

**COVID-19 Hospitality Industry Recovery Program (CHIRP)
Guidelines**
Grant application available beginning March 15, 2021 at www.csqiving.org

It is the intent of the COVID-19 Hospitality Industry Recovery Program (CHIRP) provided to the County Commissioners and administered by SEDA-COG to provide qualifying businesses a grant to assist in covering the businesses' lost revenues and associated operating expenses.

Grants are to be awarded in \$5,000 increments. No awarded grant will exceed \$50,000.

Approval Requirements:

- Applicant to complete the electronic application.
- Applicant must certify in good faith that the need is COVID-related; that they have paid income taxes to the federal and state government; remains in operation and does not intend to permanently cease operations within one year of the application date; and that the applicant intends to receive only one grant per county from this program, subject to punishment relating to unsworn falsification to authorities.
- Business is not publically traded.
- Experienced a reduction in revenue in calendar year 2020, measured as follows:
 - A. 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;
 - B. 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;
 - C. 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;
 - D. 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; or
 - E. An applicant that was in operation in all four quarters of calendar year 2019 is deemed to have experienced the revenue reduction 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 federal tax forms substantiating the revenue decline;
 - F. If an applicant changed ownership or control in calendar year 2020, the applicant may measure its reduction in revenue in calendar year 2020 the previously listed criteria, or using the gross receipts of the entity for 2019.
- Must be in business by February 15, 2020 and still in business at the time of the application.
- Business operates as a place of business within Pennsylvania having a NAICS designation within the Accommodation subsector (721) or Food Services and Drinking Places subsector (722) and where accommodations, food or drink is served to or provided for the public, with or without charge. If you are unsure of your subsector, more information may be found at: <https://www.naics.com/search/>
- Has fewer than 300 full-time employees. For purposes of determining the number of full-time equivalent employees under this paragraph, 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. If generally accepted accounting principles include the value of other entities, then those entities should be included in the valuation for this requirement.
- Business must be based in either Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Snyder, or Union County, PA.
- Applicants are required to fill out and submit a W-9 <https://www.irs.gov/pub/irs-pdf/fw9.pdf>
- Upon approval, applicant must contract electronically with SEDA-COG.

Process to Determine “Priority” Status:

Within each application window, priority will be given to eligible applicants that meet the following criteria:

- To businesses that did not previously receive a loan or grant issued for COVID-19 relief from the Commonwealth of Pennsylvania or the Commonwealth’s political subdivisions or by the federal government.
- That were subject to the closure by the proclamation of the disaster emergency issued by the governor on March 6, 2020 and any renewal of the state disaster emergency, or
- Can demonstrate a reduction in revenue which meets one of the following:
 - a. That had a greater than 50% reduction in gross receipts 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.
 - b. If the eligible applicant was not in operation during the entire comparison period, 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.

Grant Amount Determination:

- **The grant amount will be based upon eligible operating expenses. The operating expense must have been incurred between March 1, 2020 and the date of the application or June 15, 2021 whichever occurs first.**
- An **operating expense**, including a payroll and nonpayroll 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:
 - The operating expense must have been incurred between March 1, 2020 and the date of the application or June 15, 2021 whichever occurs first.
 - 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.
- If a business received a federal or state COVID-19-related grant or loan, this would not disqualify any business from this Hospitality Industry grant. However, a grant may not be awarded to pay for the same eligible operating expenses for which an eligible applicant receives or received payment, reimbursement, or loan forgiveness from CARES Act or Consolidated Appropriations Act, 2021 money that is not required to be repaid to the federal government or the act of May 29, 2020 known as the COVID-19 Emergency Supplement to the General Appropriation Act of 2019.
- **The “Grant Basis Amount” will be determined by taking the sum of the operating expenses then subtracting the amount of any federal, state or county/local COVID-19-related grant or loan amount that paid for any of these expenses as described in the previous bullet.**
- The **“Recommended Grant Amount”** will be determined by taking the “Grant Basis Amount” and grouping as follows:

| Grant Basis Amount | Grant Amount |
|---------------------------|---------------------|
| \$5,000-\$40,000 | \$5,000 |
| \$40,001-\$80,000 | \$10,000 |
| \$80,001-\$120,000 | \$15,000 |
| \$120,001-\$160,000 | \$20,000 |
| \$160,001-\$400,000 | \$25,000 |
| \$400,001-\$800,000 | \$30,000 |
| \$800,001-\$1,200,000 | \$35,000 |
| \$1,200,001-\$2,000,000 | \$40,000 |
| \$2,000,001-\$4,000,000 | \$45,000 |

>\$4,000,000

\$50,000

The following are examples of how grant amounts will be determined (assuming the applicant meets the qualifications): Use the equation in the boldfaced paragraph and refer to the chart above.

- Grant Funding Example 1: Business A has \$25,000 in payroll expenses, \$3,000 in rent expenses and \$5,000 in utility expenses totaling \$33,000 in total expenses. Find \$33,000 is the Grant Basis Amount in the chart. The associated Grant Amount is \$5,000.
- Grant Funding Example 2: Business B has \$125,000 in payroll expenses, \$20,000 in rent expenses and \$15,000 in utility expenses totaling \$160,000 in total expenses. Find \$160,000 is the Grant Basis Amount in the chart below. The associated Grant Amount is \$20,000.
- Grant Funding Example 3: Business C has \$400,000 in payroll expenses, \$25,000 in rent expenses and \$20,000 in utility expenses but received PPP and used \$150,000 of that amount to cover the payroll expense. The Grant Basis Amount is: $(\$400,000 + \$25,000 + \$20,000 - \$150,000)$ or \$295,000 in total expenses. Find the Grant Basis Amount of \$295,000 on the chart. The associated Grant Amount is \$25,000.

Required Documentation:

- 2019 federal tax return;
- 2020 federal tax return (if filed);
- If 2020 federal tax return not filed, submit a 2020 Profit/Loss Statement that clearly lists 2020 Revenues;
- Documents/evidence to prove revenue loss as per the qualifications;
- Entity documents including DBA or FBN certificate and proof of ownership;
- Government-issued ID;
- Evidence of operating expenses incurred between March 1, 2020 and the date of the application or June 15, 2021 whichever occurs first:
 - mortgage/rent payments—submit evidence of monthly, quarterly or annual costs;
 - utility costs—submit the highest and lowest month payment only for each utility. Utilities include: electric, natural gas, heating oil, HVAC, water, sewer, Wi-Fi, cable, garbage removal;
 - payroll costs.

TIMELINE OF THE GRANT PROCESS:

- March 8, 2021: Communications via SEDA-COG website and social media, county websites, chambers of commerce, SBDCs, news media, visitors' bureaus, downtown partnerships, legislators, partners, etc.
- March 15, 2021: SEDA-COG, through the Community Giving Foundation's grant website (www.csgiving.org) will begin receiving applications on a rolling basis and continue until the county's funds are exhausted or June 15, 2021. Applications will be received in windows (March 15 – March 28; March 29 – April 18; April 19 – May 16 and May 17 – June 4) to determine "Priority" status.
- **WINDOW ONE**
 - March 29: Review and Verification Process of Grants begins received March 15 – March 28.
 - March 29 – April 2: Application review team compiles data, determines qualifying/priority businesses, determines Grant Amounts.
 - April 5 – 9: Grant Amounts sent to County Commissioners for eligibility review.
 - April 12: Letters of approval sent out to qualifying businesses including Grant amount and Grant contract.
 - Checks will be issued upon return of grant contracts to the SEDA-COG Office.
- **WINDOW TWO**
 - April 19: Review and Verification Process of Grants begins March 29 – April 18.
 - April 19 – April 23: Application review team compiles data, determines qualifying/priority businesses, determines Grant Amounts.
 - April 26 – 30: Grant Amounts sent to County Commissioners for eligibility review.
 - May 3: Letters of approval sent out to qualifying businesses including Grant amount and Grant contract.
- **WINDOW THREE**
 - May 17: Review and Verification Process of Grants begins April 19 – May 16.
 - May 17 – May 21: Application review team compiles data, determines qualifying/priority businesses, determines Grant Amounts.
 - May 24 – 28: Grant Amounts sent to County Commissioners for eligibility review.
 - May 31: Letters of approval sent out to qualifying businesses including Grant amount and Grant contract.
- **WINDOW FOUR**
 - June 15: Review and Verification Process of Grants begins May 17 – June 4.
 - June 16 – June 22: Application review team compiles data, determines qualifying/priority businesses, determines Grant Amounts.
 - June 23 – 29: Grant Amounts sent to County Commissioners for eligibility review.
 - June 30: Letters of approval sent out to qualifying businesses including Grant amount and Grant contract.

- **June 15: Grant application window closes—may be earlier if funds are exhausted.**

Grant Application Questions:

- Owner First Name
- Owner Last Name
- PA County of Physical Location of the Business (Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Snyder or Union County, PA). “For the purposes of this grant, the physical location of the business will be utilized to determine the county from which the grant funds will be derived. Failure to properly identify your business’ physical location may disqualify the applicant from receiving a grant.”
- Physical Address of Business
- Address of Business (if other than Physical Address)
- Owner Email address
- Phone Number
- Business Name
- Business EIN
- Business Start Date
- Business Website
- Does applicant certify in good faith subject to punishment relating to unsworn falsification to authorities, that that need is COVID-related; that they have paid income taxes to the federal and state government; that the business remains in operation and does not intend to permanently cease operations within one year of the application date; and that the applicant intends to receive only one grant from this program. Y/N “An answer of ‘No’ to any of these items disqualifies the applicant.”
- Is Business publically traded Y/N
- Was in business by February 15, 2020 and still in business at the time of the application Y/N
- Business operates as a place of business within Pennsylvania having a NAICS designation within the Accommodation subsector (721) or Food Services and Drinking Places subsector (722) and where accommodations, food or drink is served to or provided for the public, with or without charge Y/N <https://www.naics.com/search/>
- Has fewer than 300 full-time employees. For purposes of determining the number of full-time equivalent employees under this paragraph, the calculation shall include each employee of the eligible applicant notwithstanding whether the eligible applicant has employees at multiple locations. Y/N
- Has a maximum tangible net worth of not more than \$15,000,000 computed in accordance with generally accepted accounting principles. If generally accepted accounting principles include the value of other entities, then those entities should be included in the valuation for this requirement. Y/N
- Yes/No Did the business experienced a reduction in revenue in calendar year 2020, measured as follows:
 - A. 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;
 - B. 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;
 - C. 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;
 - D. 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; or
 - E. An applicant that was in operation in all four quarters of calendar year 2019 is deemed to have experienced the revenue reduction 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 federal tax forms substantiating the revenue decline.
 - F. If an applicant changed ownership or control in calendar year 2020, the applicant may measure its reduction in revenue in calendar year 2020 the previously listed criteria, or using the gross receipts of the entity for 2019.
- Select the letter of the option you chose (only need to select one option) (A,B,C,D,E,F)

- Enter the baseline revenue amount_____
- Upload financial documentation to support baseline revenue amount
- Enter baseline revenue time period i.e. “Second Quarter 2019”_____
- Enter comparative period revenue amount (must indicate at least a 25% reduction)_____
- Enter comparative period i.e. “Second Quarter 2020”_____
- Upload financial document that supports comparative period revenue amount.
- Has the business received a loan or grant issued for COVID-19 relief from the Commonwealth of Pennsylvania or the Commonwealth’s political subdivisions or by the Federal Government? Yes/No
- If “yes”, what was the total grant and loan amount?
- Was the business subject to closure by the governor’s disaster emergency and any extensions thereof? (Y/N)
- Yes/No Can you demonstrate a reduction in revenue which meets one of the following:
 - That had a greater than 50% reduction in gross receipts 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, 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.
- If Yes, submit documentation to support the 50% revenue loss.
- What was the business’ total rental/mortgage cost from March 1, 2020 and the date of the application or June 15, 2021, whichever occurs first?
- What was the business’ total utility costs to maintain the facility from March 1, 2020 and the date of the application or June 15, 2021, whichever occurs first?
- What was the business’ total payroll cost from March 1, 2020 to the date of the application or June 15, 2021 whichever occurs first?
- Yes/No I affirm and attest that all answers in this grant application are truthful and accurate. Submitting false or inaccurate information may lead to disqualification for the grant.

Area to attach:

- Entity documents including DBA or FBN certificate and proof of ownership
- Government Issued ID
- 2019 federal tax return
- 2020 federal tax return (if filed)
- If 2020 federal tax return not filed, submit a 2020 Profit/Loss Statement that clearly lists 2020 Revenues
- Documentation for baseline revenue amount
- Documentation for comparative period revenue
- Documentation to support Priority Status 50% revenue loss
- Evidence of operating expenses incurred between March 1, 2020 and the date of the application or June 15, 2021 whichever occurs first:
 - Mortgage/rent payments—submit evidence of monthly, quarterly, or annual costs;
 - Utility costs—submit the highest and lowest month payment only for each utility. Utilities include: electric, HVAC, water, sewer, Wi-Fi, cable, garbage;
 - Payroll costs.
- Applicants are required to fill out and submit a W-9 <https://www.irs.gov/pub/irs-pdf/fw9.pdf>

Questions on the application process should be submitted to SEDA-COG c/o Betsy Lockwood at 570-522-7265 or by email to lockwood@seda-cog.org.

CHIRP Grant Assurance Form (requires digital signature)

Please certify that you have read each certification item:

_____ All information and statements contained in this Application, and all documents and exhibits submitted with this Application, are to the best of Applicant's knowledge, true, accurate, complete and not misleading, as of the date of this Application. Any further information or documentation submitted by Applicant in connection with this Application shall also be subject to this certification, which shall be deemed to be remade as of the date submitted.

_____ Applicant has and will continue to fully comply with, all federal, state and local laws and regulations (including COVID-19 restrictions [i.e. social distancing, wearing and requiring wearing of masks, large gathering capacity limits, etc.]) applicable to this grant and applicable to Applicant's business, assets and/or operations, and the Applicant is not currently under investigation with respect to any violation of, or other failure to comply with, any such applicable law or regulation. No funds will be used for any purpose or in any manner that violates federal, state, or local laws or regulations. All funds will be utilized for purposes consistent with Act 1 of 2021.

_____ The Application is based on the Applicant's reasonable estimate of financial need for, and all funds will be utilized by the Applicant solely for COVID-19 related expenses and lost revenue necessary to maintain or continue the Applicant's operations in the County of _____, Pennsylvania, and all funds received from this program by Applicant shall be used for such purposes.

_____ Applicant will submit additional information and documentation in support of this application and/or the grant requested or awarded with respect to this Application, in each case, upon request, and will permit the County of _____ or its representatives, designees or affiliates and Pennsylvania Department of Community and Economic Development (DCED) to inspect and/or audit the books, records, premises and operations of the Applicant to assure compliance with the requirements of this program. Applicant hereby acknowledges and agrees that all information may be shared by and with the County of _____, Pennsylvania ("County"), SEDA-Council of Governments ("SEDA-COG"), their respective partners, designees, affiliates, employees, agents, volunteers and committees to the extent such disclosure is made in connection with the application and this grant program.

_____ Applicant was in operation on February 15, 2020 and paid income taxes to the Federal and State government as reported on individual or business tax returns.

_____ COVID-19 has had an adverse economic impact on the Applicant which makes the grant request necessary to support the ongoing operations of the Applicant.

_____ The grant will be used to pay for COVID-19 related economic impacts.

_____ During the period beginning on January 1, 2021, and ending on June 30, 2021, the Applicant has not and will not receive another grant under this program.

_____ **AVAILABLE FUNDS ARE LIMITED AND SIGNIFICANT INTEREST IS ANTICIPATED.** Applicant recognizes that there is no assurance that Applicant will be awarded any grant of any size regardless of how well the Applicant may meet the criteria used for awarding these grants and regardless of what the Applicant may have been told or read with respect to this grant program. As a condition and in exchange for the consideration of receiving and reviewing this application, the Applicant hereby releases and will hold harmless the County, SEDA-COG, their respective partners, designees and affiliates in facilitating and administering this grant program and their respective Board of Commissioners, Boards of Directors, officers, employees, representatives, volunteers and committees of and from any and all claims and/or causes of action of any kind or type arising from or out of (a) their receipt and review of this application and any information or documentation of or concerning the Applicant, (b) any decisions or recommendations with respect to this application, (c) the administration of this program and/or the award or denial of funds and/or the sufficiency thereof, and (d) any other matter or thing related to this program.

_____ As a condition of Applicant's submission of the Application and receipt of any Benefits made available under the Program, the Applicant hereby releases the County, SEDA-COG, their respective partners, designees and affiliates in facilitating and administering this benefit program and their respective Board of Commissioners, Boards of Directors, officers, employees, representatives, volunteers and committees of and from any claims and/or causes of action of any kind or type arising from or out of (a) their receipt and review of the Application, (b) the administration of the Program and/or distribution or delivery of the Benefits available under the Program, (c) the benefits received by the Applicant, and (d) any other matter or thing related to the Program.

_____ All decisions and recommendations with respect to this application and this grant are final when made and are non-appealable. The Applicant acknowledges that grant award determination will be made based on both objective and subjective analysis of information available. The Applicant also acknowledges that the identity of funding applicants and recipients, and award amounts may become public information.

_____ Applicant certifies that expenses for which you are seeking grant funds were not used as a cost base against which your business/organization received reimbursement or loan forgiveness from The CARES Act or Consolidated Appropriations Act, 2021 that is not required to be repaid to the Federal Government (PPP, EIDL, Shuttered Venues, CRBG) and/or the act of May 29, 2020 known as the COVID-19 Emergency Supplement to the General Appropriation Act of 2019 (CWCA). In the event DCED determines that the applicant previously received prior assistance from the above mention programs for costs that they already reimbursed themselves and they also used the County's assistance to pay for those same costs, it will be determine that a duplication of benefits have occurred. When such duplications of benefits have been determined, the applicants agree to pay the full amount of such duplication back to the County.

_____ Applicant certifies the business is not behind on any federal, state, or local taxes of any kind, or, if so, is engaged in a workout/payment plan.

_____ Applicant certifies businesses operations will continue for a period of not less than 12 months from the date of the application if a grant is offered.

_____ Applicant certifies the business has not been cited by any government authority for violating any COVID-19 safety measures (i.e. social distancing, requiring masks, etc.) in the conduct of business since March 1, 2020.

_____ With the possible exception of "personal financial information" as defined under the Pennsylvania Right to Know Law "RTKL"), please be aware that your application and supporting documentation may be subject to requests made pursuant to the Pennsylvania Right to Know Law.

The individual signing below is legally authorized by the Applicant to submit this application, to sign this certification and to legally bind the Applicant.

CLAWBACK PROVISION: I understand violation of any of these conditions may require repayment of all or a portion of the grant award, as determined by the County of _____ or assignees.

I hereby agree to all the above requirements and agree that this Application is final and cannot be edited.

Applicant Digital Signature: _____ Date: _____