, addition to a tab, or direct payment.

Covered Mortgage Obligation means a debt obligation that is an obligation of the borrower, including a related mortgage on real or personal property, and that was entered into before February 15, 2020.

Covered Rent Obligation means rent obligated under a leasing agreement in force before February 15, 2020.

Covered Utility Obligation means electricity, gas, water, transportation, telephone, or internet access expenses for which service began before February 15, 2020.

Covered Worker Protection Expenditures means an operating or a capital expenditure to facilitate the adaptation of the business activities of an entity to comply with requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a state or local government, during the period beginning on March 1, 2020 and ending on December 32, 2021.

Eligible Person or Entity is a: *live venue operator* or promoter, theatrical producer, or live performing arts organization operator, a relevant museum operator, a *motion picture theatre operator*, or a talent representative that meets the relevant facility and category requirements related to its entity type in addition to the following eligibility requirements:

1. The *eligible entity* was fully operational (including in a pre-opening, start-up capacity) as an eligible entity on February 29, 2020, and

2. The *eligible entity* had gross earned revenue during the first, second, third, or fourth quarter in 2020 that demonstrates not less than a 25% reduction from the gross earned revenue of the eligible entity during the same quarter in 2019. Firms not in operation in 2019 may qualify for an SVOG if their gross earned revenues for the second, third, or fourth quarter of 2020 demonstrate a reduction of not less than 25% from their gross earned revenue for the first quarter of 2020.

3. As of the date of the grant under this section—

a. the *live venue operator or promoter, theatrical producer, or live performing arts organization operator* is or intends to resume organizing, promoting, producing, managing, or hosting future live concerts, comedy shows, theatrical productions, or other performing arts events;

b. the *motion picture theatre operator* is open or intends to reopen for the primary purpose of public exhibition of motion pictures;

c. the *relevant museum operator* is open or intends to reopen; or

d. the talent representative is representing or managing artists and entertainers.

4. The venues at which the *live venue operators or promoters, theatrical producers, or live performing arts organization operators* stage events, or at which the artists and entertainers represented or managed by the talent representative perform, have the following characteristics:

a. A defined performance and audience space, and

b. Mixing equipment, a public address system, and a lighting rig.

c. Engage 1 or more individuals to carry out at least 2 of the following roles:

(1) A sound engineer;

(2) A booker;

- (3) A promoter;
- (4) A stage manager;
- (5) Security personnel; or
- (6) A box office manager.

d. Most performances and artists are paid fairly and do not play for free or solely for tips, except for fundraisers or similar charitable events.

e. For a venue owned or operated by a nonprofit entity that produces free events, the events are produced and managed primarily by paid employees, not by volunteers.

f. Performances are marketed through listings in printed or electronic publications, on websites, by mass email, or on social media.

5. A motion picture theater or theaters operated by the *motion picture theatre operator* have the following characteristics:

a. At least 1 auditorium that includes a motion picture screen and fixed audience seating.

b. A projection booth or space containing not less than 1 motion picture projector.

c. A paid ticket charge to attend exhibition of motion pictures.

d. Motion picture exhibitions are marketed through showtime listings in printed or electronic publications, on websites, by mass mail, or on social media.

6. The *relevant museum (s)* for which the relevant museum operator is seeking a grant under this section have the following characteristics:

a. Serves as a *relevant museum* as its *principal business activity*.

b. Uses indoor exhibition spaces that are a component of the *principal business activity* and which have been subjected to pandemic-related occupancy restrictions.

c. Uses at least 1 auditorium, theater, or performance or lecture hall with fixed audience seating and *regular programming*.

Fixed Seating means seating that is permanently fixed to the floor or ground, or which is so heavy or cumbersome as to make removing it impractical. Where *fixed seating* is required for an auditorium or similar space, a majority of the seating provided in that space must meet the definition of *fixed seating*.

Full-time employee means-

1. any employee working not fewer than 30 hours per week shall be considered a *full-time employee*; and

2. any employee working not fewer than 10 hours and fewer than 30 hours per week shall be counted as one-half of a *full-time* employee.

Live Venue Operator or Promoter, Theatrical Producer or Live Performing Arts Organization Operator

1. means-

a. an individual or entity—

(1) that, as a *principal business activity*, organizes, promotes, produces, manages, or hosts live concerts, comedy shows, theatrical productions, or other events by performing artists for which—

(a) a *cover charge* through ticketing or front door entrance fee is applied; and

(b) performers are paid in an amount that is based on a percentage of sales, a guarantee (in writing or standard contract), or another mutually-beneficial formal agreement, and

(2) for which not less than 70% of the earned revenue of the individual or entity is generated through, to the extent related to a live event cover described in subclause a(1) of this section, *cover charges* or ticket sales, production fees or production

reimbursements, nonprofit educational initiatives, or the sale of event beverages, food, or merchandise; or

b. an individual or entity that, as a principal business activity, makes available for purchase by the public an average of not less than 60 days before the date of the event tickets to events—

(1) described in subclause a(1) of this section; and

(2) for which performers are paid in an amount that is based on a percentage of sales, a guarantee (in writing or standard contract), or another mutually beneficial formal agreement; and

2. includes an individual or entity described in subparagraph 1 of this section that-

a. operates for profit;

b. is a nonprofit organization;

c. is government-owned; or

d. is a corporation, limited liability company, or

partnership or operated as a sole proprietorship.

Majority Owned or Controlled means that at least 51% of the ownership interests in an entity (regardless of its legal structure) are held by a single individual or entity.

Motion Picture Theatre Operator means an individual or entity that—

1. as the *principal business activity* of the individual or entity, owns or operates at least 1 place of public accommodation for the purpose of motion picture exhibition for a fee; and

2. includes an individual or entity described in

subparagraph 1 that—

a. operates for profit;

b. is a nonprofit organization;

c. is government-owned; or

d. is a corporation, limited liability company, or partnership or operated as a sole proprietorship.

Principal Business Activity is determined using a firm's primary industry under the SBA size regulations (13 CFR 121.107) to define "principal business activity." To determine a given firm's principal business activity, the SBA 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. The SBA may also consider other factors, such as the distribution of patents, contract awards, and assets, as appropriate.

Regular Programming means programming provided on an ongoing and near-continuous basis of an average of at least four times a month.

Relevant Museum means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or aesthetic purposes, that utilizes a professional staff, owns or utilizes tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis. Such term includes museums that have tangible and digital collections and includes aquariums, arboretums, botanical gardens, art museums, children's museums, general museums, historic houses and sites, history museums, nature centers, natural history and anthropology museums, planetariums, science and technology centers, specialized museums, and zoological parks.

Application Requirements:

Applications for SVOG funds must address the following application requirements and the application must include the following supporting documentation—

1. *Certification of Need and Assurance* - All entities shall include an assurance that the entity was fully operational on February 29, 2020 and that the funds will only be used

for the allowable purposes established by law. This statement is required by statute and must include the following:

a. If the entity is currently in operation, the entity will remain in operation after receipt of the funds; or

b. If the entity is currently shuttered, the statement shall include the intent to reopen with an estimated date of reopening.

2. 2019 Federal Tax Returns;

3. 2020 Federal Tax Returns - Entities are required to submit 2020 Federal tax returns with their applications. If an entity has not filed 2020 Federal tax returns at the time of application, and if the entity is awarded an SVOG and the due date for the entity's 2020 tax returns has passed, the entity must submit 2020 Federal tax returns after the first disbursement. If an entity's 2020 tax returns are not yet due, the entity must provide 2018 and 2019 taxes at the time of application and 2020 taxes as soon as practicable after filing 2020 taxes.

4. Employee List with Job Titles and Employee Status (Full or Part time);

5. Quarterly Profit and Loss Statements for 2019 and 2020;

6. Articles of Incorporation, Bylaws and DBA Certificate (if applicable);

7. Income Statements for 2019 and 2020;

8. Copy of most recent Audited Financial Statement (2019) or Single Audit (if applicable) or link to website where the report can be located;

9. Tax Exempt Status Letter (applicable only for Non-profit entities);

10. Listing of all Individuals Represented and Venues for which they have contracted to perform (applicable only for Talent Representatives);

11. Examples of Contractual/Consultant Agreements with talent represented, and venues used and evidence of booking (This applies only for Talent Representatives);

12. State or Local COVID Occupancy Restrictions (applicable only for Museum Operators);

13. Floor Plan (and plan of grounds if outdoor space is used for the performance venue). The floor plan must demonstrate the location of the defined performance space. Applicants must provide the floor plan that is used for insurance purposes or local fire inspections. In the case of *motion picture theatre operators*, the floor plan must also identify the projection booth. (This applies only to *Live Venue Operator* or Promoter, Theatrical Producer, or Live Performing Arts Organization Operator (Excluding Freelancers); *Motion Picture Theatre Operators*; *Relevant Museums*);

14. Evidence of Marketing (applicable only for *Live Venue Operator* or *Promoter*, *Theatrical Producer*, or *Live Performing Arts Organization Operator* (Excluding Freelancers); *Motion Picture Theatre Operators*; *Relevant Museums*) Entities that remain open must provide their most recent marketing materials. Those entities that closed due to the COVID-19 pandemic must provide the most recent marketing materials used prior to closing.

15. Indirect Cost Rate Agreement from Cognizant Agency (if applicable). If the entity does not have a current negotiated indirect cost rate in place, the entity may negotiate a proposed indirect cost rate. If the entity has never had a negotiated cost rate agreement, the 10% de minimis rate may be utilized, in accordance with the procedures set forth in 2 CFR 200.414. If the entity has an indirect cost rate agreement from a cognizant agency, a copy of that agreement must be included in the application.

Assurances: All applicants must submit assurances through the application process. The assurances include the Standard 424 (b), SBA Form 1711 - Certification Regarding Lobbying & Disclosure of Lobbying Activities, SBA Form 1623 - Debarment and Suspension, a Drug-free Workplace Agreement, and certifications described in section 324 of division N of the Consolidated Appropriations Act, 2021 (Pub. L. 116-260).

Program Authority: Section 324 of division N of the Consolidated Appropriations Act, 2021 (Pub. L. 116-260). *Applicable Regulations:*

1. The Office of Management and Budget Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR part 180, as adopted and amended as regulations of the Agency in 2 CFR part 3485.

2. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR part 200, as adopted and amended as regulations of the Agency in 2 CFR part 3474.

II. Award Information

Type of Award: Grants.

Estimated Available Funds: \$15,000,000,000. Contingent upon the availability of funds and the quality of applications, the SBA may make supplemental awards in FY 2021.

Estimated Range of Awards: \$250,000 - \$10,000,000.

Estimated Average Size of Awards: \$1,000,000.

Maximum Award: No grant shall exceed \$10 million and the combined grants of an entity and its subsidiaries may not exceed \$10 million. The SBA will grant Initial Phase awards either to:

1. An *eligible entity* that was in operation on January 1, 2019, the lesser of an amount equal to 45% of their 2019 gross earned revenue; or

2. An *eligible entity* that began operation after January 1, 2019, the lesser of the average monthly gross revenue for each full month the entity was in operation during 2019 multiplied by 6; or

3. \$10 million.

Estimated Number of Awards: 15,000.

Note: The SBA is not bound by any estimates in this notice.

Limits to Initial Grants to Affiliates: Not more than 5 business entities of an *eligible person or entity* that would be considered affiliates under the affiliation rules of the Administration may receive a grant.

Budget Period: Funding received under this grant may be used for allowable costs incurred during the period beginning on March 1, 2020 and ending on December 31, 2021.

III. Eligibility Information

1. *Eligible Entity:* An *eligible person or entity* is a *live venue operator* or promoter, theatrical producer, or live performing arts organization operator, a *relevant museum* operator, a *motion picture theatre operator*, or a talent representative that meets the criteria included in the definition of an *eligible person or entity*.

2. *Exclusions and Ineligible Entity:* An entity is determined ineligible if it has any of the following characteristics:

a. Is a publicly-traded corporation listed on a stock exchange.

b. Receive more than 10% of gross revenue from Federal funding during 2019, excluding amounts received by the eligible entity under the CARES Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

c. Is not *majority owned or controlled* by an entity with all of the following characteristics:

(1) Owning or operating eligible entities in more than 1 country;

(2) Owning or operating eligible entities in more than 10 States; and

(3) Employing more than 500 *full-time employees* as of February 29, 2020.

d. Where an eligible entity is owned by a State or a political subdivision of a State, it -

(1) must function as the eligible entity; and

(2) cannot include entities of the State or political subdivision other than the eligible entity.

e. The entity cannot present live performance of a prurient or sexual nature and cannot derive more than 5% of its gross revenue, directly or indirectly, from the sale of products or services or the presentation of any depictions or displays that are of a prurient or sexual nature.

3. *Cost Sharing or Matching*: This grant does not require cost sharing or matching.

4. *Subgrantees*: A grantee under this program may not award subgrants.

IV. Application and Submission Instructions

1. *Application Submission Instructions*: All applications for this grant will be submitted electronically via SBA's website. Please visit www.sba.gov/svogrants for information on how to submit an application.

2. *Intergovernmental Review*: This program is not subject to Executive Order 12372 and the regulations in 34 CFR part 79.

3. *Funding Uses*: Grantees under this program must only use the grant funds for the following--

a. Payroll costs;

b. Payments on any *covered rent obligation*;

c. Any *covered utility payment*;

d. Scheduled payments of interest or principal on any *covered mortgage obligation* (which shall not include any prepayment of principal on a *covered mortgage obligation*);

e. Scheduled payments of interest or principal on any indebtedness or debt instrument (which shall not include any prepayment of principal) incurred in the ordinary course of business that is a liability of the *eligible person or entity* and was incurred prior to February 15, 2020;

f. *Covered worker protection expenditures*;

g. Payments made to independent contractors, as reported on Form-1099 MISC, not to exceed a total of \$100,000 in annual compensation for any individual employee of an independent contractor, and

h. Other ordinary and necessary business expenses, including—

(1) Maintenance expenses,

(2) Administrative costs, including fees and licensing costs,

(3) State and local taxes and fees,

(4) Operating leases in effect as of February 15, 2020,

(5) Payments required for insurance on any insurance policy, and

(6) Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production, concert, exhibition, or comedy show, except that a grant under this section may not be used primarily for such expenditures.

4. *Funding Restrictions:* An *eligible person or entity* may not use amounts received under a grant for the following purposes:

(a) To purchase real estate;

(b) For payments of interest or principal on loans originated after February 15, 2020;

(c) To invest or re-lend funds;

(d) For contributions or expenditures to, or on behalf of, any political party, party committee, or candidate for elective office; or

(e) For any other use as may be prohibited by the Administrator.

V. Application Review Information

1. *Review and Selection Process:* The SBA will review complete applications in the order in which it receives them based on the established priorities and the availability of funds. The SBA may decline incomplete applications or applications failing to provide required documentation.

2. *Risk Assessment and Specific Conditions:* Consistent with 2 CFR 200.205, before awarding grants under this competition, the SBA conducts a review of the risks posed by applicants. Under 2 CFR 3474.10, the Administrator may impose specific conditions and, in appropriate circumstances, high-risk conditions on a grant if the applicant or grantee is not financially stable; has a history of unsatisfactory performance; has a financial or other management system that does not meet the standards in 2 CFR part 200, subpart D; has not fulfilled the conditions of a prior grant; or is otherwise not responsible.

3. *Integrity and Performance System:* If you are selected under this opportunity to receive an award that over the course of the project period may exceed the simplified acquisition threshold (currently \$250,000), under 2 CFR 200.205(a)(2), we must make a judgment about your integrity, business ethics, and record of performance under Federal awards, that is, the risk posed by you as an applicant—before we make an award. In doing so, we must consider any information about you that is in the integrity and performance system (currently referred to as the Federal Awardee Performance and Integrity Information System (FAPIIS)), accessible through the System for Award Management. You may review and comment on any information about yourself that a Federal agency previously entered and that is currently in FAPIIS.

Please note that, if the total value of your currently active grants, cooperative agreements, and procurement contracts from the Federal Government exceeds \$10,000,000, the reporting requirements in 2 CFR part 200, appendix XII, require you to report certain integrity information to FAPIIS semiannually. Please review the requirements in 2 CFR part 200, appendix XII, if this grant plus all the other Federal funds you receive exceed \$10,000,000.

VI. Award Administration Information

1. *Award Notices:* If your application is successful, we will notify you via electronic correspondence containing a link to access an electronic version of your grant award notification.

If your application is not evaluated or not selected for funding, we will notify you.

2. *Administrative and National Policy Requirements:* If awarded funds under this grant, the recipient must agree to cooperate with all financial monitoring and audit reviews conducted by SBA, its agents, or contractors.

3. *Reporting:*

(a) If you apply for a grant under this competition, you must ensure that you have in place the necessary processes and systems to comply with the reporting requirements in 2 CFR part 170, should you receive funding under the opportunity. This does not apply if you have an exception under 2 CFR 170.110(b).

(b) After using all the funds awarded to you, you must submit a final report, including financial information, as directed by the Administrator.

4. *Documentation* - Additional documentation requirements that are consistent with the eligibility and other requirements under this NOFO, including requiring an eligible person or entity that receives a grant under this funding opportunity to retain records that document compliance with the requirements for grants under this program –

(a) with respect to employment records, for the 4- year period following receipt of the grant; and

(b) with respect to other records, for the 3-year period following receipt of the grant.

VII. Other Information

Accessible Format: Individuals with disabilities can obtain this document and a copy of the application package in an accessible format (e.g., braille, large print, audiotape, or compact disc) by request to the program contact person listed under FOR FURTHER INFORMATION CONTACT.

Electronic Access to This Document: The official version of this document is the document published in the *Federal Register*. You may access the official edition of the *Federal Register* and the Code of Federal Regulations at www.govinfo.gov. At this site, you can view this document, as well as all other documents of the SBA published in the *Federal Register*, in text or Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available for free at the site.

You can also access documents of the SBA published in the *Federal Register* by using the article search feature at: www.federalregister.gov. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the SBA.

Dated: March 23, 2021.

Barbara E. Carson,
Deputy Associate Administrator,
Office of Disaster Assistance

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