



**Division of Small Business
& Technology Development**



The NYS COVID-19 Pandemic Small Business Recovery Grant Program

Empire State Development

A Division of Empire State Development

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The NYS COVID-19 Pandemic Small Business Recovery Grant Program

The **\$800 million COVID-19 Pandemic Small Business Recovery Grant Program** provides grant funding to small businesses and for-profit independent arts and cultural organizations impacted by the pandemic.

The **grants are flexible and can be used for many different business needs**, including payroll, rent or mortgage payments, taxes, utilities, PPE or other business expenses incurred between March 1, 2020, and April 1, 2021.

Small businesses, Micro-businesses and For-profit independent arts and cultural organizations must have 100 or fewer employees, be currently viable and **have begun operation on or before March 1, 2019**, and continue to be in operation as of the date of application.

Eligible Applicants will be required to show a **25% year over year loss of gross receipts as a result of the pandemic** or due to compliance with COVID-19 health and safety protocols which resulted in business modifications, interruptions, or closures.



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Small Business Qualifications

Small businesses, Micro-businesses and For-profit independent arts and cultural organizations must:

- Have 2019 or 2020 **annual Gross Receipts of between \$25,000 and \$500,000** (line 1a, IRS Form 1120 or 1065, Line 1, IRS Form 1040 Schedule C).
- Demonstrate **positive net profit on 2019** Business Income Return (\$1 or greater) (line 28, IRS form 1120; line 22 IRS form 1065; Line 31, IRS Form 1040 Schedule C)
- Demonstrate at least **25% loss of gross receipts in a year-to-year** revenue comparison as of December 31, 2020, to the same period in 2019.
- Demonstrate that **total expenses on 2020 Business Income Return are greater than the grant amounts.**
- **Be in substantial compliance** with applicable federal, state and local laws, regulations, codes and requirements.
- **Not owe any federal, state, or local taxes prior to July 15, 2020** (or have an approved repayment, deferral plan, or in agreement with appropriate federal, state, and local taxing authorities).
- **Not have qualified for business grant assistance** programs under the federal American Rescue Plan Act of 2021 or any other available federal COVID-19 economic recovery or business assistance grant programs, including loans forgiven under the federal Paycheck Protection Program, **or are unable to obtain sufficient business assistance from such federal programs.**

*Eligible Applicants **may have received** or been awarded the following federal assistance:*

- *Paycheck Protection Program (PPP) loans totaling \$100,000 or less.*
- *COVID-19 EIDL Advance Grant of \$10,000 or less.*
- *COVID-19 EIDL Supplemental Targeted Advance Grant of \$5,000 or less.*
- *SBA Shuttered Venue Operators Grant of \$150,000 or less.*



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Businesses NOT ELIGIBLE for a grant award

- **All Non-Profits, Churches and other religious institutions;**
- **Government-owned entities or elected official offices;**
- **Businesses primarily engaged in political or lobbying activities;**
- **Businesses that received awards from the SBA Restaurant Revitalization Fund Grant Program;**
- **Landlords and passive real estate businesses;**
- **Illegal businesses or enterprises.**



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Grant Award Amount Calculation

Annual gross receipts: \$25,000-\$49,999: Award is \$5,000 / business; or

Annual gross receipts: \$50,000-\$99,999: Award is \$10,000 / business; or

Annual gross receipts: \$100,000-\$500,000: Award is 10% of gross receipts (maximum grant is \$50,000).

Example calculations:

#1) *A Qualifying Business with \$25,000 in Gross Receipts in 2019:*

This business would get the minimum flat grant of \$5,000

#2) *A Qualifying Business with \$75,000 in Gross Receipts in 2019:*

This business would get the flat \$10,000 grant.

#3) *A Qualifying Business with \$250,000 in Gross Receipts in 2019:*

\$250,000 x .10 = \$25,000 : This business would get a \$25,000 grant.

#4) *A Qualifying Business with \$500,000 in Gross Receipts in 2019:*

\$500,000 x .10 = \$50,000 : This business would get the maximum \$50,000 grant.

Note: Total expenses on your 2020 Business Income Return must be greater than the grant award.



Eligible usage of Grant funds

The grants must be used for **COVID-19 related expenses** incurred between March 1st, 2020, and April 1st, 2021. These include:

- **Payroll costs**; or
- **Commercial Rent or mortgage payments** for NYS-based property (but not for any rent or mortgage prepayments); or
- **Payment of local property or school taxes** associated with a small business location in NYS; or
- **Insurance costs**; or
- **Utility costs**; or
- **Costs of personal protection equipment (PPE)** necessary to protect worker and consumer health and safety; or
- **Heating, ventilation, and air conditioning (HVAC)** costs; or
- Other **machinery or equipment** costs; or
- **Supplies and materials necessary for compliance with COVID-19 health and safety protocols**; or
- Other documented COVID-19 costs as approved by ESD.

Ineligible uses of funds:

- Grants awarded under the program may not be used to re-pay or pay down any portion of a loan obtained through a federal COVID-19 relief package for business assistance or any New York State business assistance programs.



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Where to Apply



- Applications will be accepted online at <https://nysmallbusinessrecovery.com/>
- **The application system will open on June 10, 2021, at 12pm ET.**
- New York State has partnered with Lendistry to help administer the program and process applications.



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Additional Information for Applicants

- **This is not a first-come, first-serve program. Applications will be reviewed in batches with the first notifications of selection beginning on or around June 28, 2021.**
- Eligible Applicants must provide evidence, acceptable to New York State that the Eligible Applicant is operational and that the Eligible Applicant is not restricted by any state, local or other agency mandate.
- Due to a limited amount of funding and the high volume of requests expected, your business type, geography and industry may factor into your ability to receive a grant.
- Priority will be given to socially and economically disadvantaged business owners including, but not limited to, minority and women-owned business enterprises (NYS certification not required), service-disabled veteran-owned businesses, and veteran-owned businesses, or businesses located in communities that were economically distressed prior to March 1, 2020, as determined by the most recent Census data.
- Due to the anticipated demand, we strongly suggest completing your application as soon as possible.
- For the processing of applications and to make funding decisions, the upload of completed documentation for an application submitted in June is due by July 2, 2021.



Documentation Requirements

- For proof of revenue loss or other economic hardship - **2019 and 2020 Business Income Tax returns;**
 - For corporations and LLCs – IRS Form 1120 (or 1120S)
 - For partnerships – IRS Form 1065 and Schedule K-1
 - For sole proprietors – IRS Form 1040 with Schedule C

- For proof of business location and current operation – Any **two (2) of the following documents:**
 - **Current lease; or**
 - **Utility bill; or**
 - **Current business bank statement; or**
 - **Current business mortgage statement; or**
 - **Business credit card statement; or**
 - **Professional insurance bill; or**
 - **Payment processing statement; or**
 - **NYS ST-809 or ST-100 sales tax collection documentation.**



Documentation Requirements (continued)

- **Schedule of ownership:** Listing of names, addresses, Social Security Numbers (or for non-US owners Individual Taxpayer Identification Numbers), phone numbers, e-mails, percentage ownership, and photo ID for any owners with more than 20% ownership of business.
 - To complete the application for the grant, owner/applicant must be at least a 20% owner and provide listing of name, address, Social Security Number (or for non-US owners Individual Taxpayer Identification Number), phone number, e-mails, percentage ownership, and photo ID.
 - To complete the funding of grant, applicant must submit schedule of ownership information for all owners with 20% or more ownership of business: listing of names, addresses, Social Security Numbers (or for non-US owners Individual Taxpayer Identification Numbers), phone numbers, e-mails, percentage ownership, and photo ID.
 - Non- U.S. owners are subject to Individual Taxpayer Identification Number verification through IRS Form CP565.
- Proof of number of employees: **Most recently submitted NYS-45 document (for employer firms only);**



Documentation Requirements - Prior to funding

- For funds distribution: W-9 and bank account information (via Plaid).
- Completed IRS Form 4506-C;
- Proof of Business Organization (**ONE** of the following):
 - Current Business License
 - Certificate of Organization
 - Certificate of Assumed Name (DBA)
 - NYS Certificate of Authority
 - Articles of Incorporation
 - Other NYS or NYS municipality issued document showing authorization to operate in NYS.

IRS Form 1120 Corporations – Data Location Examples

1120 U.S. Corporation Income Tax Return
For calendar year 2020 or tax year beginning 2020, ending 2020
OMB No. 1545-0047

A Check if:
1 Consolidated return (attach Form 990)
2 Personal holding co. (attach Sch. PH)
3 Personal services corp. (see instructions)
4 Schedule M-3 attached

B Employer identification number

C Date incorporated

D Total assets (see instructions)

1a Gross receipts or sales

28 Total deductions. Add lines 12 through 27

29a Net operating loss deduction (see instructions)

29b Special deductions (Schedule C, line 24)

29c Add lines 29a and 29b

30 Taxable income. Subtract line 29c from line 28. See instructions

31 Total tax (Schedule J, Part I, line 11)

32 2020 net 965 tax liability paid (Schedule J, Part II, line 12)

33 Total payments, credits, and section 965 net tax liability (Schedule J, Part III, line 23)

34 Estimated tax penalty. See instructions. Check if Form 2220 is attached

35 Amount owed. If line 33 is smaller than the total of lines 31, 32, and 34, enter amount owed

36 Overpayment. If line 33 is larger than the total of lines 31, 32, and 34, enter amount overpaid

37 Enter amount from line 36 you want: **Credited to 2021 estimated tax** Refunded

Sign Here
Signature of officer Date Title
Print/Type preparer's name Preparer's signature Date Check if self-employed

May the IRS discuss this return with the preparer shown below? See instructions. Yes No

Line 1a – Gross Receipts

Line 28 – Operating Profit



IRS Form 1065 Partnerships – Data Location Examples

Form 1065 U.S. Return of Partnership Income OMB No. 1545-0123

Department of the Treasury Internal Revenue Service

For calendar year 2020, or tax year beginning _____, 2020, ending _____, 2020

Go to www.irs.gov/Form1065 for instructions and the latest information.

A Principal business activity Name of partnership **D** Employer identification number

B Principal product or service **Type or Print** Number, street, and room or suite no. If a P.O. box, see instructions. **E** Date business started

C Business code number City or town, state or province, country, and ZIP or foreign postal code **F** Total assets (see instructions)

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____

J Check if Schedules C and M-3 are attached

K Check if partnership: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

1a	Gross receipts or sales		
1b	Returns and allowances		
1c	Balance. Subtract line 1b from line 1a		
2	Cost of goods sold (attach Form 1125-A)		
3	Gross profit. Subtract line 2 from line 1c		
4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)		
5	Net farm profit (loss) (attach Schedule F (Form 1040))		
6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		
7	Other income (loss) (attach statement)		
8	Total income (loss). Combine lines 3 through 7		
9	Salaries and wages (other than to partners) (less employment credits)		
10	Guaranteed payments to partners		
11	Repairs and maintenance		
12	Bad debts		
13	Rent		
14	Taxes and licenses		
15	Interest (see instructions)		
16a	Depreciation (if required, attach Form 4562)		
16b	Less depreciation reported on Form 1125-A and elsewhere on return		
17	Depletion (Do not deduct oil and gas depletion.)		
18	Retirement plans, etc.		
19	Employee benefit programs		
20	Other deductions (attach statement)		
21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20		
22	Ordinary business income (loss). Subtract line 21 from line 8		
23	Interest due under the look-back method—completed long-term contracts (attach Form 8697)		
24	Interest due under the look-back method—income forecast method (attach Form 8866)		
25	BBA AAR imputed underpayment (see instructions)		
26	Other taxes (see instructions)		
27	Total balance due. Add lines 23 through 26		
28	Payment (see instructions)		
29	Amount owed. If line 28 is smaller than line 27, enter amount owed		
30	Overpayment. If line 28 is larger than line 27, enter overpayment		

Sign Here

Signature of partner or limited liability company member _____ Date _____

May the IRS discuss this return with the preparer shown below? (see instructions) Yes No

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed PTRN _____

Firm's name _____ Firm's EIN _____

Firm's address _____ Phone no. _____

Line 1a – Gross Receipts

Line 22 – Operating Profit

IRS Form 1040 Schedule C Sole Proprietorships – Data Location Examples

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0047
2020
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (IRS) ▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.
▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor _____ Social security number (SSN) _____

A Principal business or profession, including product or service (see instructions) _____

B Enter code from instructions _____

C Business name, if no separate business name, leave blank. _____

D Employer ID number (EIN) (see instructions) _____

E Business address (including suite or room no.) ▶
City, town or post office, state, and ZIP code _____

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____

G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses. ▶ Yes No

H If you started or acquired this business during 2020, check here. ▶ Yes No

I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions. ▶ Yes No

J If "Yes," did you or will you file required Form(s) 1099? ▶ Yes No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked.	1
2	Returns and allowances	2
3	Subtract line 2 from line 1	3
4	Cost of goods sold (from line 42)	4
5	Gross profit. Subtract line 4 from line 3	5
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7	Gross income. Add lines 5 and 6	7

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8	18	Office expense (see instructions)	18
9	Car and truck expenses (see instructions)	9	19	Pension and profit-sharing plans	19
10	Commissions and fees	10	20	Rent or lease (see instructions)	20
11	Contract labor (see instructions)	11	20a	a Vehicles, machinery, and equipment	20a
12	Depreciation	12	20b	b Other business property	20b
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	21	Repairs and maintenance	21
14	Employee benefit programs (other than on line 19)	14	22	Supplies (not included in Part III)	22
15	Insurance (other than health)	15	23	Taxes and licenses	23
16	Interest (see instructions):	16	24	Travel and meals:	24
a	Mortgage (paid to banks, etc.)	16a	a	Travel	24a
b	Other	16b	b	Deductible meals (see instructions)	24b
17	Legal and professional services	17	25	Utilities	25
26	Total expenses before expenses for business use of home. Add lines 8 through 27a	26	26	Wages (less employment credits)	26
29	Territorial profit or (loss). Subtract line 28 from line 7	29	27a	Other expenses (from line 48)	27a
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____ Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	27b	Reserved for future use	27b
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	32a	All investment is at risk.	32a
32	If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.	32	32b	Some investment is not at risk.	32b

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11334P Schedule C (Form 1040) 2020

Line 1 – Gross Receipts

Line 31 – Operating Profit



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Free Assistance Preparing Applications

Free assistance to prepare and submit the grant application is available from:

- Entrepreneurship Assistance Centers (EAC):
<https://esd.ny.gov/sites/default/files/EACContactListJuly2020.pdf>
- SBA Small Business Development Centers (SBDC):
<http://nysbdc.org/>
- Business Mentor NY COVID-19 Volunteer Task Force:
www.businessmentor.ny.gov
- Business Pandemic recovery initiative site:
<https://esd.ny.gov/business-pandemic-recovery-initiative>
- ESD Directory for Organizations available to Assist Businesses:
<https://esd.ny.gov/organizations-available-assist-businesses>
- Application guides in 13 languages may be found at: <https://nysmallbusinessrecovery.com/>



Thank you for supporting Small Business Recovery in New York State

