



The Shuttered Venue Operators Grant (SVOG) program was established in Section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act (Economic Aid Act) signed into law on Dec. 27, 2020, as part of [H.R. 133 Consolidated Appropriations Act, 2021](#) (Public Law No: 116-260). Section 324 of the Economic Aid Act was amended by Section 5005 of the [American Rescue Plan Act](#) (Public Law No.: 117-2) signed into law on March 11, 2021.

This list of Frequently Asked Questions (FAQs) answers common questions about the SVOG program, defines terms, and provides additional guidance. For information on the documentation required for an SVOG application, see the [Application Checklist](#). For technical assistance and step-by-step instructions for the application portal, see the [Applicant User Guide](#). For a reference for all application questions, see the Shuttered Venue Operators Grant Application SBA Form 3515. Please refer to and carefully review the FAQs for guidance as you complete the SVOG application (SBA Form 3515).

The SBA updated these FAQs and reorganized the questions for clarity. The answers are as of April 23, 2021 (those marked with \* are new and/or the content is substantially changed from the April 8, 2021, version).

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# Eligibility

## All Applicants

### 1. What is the legal authority for the SVOG Program?

The details of the SVOG program, as amended by the American Rescue Plan Act in March 2021, can be found at 15 U.S.C. § 9009a.

### 2. What is an “eligible entity” for an SVOG?

Eligible entities may be live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators or owners, and talent representatives, per the Economic Aid Act. Additionally, entities of these types owned by state or local governments (for example, museums or historic homes) are eligible to apply if the government-owned entity acts solely as a venue operator, museum, etc. and does not engage in other types of activities.

For example, a city parks and recreation department that operates a bandstand and separately operates various nature parks could apply as an eligible entity for the bandstand, but could not include the nature park entity(ies).

Finally, each subsidiary business owned by an eligible entity that also meets the eligibility requirements in its own rights could apply as an eligible entity.

### 3. When does a business have to have been established to be eligible to apply for an SVOG?

The business must have been [in operation](#) as of February 29, 2020.

### 4. Is an entity not in business in 2019 but conducting business operations on Feb. 29, 2020, eligible to apply for an SVOG?

Yes, if an entity was not in business during 2019 but was conducting business operations on Feb. 29, 2020, including incurring costs of necessary start-up, preparatory activities in the lead time before an anticipated opening date, it is eligible to apply if it can show the required earned revenue loss.

### 5. Is an entity that applied for and received a Paycheck Protection Program loan before August 9, 2020 eligible to apply for an SVOG?

Yes. However, under the law, entities will be ineligible for a PPP loan AFTER they receive an SVOG.

### 6. Is an entity that applied for a First Draw or Second Draw PPP loan on or after Dec. 27, 2020, eligible to apply for an SVOG?

Yes. However, under the law, entities will be ineligible for a PPP loan AFTER they receive an SVOG.

### 7. If an entity applied for a PPP loan after the American Rescue Plan Act became law but before the PPP application form was updated, is it still eligible for an SVOG even though the PPP application included a certification saying the entity would not apply for an SVOG?

Yes. However, under the law, entities will be ineligible for a PPP loan AFTER they receive an SVOG.

### 8. How will receiving a PPP loan affect an eligible entity’s SVOG award?

Per the American Rescue Plan Act, any entity that receives a PPP loan on or after Dec. 27, 2020 (whether First Draw or Second Draw), will have the PPP loan amount deducted from the SVOG

amount. (If the entity received both a First Draw and Second Draw PPP Loan after Dec. 27, 2020, the combined amount will be deducted from the SVOG.)

For example, if a jazz club received a PPP loan for \$10,000 on Feb. 1, 2021, and then applied for and received an SVOG which, based on the amount of its earned revenue loss would have been \$100,000, the jazz club's SVOG will be reduced by \$10,000 and it will receive a \$90,000 SVOG. Any PPP borrower that received a PPP loan before Dec. 27, 2020, however, will not have the PPP loan amount deducted from any subsequent SVOG.

**9. If a portion of my PPP loan was forgiven, will that affect how much of the loan amount is deducted from my SVOG?**

No. The full amount of any PPP loan received on or after Dec. 27, 2020, must be deducted from an entity's SVOG without regard to whether a portion of that PPP loan was forgiven or not. If the entity received a PPP loan prior to Dec. 27, 2020, the PPP loan and/or its forgiveness status is not factored into an SVOG.

**10. Can a mobile, portable, or touring facility be a qualifying venue for an SVOG?**

Yes. Any venue, including traveling tent shows such as circuses and festivals, that meets all the -related requirements in the Economic Aid Act (e.g., defined performance and audience spaces, lighting rig, etc.) will be considered an SVOG-qualifying venue.

**11. Is a mobile entity with no fixed performance space eligible to apply?**

No. Venues must have defined performance and audience spaces. If a particular venue cannot meet this requirement, it is not eligible to apply for an SVOG.

**12. What disqualifies an entity from SVOG eligibility?**

Circumstances that would preclude an otherwise eligible entity from an SVOG include:

- It 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.
- It was not in operation as of Feb. 29, 2020.
- It is a publicly traded corporation or is [majority owned](#) or [controlled](#) by a publicly traded corporation.
- It presents live performances of a prurient sexual nature or derives more than a de minimis amount of gross revenue, either directly or indirectly, from the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- More than 10% of its 2019 gross revenue came from the federal government (not counting [disaster assistance](#))
- It 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 it had more than 500 employees as of Feb. 29, 2020.
- Five other firms with which it is affiliated have already received SVOG awards.
- It is a museum and other museums with which it is affiliated have already received \$10 million in SVOG funding.

**13. \*Is a [seasonal employer](#) eligible for the SVOG program?**

Yes. However, entities that operate seasonally will be subject to alternative rules on establishing gross and earned revenue loss, qualifying for priority period funding, and documenting eligibility to accommodate for the seasonal nature of the business.

**14. If an entity is part of a private university, how will the SBA apply the SVOG eligibility barrier that prohibits organizations which received more than 10% of their 2019 gross revenue from Federal funding?**

If a private university-based eligible entity lacks separate legal existence from its parent university, or has separate legal existence but is [majority owned](#) or [controlled](#) by the university, it will have to look to the gross revenue of its parent university when determining whether it passes the barrier against having more than 10% of its 2019 gross revenue come from Federal sources (excluding [disaster assistance](#)). If a private university owns less than a majority of an eligible entity with separate legal existence, the entity only needs to consider whether more than 10% of its own 2019 gross revenue came from Federal funding.

**NOTE:** Public university-based eligible entities are not subject to the 10% cap on the Federal share of their gross revenue because they are owned by state or local governments. See FAQ #20 in this section below.

**15. If a non-profit foundation's principal business activity is soliciting donations for a museum or live venue operator or promoter, is that foundation eligible?**

No. Under such an arrangement the foundation's [principal business activity](#) would be serving as a fiscal agent for the university-owned museum or live venue operator or promoter rather than acting as a museum operator or live venue operator or promoter as is required by the Economic Aid Act.

**16. For private college and university-owned entities seeking eligibility, does the 10% federal funding barrier include financial aid that is awarded to students such as Pell grants?**

Yes. Based upon the treatment given Pell grants by the Department of Education, they would be included in the amount of Federal funding provided to college and university-owned entities that do not have separate legal existence.

**17. Are eligible entities owned by public universities, including municipally-owned colleges, considered government-owned eligible entities for the SVOG program?**

Yes. Eligible entities owned by public universities will be subject to all the same restrictions and exceptions as other government-owned entities.

**18. If a university owns and operates two eligible entities that are not separate legal entities from the university, but are managed by two different university departments with their own budget lines and professional staffing (though their budgets roll up into the larger university system budget and staff members are university employees), may the two eligible entities each apply for an SVOG if they meet all the required criteria?**

Only if it is a public university (see FAQ #32 in this section). If the university is a private institution, it would be subject to the restriction against the submission of multiple applications under a single EIN. In that case, both entities would have to be combined into a single application submitted under the university's EIN.

**19. If an eligible entity has applied for or received any grants, loans, or other funding from a state or local governmental relief program is it still eligible to receive an SVOG?**

Yes. Receipt of pandemic-related or other assistance from state or local governments does not disqualify an [eligible entity](#) from the SVOG program, though an eligible entity must ensure that it does not claim any costs or expenses under its SVOG that it has already received reimbursement or other payment for under another award or program.

**20. Does the SVOG eligibility exclusion of entities that received more than 10% of their 2019 gross revenue from the Federal government apply to eligible entities owned by tribal, state or local governments, including entities owned by public colleges and universities?**

No. The Economic Aid Act provides that, for government-owned entities, the eligible entity is the live venue operator or promoter, live performing arts organization operator, museum operator, movie theatre operator or owner, or talent representative and does not include any government-owned entity that is not one of those types of entities.

The only form of tribally owned entity that is eligible for SVOG assistance is a tribally owned museum. Tribally owned museums are specifically authorized to be eligible for SVOG assistance. The Economic Aid Act did not explicitly include tribes as a form of government, but the SBA considers tribes as government entities in its financial assistance programs.

**21. Are service and support companies that provide stages, lighting, sound, casts, and other support for live performing arts events or which showcase performers or pre-packaged productions to potential buyers eligible to apply for an SVOG?**

No. The Economic Aid Act is designed to assist only those eligible entities identified in the statute. SVOGs are not available for service providers that support eligible entities.

**22. Are entities whose broader business operations include hosting live performing arts events, such as agricultural fairs or party boats/pleasure cruises that feature concerts, eligible?**

No. Although an agricultural fair or entertainment cruise may include live performing arts events, their [principal business activity](#) is something other than serving as one of eligible entity types in the statute.

**23. Are applicants currently involved in bankruptcy proceedings eligible?**

Possibly. Eligible entities undergoing a reorganization form of bankruptcy (such as Chapter 11 or Chapter 13) may apply for an SVOG if they entered bankruptcy after Feb. 29, 2020. However, entities undergoing a liquidation form of bankruptcy (such as Chapter 7) are not eligible because the SVOG program is intended for entities that are currently operating or intend to resume full operations. In addition, SVOGs made to entities undergoing reorganization bankruptcy may, in SBA's discretion, be subject to additional documentation requirements designed to reduce the risk of loss of taxpayer funds.

**24. Are entities located in US territories eligible?**

Yes. Under the Economic Aid Act, in addition to those located in states, eligible entities in the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States (e.g., Guam, American Samoa, the U.S. Virgin Islands) are able to apply for an SVOG.

**25. Is an entity that received CARES Act funding eligible to apply?**

Yes. Per the Economic Aid Act, receipt of CARES Act funding does not disqualify an entity for SVOGs.

**26. Does a cruise ship count as a qualifying venue for promoters or producers to stage performances on or for a talent representative to book performers?**

It is possible. A cruise ship itself would not be eligible. However, a cruise ship may serve as a qualifying venue for the business activities of eligible entities if it meets all the venue requirements established under the Economic Aid Act (defined performance and audience spaces, lighting rig, mixing equipment, etc.). For example, a promoter that books performances on cruise ships would be eligible to apply for an SVOG.

**27. \*Must a promoter, theatrical producer, live performing arts organization, or talent representative stage all its events or book all its clients at qualifying venues?**

No, they must use qualifying venues for a majority of the events (more than 50%) they stage or book clients into. Requiring these types of eligible entities to exclusively use qualifying venues would fail to recognize the reality of live performing arts industry business operations and lead to the extreme result of the SBA excluding otherwise eligible entities for something as slight as having used a single non-qualifying venue. As such, the SBA has interpreted the Economic Aid Act to require a promoter, theatrical producer, live performing arts organization, or talent representative to use qualifying venues for a majority of the events (more than 50%) they stage or book clients into.

**28. If an entity qualifies under two different categories of eligible entities (for example, a museum and a live venue operator) which category should be used when applying?**

If an entity can meet all the requirements for more than one type of [eligible entity](#), it is recommended the entity pick the entity type that gives the strongest case for eligibility or that best represents its principal business activity.

**29. What is “de minimis gross revenue” from the sale of products or services, or presentation of any materials of a prurient sexual nature that allows an entity to be eligible for an SVOG?**

In applying this restriction imposed by the Economic Aid Act, the SBA is following longstanding Agency practice from its financial assistance programs and holding that 5% or less is a de minimis amount of gross revenue.

**30. If an entity receives state funding that originated from the federal government, does this count toward the 10% eligibility threshold for revenue from the federal government?**

Yes, unless that funding originated as federal [disaster assistance](#).

**31. \*What types of tribally-owned entities are eligible to apply?**

The Economic Aid Act does not include Tribes in its definitions of states or political subdivisions of states, which are both permitted to own eligible entities. However, the Act’s definition of “relevant [museum operator](#)” references section 273 of the Museum and Library Services Act (20 U.S.C. 9172), which specifically includes tribal museums. As such, tribally-owned museums are the only tribally-owned entities eligible for SVOGs.

**32. \*Because government-owned eligible entities generally operate as divisions of tribal, state or local governments and do not have their own EINs or separate legal existence, will the SBA look to the governmental owners of such entities for purposes of determining the principal business activity just as it will with privately-owned eligible entities that use a parent company's EIN?**

No, the SBA will treat these entities differently when reviewing their SVOG applications to give effect to Congress' expressed intent that SVOG funding should be available to government-owned cultural institutions. Applying the same approach the Agency uses with privately-owned entities would result in the majority of government-owned entities being excluded from the SVOG program. The SBA will therefore confine its examination of the principal business activity of a government-owned eligible entity to the operations of that entity itself and not more broadly consider the operations of its government owner, even where the entity uses the government owner's EIN.

**33. Are performing arts groups like choirs, dance companies, etc. eligible for SVOG awards?**

Yes, if they can meet the definition of a performing arts organization operator and all the relevant eligibility criteria, such groups would be eligible.

**34. Can an entity with no staff or payroll qualify for the program?**

Yes. For example, an entity such as a promoter or talent representative that operates as a sole proprietorship or single member LLC with no employees could be eligible for an SVOG. In such a case, it would use its SVOG funding for non-payroll costs such as the payment of rent, utilities, scheduled debts, maintenance fees, taxes, etc.

**35. If an SVOG-related business was previously owned or operated by an ineligible entity (for example, a movie theatre owned by a national chain listed on a stock exchange) but has since been sold or otherwise transferred to an owner or operator that does meet the eligibility criteria could the transferred business serve as the basis for, or be included in, an SVOG application?**

Yes. The SBA will determine SVOG eligibility as of the date an entity submits its application for the program. The fact that a venue, theater, etc. was previously owned or operated by an ineligible organization will not affect an applicant's eligibility.

**36. \*How did the SBA determine that to be eligible for SVOG assistance an entity could not do business in certain identified countries?**

The Consolidated Appropriations Act of 2021, which includes the Economic Aid Act, states that SVOG funds may not be obligated or expended to finance directly any assistance or reparations for the governments of Cuba, North Korea, Iran, or Syria. In addition, the United States has imposed sanctions on these four nations through the Department of the Treasury's Office of Foreign Assets Control which cover things such as financial and trade transactions with entities, institutions, and individuals within their borders.

## **Museum or Movie Theatre Operator**

**1. \*Are motion picture theatre owners eligible to apply?**

Yes. Per the Economic Aid Act, motion picture theatre operators include individuals or entities that own or operate at least 1 place of public accommodation for the purpose of motion picture exhibition for a fee.

**2. \*Is a museum or movie theatre with a multipurpose room with movable seating eligible?**

No, if that is the only room in the museum or movie theatre, it would not be eligible. The Economic Aid Act specifically requires [fixed audience seating](#) for qualifying amphitheatres of museums and motion picture theatre operators or owners and makes no allowance for temporary, removable, modular, convertible, or other non-fixed seating arrangements. As such, museums and motion picture theatre operators or owners with a multipurpose room must also have one or more rooms with fixed audience seating to be eligible to apply for an SVOG. Museums and movie theatre operators or owners cannot satisfy the fixed audience seating requirement with other forms of seating.

**NOTE:** There is no fixed audience seating requirement for other types of eligible entities.

**3. Is a museum or movie theatre with outdoor fixed seating eligible to apply?**

Yes. The Economic Aid Act does not require qualifying venues to be indoors.

**4. \*Is a museum funded by a non-federal government entity, such as a state, eligible?**

Yes.

**5. Is a drive-in movie theatre eligible to apply?**

No. Per the Economic Aid Act, a motion picture theatre operator or owner must have at least one auditorium with a motion picture screen and [fixed audience seating](#), so a drive-in movie theatre is not eligible to apply for an SVOG.

**6. \*If a museum has more than one qualified auditorium, theater, performance or lecture hall, or outdoor amphitheater, does regular programming need to occur in each, or is it sufficient to have regular programming within all the qualifying presentation spaces?**

A museum may aggregate programming across all such spaces for purposes of meeting the [regular programming](#) requirement rather than looking at each qualifying presentation space individually if a museum has multiple qualifying presentation spaces (auditoriums, theaters, performance or lecture halls, or outdoor amphitheatres).

**7. What happens if a motion picture theatre is owned by one entity, but operated (managed) by a separate entity? Are both entities eligible for an SVOG in such a case? If so, what will the earned revenues of the two companies be based upon?**

Yes. Under the Economic Aid Act, owners **and** operators of motion picture theatres are considered eligible entities. In cases where both the owner and the operator of a qualifying motion picture theatre are awarded SVOGs, each will base its earned revenues upon its share of those payments received as a condition of its ownership or operation of the motion picture theatre (e.g., space rental, ticket sales, management fees, digital projection reimbursements, and other non-gratuitous payments or transfers) as allocated by contract, lease, or other formal legal agreement. In such cases, all earned revenues and claimed grant expenses must be tracked and accounted for separately to avoid any overlap or double-counting.

**8. Is a landlord who owns a shopping center that includes a movie theatre eligible to apply for an SVOG given they 'own or operate' an eligible motion picture theatre?**

It is not likely. Because a shopping center owner's [principal business activity](#) would most likely be owning or operating a shopping center rather than owning or operating a motion picture theatre, it is doubtful it would be eligible for an SVOG.

**9. Could a company that operates multiple movie theatres with the same Employer Identification Number on Feb. 29, 2020, obtain separate EINs for each movie theatre after that date to have those theaters considered separate entities consistent with SBA’s treatment of ownership transfers executed after Feb. 29, 2020?**

No. Because these movie theatres were not eligible entities on their own on or before Feb. 29, 2020, legal status changes after that deadline cannot be treated the same as ownership changes of eligible entities made after Feb. 29, 2020. Under the Economic Aid Act, a person or entity must have been an eligible entity as of Feb. 29, 2020, to qualify for an SVOG.

**10. To qualify as regular programming, does the programming provided in a museum’s theater need to be ticketed and open to the general public?**

No.

**11. \*If a motion picture theatre operator owns and/or operates multiple theatres which it includes in its SVOG application, must each individual theatre included in the application meet the eligibility criteria?**

Yes.

## **Live Venue Operator or Promoter**

**1. Is a wedding/event venue eligible to apply?**

It is not likely. Per the Economic Aid Act and specific eligibility criteria applying to Live Venue Operators, wedding venue operators would likely fail to meet multiple requirements (for example: sale of tickets, promotion of events to the public, defined audience and performing space, lighting rig, sound mixing equipment, employment of sound engineers, stage managers box office managers, etc.).

**2. Is a sports stadium or venue used for concerts and other live, non-sport performances eligible to apply?**

It is not likely. However, if the operator of a sports stadium or similar athletic arena can meet the statutory definition of an [eligible entity](#) under the Economic Aid Act, including the requirement that its [principal business activity](#) must be the organization, promotion, management, or hosting of live concerts, comedy shows, theatrical productions or other events by performing artists, it may be eligible to apply for an SVOG.

**3. Is a restaurant that features live music eligible to apply?**

No, if the principal line of business is restaurant operation rather than live venue operation, the business would not be eligible to apply for an SVOG. The restaurant may be eligible to apply for the Restaurant Revitalization Fund program, see the [SBA Restaurant Revitalization Fund](#).

**4. Is a dinner theatre eligible to apply?**

It is possible. A dinner theatre could qualify if its [principal business activity](#) is the organization, promotion, management, or hosting of live concerts, comedy shows, theatrical productions or other events by performing artists, rather than restaurant operations, and meets all other applicable eligibility criteria. If the dinner theater’s principal business activity is as a restaurant, it may be eligible to apply for the Restaurant Revitalization Fund program, see the [SBA Restaurant Revitalization Fund](#).

**5. Is a performing arts center owned and operated by a government or state college (as a college department) eligible to apply?**

Yes.

**6. Is an air show operator eligible to apply?**

No. The live venue operator or promoter definition under the Economic Aid Act requires an entity to either put on performing arts events at qualifying venues or sell advance tickets to performing arts events at qualifying venues. While an air show is a form of live entertainment, it does not constitute a performing art. As such, air show operators do not qualify as live venue operators or promoters.

**7. Is a company that uses 1099 (independent contractor) workers/talent (vs. W2 employees) eligible to apply?**

Yes. Per the Economic Aid Act, payments made to independent contractors as reported on an entity's Form-1099 are an allowable use of grant funds.

**8. Is a theatrical production management business with revenue generated by the production management eligible to apply (under the talent representative definition)?**

It is possible. A theatrical producer may be eligible to apply even if less than 70% of its revenue came from cover charges or ticket sales. Under the Economic Aid Act, it also may be eligible to apply if, as its [principal business activity](#), it makes production tickets available for public purchase on average not less than 60 days in advance of the performance date.

**9. What will SBA count as “earned revenue” for a live venue operator or promoter, theatrical producer, or live performing arts organization operator?**

SBA counts all [earned revenue](#), including cover charges or ticket sales, production fees or production reimbursements, nonprofit educational initiatives, or the sale of event beverages, food, or merchandise.

**10. Is a talent agency that books actors at live venues, but does not operate a live venue, eligible to apply?**

Yes. A talent agency is eligible to apply if 70% of its operations involve managing, booking or representing performers who appear primarily at live venues. If this number is less than 70%, it is not eligible to apply for an SVOG.

**11. Does a ticket broker or reseller qualify as a live venue operator or promoter?**

No. The Economic Aid Act's live venue operator or promoter definition requires an entity to have as its [principal business activity](#) either:

- (1) Organizing, promoting, producing, managing, or hosting events by performing artists for which admission fees are charged and performers are paid based on a percentage of sales, a guarantee, or other mutually beneficial formal arrangement; or
- (2) Publicly selling tickets on average 60 days in advance of performing arts events for which performers are paid based on a percentage of sales, a guarantee, or other mutually beneficial formal arrangement.

While ticket brokers or resellers do deal in tickets to performing arts events and may do so 60 days in advance, performers are not paid from these transactions. Further, as one of their commonly used names implies and because they operate in the aftermarket, ticket brokers or resellers may be viewed not as being principally in the business of selling tickets, but instead as being principally in the business of reselling them. As such, ticket brokers or resellers do not meet the criteria found in

the definition of live venue operator or promoter.

**12. What criteria will the SBA apply when determining whether a particular form of live entertainment constitutes a performing arts event for an SVOG?**

The SBA believes performing arts as related to the SVOG program means events such as musical concerts, comedy shows, theatrical productions, dance performances, or other live renderings of similarly artistic works. This is based on review of the Economic Aid Act text, SBA's consultation with other Federal agencies with area expertise and examination of definitions of what constitutes the performing arts under Federal law.

**13. If a venue's box office is staffed by volunteers is it eligible to apply?**

Yes.

**14. \*Is a theatrical producer that stages performances in multiple venues eligible to apply?**

Yes. Provided the majority of the venues a theatrical producer uses meet the qualifications listed in the Economic Aid Act (e.g., defined performance and audience spaces, sound mixing equipment, a lighting rig, etc.) there is no limit upon the number of venues at which a producer may host events.

**15. The Economic Aid Act specifies artists performing at qualifying venues must be paid fairly and not "play for free or solely for tips, except for fundraisers or similar charitable events." Would nonprofit organizations that host performances which include volunteer choruses and/or student performers be able to meet this requirement?**

Yes. Provided the events a nonprofit live performing arts organization stages are produced and managed primarily by paid employees, the use of volunteers in the production casts would not disqualify it.

**16. Is a live venue operator with a minority investor (50% or less ownership) that has more than 500 employees, locations in 11 or more states, and locations in 2 or more countries eligible for SVOG?**

Yes. Minority investors are not covered by these ownership conditions. The Economic Aid Act states that a live venue operator that is majority owned or controlled by an entity that is listed on a stock exchange or has more than 500 employees, locations in more than 1 country, **and** locations in more than 10 States is ineligible. There are no other control requirements in the statute.

**17. Does a free music festival that earns revenue through sales of merchandise and concessions but does not charge admission meet the requirements of either an eligible entity or qualifying venue?**

Neither requirement is met by the free music festival. Under the Economic Aid Act, a live venue operator must, among other things, apply a cover charge through ticketing or front door entrance fee or sell tickets an average of at least 60 days in advance of performances to be eligible for an SVOG.

**18. If an entity is currently presenting only live online shows, does that count as currently in business?**

Yes. The SBA will consider venues operating in an online-only shows capacity as currently in business if the entity meets the eligibility criteria for business operations as of Feb. 29, 2020.

**19. If an entity has a performance/music group (e.g., jazz orchestra) that goes on tour and is paid performance fees for playing in other venues, can these performance fees be counted as part of the earned revenues to meet the threshold of not less than 70% of the earned revenue must come from live event cover charges or ticket sales, production fees or reimbursements, nonprofit educational initiatives, or the sale of food, beverages, or merchandise?**

Yes. These fees should be included in the earned revenue for all SVOG program purposes.

**20. For an entity that stages both free and ticketed performing arts events, do food and beverage and merchandise sales derived from the free events count toward the requirement that not less than 70% of earned revenue must come from live event cover charges or ticket sales, production fees or reimbursements, nonprofit educational initiatives, or the sale of food, beverages, or merchandise?**

Yes, assuming there was a paid ticket or cover charge required to attend most of the performing arts events staged by the entity.

**21. If a live venue operator, theatrical producer, promoter, or live performing arts organization operator does not offer tickets 60 days in advance will that make them ineligible?**

Not necessarily. The requirement that such entities offer tickets for purchase by the public on average at least 60 days in advance of performing arts events is just one basis for SVOG eligibility. The other basis for such entities is to show that at least 70% of their earned revenue comes from cover charges, ticket sales, production fees or reimbursements, nonprofit educational initiatives, or sales of food, beverages, or merchandise derived from performing arts events.

**22. \*If an entity operates a theatre and stages live ticketed performances with the bulk of its revenue coming from educational programs where the performers are not paid by ticket sale revenue or cover charges, but as educators, is it eligible?**

It depends on whether the programs could be considered performing arts events and whether the entity can meet either the earned revenue percentage or advance ticket sales eligibility requirement.

**23. If an individual or entity owns a venue under one LLC (Venue LLC) and operates it under another LLC (Operator) can it apply for an SVOG under one LLC and use the funds to pay costs associated with both LLCs? For example, if Venue LLC received an SVOG award could it pay salaries incurred under Operator LLC, which employs the staff that run the events at the venue, as well as paying the mortgage and utility bills it owes?**

No. Because neither LLC owns the other, neither LLC could be bundled into an SVOG award held by the other. However, if the individual or entity which owned the two LLCs received an SVOG award under its own name, they could include the revenues and costs of both LLCs in a combined grant. Two or more separate legal entities can only be included in one SVOG award if one of them owns more than 50% of the others or if a single entity or individual owns more than 50% of all of them. In such a case, it would have to be the entity or individual that is the majority owner which applied for and received the SVOG award.

**24. \*Are annual, single-event venue owner/operators, promoters, producers, and arts organization operators able to apply for SVOGs?**

Yes, provided they meet all the applicable eligibility requirements.

**25. \*If a live venue owner or operator owns and/or operates multiple venues which it includes in its**

**SVOG application, must each individual venue included in the application meet the eligibility criteria?**

Yes.

## Talent Representative

**1. Are both agents and managers considered talent representatives with respect to SVOGs?**

Yes. Under the Economic Aid Act talent representatives can be agents and/or managers for musicians, comedians, actors, or similar performing artist.

**2. \*What are the eligibility requirements for venues at which a talent representative books or represents artists?**

The majority of the venues into which a talent representative books or represents artists must meet the qualifications listed in the Economic Aid Act (e.g., defined performance and audience spaces, sound mixing equipment, a lighting rig, etc.) Requiring these types of eligible entities to exclusively use qualifying venues would fail to recognize the reality of live performing arts industry business operations and lead to the extreme result of the SBA excluding otherwise eligible entities for having used a single non-qualifying venue. As such, the SBA has interpreted the Economic Aid Act to require a promoter, theatrical producer, live performing arts organization, or talent representative to use qualifying venues for a majority of the events for which they book or represent artists.

**3. What types of documentation can a talent representative provide to verify they meet SVOG eligibility requirements?**

The types of documents a talent representative applicant can provide include:

- (1) A list of performing artists they booked or managed in 2019 that includes the venues for which they were contracted to perform, the city and state of the venues and the performance dates.
- (2) A current roster of performing artists which they book or manage that primarily work in live venues or festivals. This roster must also either appear on the applicant's website or be published in print or online in an industry-recognized trade publication registry.
- (3) Fully executed contractual service agreements (excluding rider provisions) between the talent representative and two artists, or signed statements from two artists certifying the applicant represented them for live performances in 2019 and 2020.
- (4) Fully executed contracts for live performances that took place in a venue or at a festival in 2019 and 2020 for two artists the applicant managed or booked.

## Application

**1. \*What can an entity do to get ready to apply?**

- (1) Register for a DUNS number so you can then register in the System for Award Management (SAM.gov)
- (2) Gather necessary documents, see the [Application Checklist](#)
- (3) Review these FAQs
- (4) Review the Applicant User Guide at [www.sba.gov/svgrant](http://www.sba.gov/svgrant)
- (5) Connect with an SBA resource partner, including a [SCORE business mentor](#), [Small Business Development Center](#), [Women's Business Center](#) or [Veterans Business Outreach Center](#)

**2. \*Must applicants register in the System for Award Management (SAM.gov) or can they use other identifiers like Individual Taxpayer Identification Numbers or Employer Identification Numbers to apply for an SVOG?**

SVOG applicants must register with the federal government's SAM at [www.SAM.gov](http://www.SAM.gov) to apply and cannot use an ITIN, EIN, or other means of identification or registration. Interested parties are encouraged to obtain a Dun and Bradstreet (DUNS) number (a prerequisite for SAM registration) as soon as possible. With a DUNS number, interested parties then should immediately begin registering in SAM.gov, as the SAM registration may take up to two weeks once submitted.

**3. What do I need to know to register at SAM.gov?**

Review this [overview presentation](#). New SAM.gov registrations normally take an average of 7–10 business days to process, but can take 30+ business days during periods of peak volume. An entity can log into SAM.gov and use the SAM Status Tracker (under the Check Status tab) to quickly check its status.

**4. How does an entity get a Data Universal Numbering System (DUNS) Number from Dun & Bradstreet (D&B)?**

- (1) Go to the Dun & Bradstreet site: <https://fedgov.dnb.com/webform/>
- (2) Select the link to request your DUNS Number via the web
- (3) Follow the on-screen instructions to check whether your business or organization already has a DUNS number
- (4) Enter your business name and state and the validation text, then select Submit
- (5) If your business is listed, you can request the existing DUNS number
- (6) If it is not, you can request a new one
- (7) **Note:** there is no fee for getting a DUNS number to do business with the U.S. Government

**5. If an entity has submitted its SAM.gov registration, but the registration is not yet officially activated, can the entity still apply?**

Yes. The requirement is that an entity must be registered in SAM.gov. In the SVOG application, the entity will have to attest that it has submitted its SAM.gov registration to apply.

**6. How can an entity check the status of its SAM.gov registration?**

- (1) Go to <https://www.sam.gov>
- (2) Select Log In
- (3) Select the Check Status tab in the main navigation
- (4) Enter its DUNS Number
- (5) Select Search to view status

**7. If an eligible entity is a hybrid nonprofit/governmental entity, should it apply under the nonprofit's name and submit documentation demonstrating the public/private partnership aspect of its structure?**

Yes.

**8. How will capital funds, restricted grants, or investment income affect an entity's SVOG application?**

The SBA will take such financial resources into consideration when the Agency is examining an eligible entity's gross revenue.

For example, the SBA will consider such sources of revenue for purposes of determining whether an entity meets the requirement that no more than 10% of its 2019 gross revenue came from the Federal government (excluding disaster assistance) or determining whether it can demonstrate sufficient gross revenue loss to qualify for one of the priority periods.

**9. What will be the timeline of distribution for the funds the SBA reserves for the small employer set-aside? Will the SBA fund small employer awards only during the non-priority period of the Initial Award Phase?**

The SBA will draw upon the small employer set-aside funds throughout all stages of the Initial Award Phase.

For example, where an eligible entity qualifies for the First Priority Period also qualifies as a small employer, the SBA will fund that grant using monies drawn from the small employer set-aside.

**10. \*If ownership of an eligible entity was transferred, could the new owners apply for an SVOG and use the revenues reported by the former owner?**

Yes. Except where the new owner has any of the disqualifying characteristics specifically enumerated in the Economic Aid Act (either being itself or being [majority owned](#) or [controlled](#) by a firm that issues securities on a national securities exchange, that had more than 10% of its 2019 gross revenue come from Federal funding, that owns or operates eligible entities in more than 1 country and more than 10 states and that employs more than 500 people, or which presents sexually prurient live performances or derives more than de minimis gross revenue from the sale of sexually prurient material), the SBA will consider the new owner of an eligible entity to have stepped into the shoes of the prior owner for purposes of qualifying for the SVOG program. In the event of such a transfer, SBA will permit the new owner to use the prior owner's revenues as its own if the transferred entity was operational on Feb. 29, 2020, regardless of the date of the sale.

**11. \*If the entity's SVOG application is declined, will an applicant be able to appeal or request a reconsideration of the decision?**

No. The SBA, however, added several features in the SVOG application to minimize accidental mistakes, including pop-ups that immediately tell an applicant if they may be ineligible based on their response or if they missed a required question. Another feature allows applicants to upload multiple attachments for each question requiring a file upload. Applicants can also save and edit their work to ensure the answers are correct and files are uploaded properly. After an applicant submits the application, several types of mistakes can still be corrected, such as a 4506-T hold or a Do Not Pay hold. However, responses that classify the applicant as ineligible cannot be corrected.

**12. Would an individual or business face any penalties for applying for an SVOG if it is later deemed to be ineligible for the program?**

If an entity submits an honest, good faith application for an SVOG but is denied funding for failure to meet one or more eligibility requirements, there would be no penalty and it would be free to apply for other programs it may qualify for. If, however, an entity is found to have made material misrepresentations on its application as part of a fraudulent effort to obtain SVOG funding, it will have committed an act of perjury and could be subject to various civil and criminal penalties, as well as potential debarment from doing business with the Federal government.

**13. \*What are the possible reasons for which an entity's SVOG application might be denied?**

The SBA will reject an SVOG application where an entity:

- (1) Fails to submit adequate documentation;

- (2) Submits fraudulent documentation or there are other indications of fraud in connection with the application;
- (3) Fails to meet the definition of an eligible entity;
- (4) Lacks the required level of revenue loss;
- (5) Possesses one or more of the disqualifying conditions identified in the Economic Aid Act;
- (6) Is part of a group of affiliated museums that has already received \$10 million in SVOG funding;
- (7) Is part of a group of affiliated entities that currently has 5 active SVOG applications still pending or which has already received 5 SVOG awards;
- (8) Or one of its principals appears on the Excluded Parties List on the System for Award Management ([sam.gov](http://sam.gov)); or
- (9) All available SVOG funding has been exhausted.

**14. \*Are entities that began operations in 2020 eligible?**

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. For firms that had commenced start-up operations but were unable to open as anticipated due to the pandemic, they would only be eligible under this alternate method if they had earned revenue in the first quarter of 2020 from sources such as advance ticket sales, merchandising, etc. Firms which had been conducting business operations and incurring expenses in 2020 in a pre-opening capacity, but which had no earned revenue for the first quarter of 2020 would not be eligible to apply.

**15. \*How will the SBA determine the amount of SVOG funding to award an eligible entity that started business operations in January or February 2020 and has no 2019 revenues?**

While the Economic Aid Act states that eligible entities that were fully operational on Feb. 29, 2020 are eligible for SVOGs, the statute does not include a method for determining award amounts for businesses founded in early 2020. The Agency will award an SVOG applicant that began business operations in January or February 2020 the lesser of: the average monthly earned revenue for each full month it was in business in 2020 multiplied by 6 or \$10 million.

**16. \*Will the SBA require audited financial statements as part of an SVOG application?**

No. An audited financial statement is not required to apply for an SVOG. However, if an entity had a Single Audit or audited financial statement in 2019, this should be uploaded as a supporting document in the application. In accordance with the Uniform Guidance for federal grants, all entities that expend \$750,000 or more in federal funds in a fiscal year must receive a Single Audit or audited financial statement. The SBA will direct grantees that expend \$750,000 or more in SVOG funds to submit a copy of the Single Audit or audited financial statement during the post-award auditing phase.

**17. Will applicants be able to save their applications while in progress and then return to finish and submit them later?**

Yes.

**18. \*Will the portal allow an applicant to submit an incomplete application?**

The online application portal will not allow an applicant to skip a required question or fail to upload a document in a required location. Applicants can save and edit their work to ensure the answers are correct and files are uploaded properly.

**19. If a grant award is disbursed in installments, will the SBA obligate the funds for the award all at**

**once or will the obligation also be done in installments?**

The full amount of each SVOG will be obligated when an award is issued, regardless of whether it will be disbursed in installments. This will ensure that each SVOG is fully funded.

**20. What entity information submitted as part of the SVOG application will be disclosed to the public?**

If an entity is awarded an SVOG, the SBA must report the amount and the name and address of the entity (or person's name and address if applied as an individual), in the publicly searchable database USASpending.gov. To help ensure all confidential business information is properly excluded, the SBA recommends marking any documents submitted that contain such information with the phrase "Confidential Business Information." As an alternative to marking the document itself, the annotation "Contains Confidential Business Information" can be included in the file name.

The SBA will exclude any personally identifiable information (such as a Social Security Number) or confidential business information about the entity (such as financial data) from disclosure under the Freedom of Information Act, though such information may be shared with SBA's Office of Inspector General, the Government Accountability Office, the Pandemic Response Accountability Committee, and/or members of Congress in response to a proper and official request.

**21. Will an SVOG recipient have to report the grant to the IRS as taxable income?**

No.

**22. Will an SVOG recipient also be eligible to apply under the Restaurant Revitalization Fund?**

No. In accordance with the American Rescue Plan Act, entities that have a pending application for or received an SVOG are not eligible to apply under the Restaurant Revitalization Fund. For more information visit [www.sba.gov/restaurants](http://www.sba.gov/restaurants).

**23. Will venues that lack box office reports to submit with their applications (whether because they are used by outside promoters or because they are smaller operations that retain fewer records) be allowed to present other types of evidence that they host shows regularly, such as the agreements with outside promoters?**

Yes.

**24. Many venues have permanent infrastructure for hanging sound and lights as opposed to owning in-house systems because some artists have their own equipment hung for every show. For acts without their own gear, the venues rent equipment. Also, some venues may have sound systems permanently installed but do not have the receipts or the itemized insurance statements showing insurance coverage. Can such venues satisfy the "proof of a sound system" requirement through other types of evidence such as rental receipts, photographs, tech specification sheets, production reimbursement receipts, etc.?**

Yes.

**25. For the employee list on the Applicant Checklist, what timeframe should it cover?**

The employee list should be current at the time of the application. However, if the applicant furloughed employees because they are shuttered, then the most recent employee list prior to the venue being shuttered will be acceptable.

**26. Should a non-profit provide the ID of its president/CEO to meet the applicant checklist requirement of a photocopy of the applicant's ID?**

A non-profit should provide the ID of the principal officer of the entity submitting the application, as the photocopy of the applicant's ID is a requirement that applies to all applicants.

**27. If applying under one Employer Identification Number for multiple theatre locations, should documentation required in the application checklist (pictures of the layout, projection booth, box office reports, marketing media, etc.) be provided for each location?**

Yes. The required information must be provided for each location covered by an SVOG application.

**28. Does the applicant need to submit state tax returns with the application or just federal tax returns? Do the tax returns need to be signed and dated by the applicant?**

Only Federal tax returns are required; they must be signed and dated copies of returns submitted to the IRS.

**29. If an entity received PPP loans in 2020 and 2021, does it only need to deduct the 2021 PPP amount from the budget prepared for the SVOG application?**

Yes. Any PPP loan received prior to Dec. 27, 2020 does not need to be deducted from an SVOG award, even if the organization also received additional PPP loans after that deadline. A PPP loan received in 2021 must be deducted from the SVOG award. To note, if a 2021 PPP loan applicant is approved for an SVOG **before** the SBA issues a loan number for the PPP loan, the applicant is ineligible for the PPP loan and acceptance of any PPP loan proceeds will be considered an unauthorized use.

**30. Is an entity required to fully fill out the budget section on the application form?**

Yes, each part of the budget section must be complete when preparing the SVOG application or the system will not let you advance to the next step. It is understood that it may be hard to predict exactly how grant funds will be spent in the future and some variations from the proposed budget can be approved post-award.

**31. \*What is required in the Certification of Need?**

There is no set format for a Certification of Need because every eligible entity's circumstances are different. Applicants may use the following statement:

*“Due to the uncertainty of current economic conditions, a grant is necessary to support the ongoing operations of [name of entity]. [name of entity] started in business on [date], but was forced to close its doors on [date] due to the pandemic. If it receives a grant, [name of entity] intends to reopen on [date] or sooner, as conditions and restrictions permit.”*

**32. Apart from the Certification of Need, are there other certifications an entity must make to receive an SVOG?**

Yes. An entity will be required to submit several certifications, attestations, and assurances, such as those regarding lobbying, suspension and debarment, and drug-free workplaces, as part of its SVOG application. Also, the Economic Aid Act requires that if an entity has between 500 and 10,000 employees and is awarded an SVOG, it must certify it will not break any existing collective bargaining agreements during the grant term and for two years thereafter. Such an entity also must certify it will remain neutral in any union organizing efforts throughout the term of the SVOG.

**33. For nonprofits that use a fiscal year to file annual Form 990 tax returns, the extended due date for 2019 returns may not have transpired and 2019 and 2020 tax returns may not have been filed; will the SBA accept a 2018 return?**

Yes. Under these circumstances an eligible nonprofit entity may submit its 2018 and 2019 tax returns.

**34. Will the additional \$1.25 billion the SVOG program received under the American Rescue Plan Act be administered using the 80/20% allocation between priority and non-priority periods set by the original program legislation, or will all new funding instead be added only to the ‘general admission’ phase?**

The additional SVOG funding Congress provided is added to the existing appropriation and the total combined amount will be apportioned in accordance with the statutory scheme: 80% will be allocated to the first and second priority periods with the remainder reserved for the non-priority period. In addition, the SBA will set aside at least \$2 billion for SVOGs to small employers.

**35. What file types will be accepted in the application system?**

The application system will accept files that end in .pdf, .jpg, .jpeg, .doc, docx, .xls, and .xlsx with a maximum file size of 35 MB per file. No compressed or zip files.

**36. Many ticket reports list only the dollar amount of tickets sold for a performer rather than the actual ticket price because there can be a range of ticket prices based on seating area and other criteria. Can an entity submit a spreadsheet with a ticket report to outline the different ticket prices for a show?**

Yes. This would be an excellent option for demonstrating ticket prices and sales.

**37. If an entity contracts with another entity for the operation of its venue and that contractor supplies all the necessary staff, should it list zero dollars in the SVOG application (Form 3515) column for personnel costs?**

Yes. Entities should only include costs actually incurred by the entity.

**38. Does the \$10 million cap on the combined value of awards received by a group of affiliated firms only apply to applications from groups of museums?**

Yes. A museum and up to four museums it owns more than 50% of may all receive SVOG awards, but the total amount of funding issued to such a group cannot exceed \$10 million. No other type of eligible entity is subject to such a dollar limit cap.

**39. \*Does an entity have to submit all its marketing materials, contracts, etc. – which can be voluminous - with its application?**

Because of size limitations for documents uploaded into the SVOG application portal, the SBA has determined that eligible entities must submit a sample size of 10 contracts, show/event listings, and marketing materials for performances they staged, promoted, or booked clients for over the course of 2019-2020. Applicants that conducted such activities related to fewer than 10 shows must submit documentation for all their shows. Eligible entities subject to the [regular programming](#) requirement (i.e., museums and movie theatres), must upload 10 attachments that demonstrate they have presented an average of at least 4 events per month. In addition, all applicants may submit a document, such as a spreadsheet, that contains URLs linking to online copies of marketing materials rather than submitting such materials as attachments.

**40. \*Does the SVOG application require an entity to complete the proposed budget using ‘fiscal year’ information?**

No.

**41. What impact will it have if an entity applied for other assistance, such as a state grant, but it**

**won't know the outcome of that before applying for a SVOG?**

It should have no impact. Even if an entity did receive such assistance, no gross revenues received after Dec. 31, 2020 are relevant for purposes of the initial award phase of the SVOG program.

**42. Should all eligible entities apply at once or should we wait until our designated priority period/time to apply?**

Within each priority phase, awards will be made on a first come, first served basis and the SBA invites all eligible entities to apply as soon as they can, in order to establish their position in the queue. During each period of the initial award phase, the SBA will start with the first application submitted that qualifies for funding under that period and work its way through the queue chronologically.

**43. \*What is the difference between a Form 424 and a Form 424B?**

- Form 424 is an Application for Federal Assistance used to apply for many federal grant programs. However, the questions from the form are incorporated into the SVOG application system therefore the 424 does not need to be uploaded separately.
- Form 424B is a set of assurances that a grant recipient makes in advance of receiving its award affirming that it will comply with various policies, laws, and regulations of the federal government. This form is required for SVOG applications and is included in SAM.gov.

**44. Does an entity need to fill out a separate SF-424B or can it use the Financial Assistance Certifications from its SAM.gov registration?**

No. An entity does not need to fill out a separate SF-424B. To reduce burden on grant recipients, SAM.gov centrally collects the standard financial assistance certifications and representations during registration.

To view or download a copy of your entity's Financial Assistance Certifications, follow these steps:

- Enter <https://www.sam.gov> in your internet browser's address bar.
- Select the Search Records tab on the main navigation bar.
- Under Quick Search, enter the unique entity identifier (currently the DUNS Number).
- Select the View Details button on the returned result.
- Select the Reps & Certs link under Entity Registration on the left navigation bar.
- Select the Financial Assistance Certifications Report link to download the grants certifications.

**45. \*What time frame should the proposed budget cover?**

An entity's proposed budget should cover the use of SVOG funds over a 12-month period that will begin on the date of their award.

**NOTE:** This does not prevent an SVOG recipient from using award funds to pay or reimburse allowable pre-award costs that occurred as far back as March 1, 2020, as authorized under the Economic Aid Act.

**46. How is the phrase "capital expenditures related to producing a theatrical or live performing arts production" being defined for the cap on allowable expenses? Does this refer to build-outs for a venue for the presentation of live performances in general, or just to those capital expenditures related to one particular production?**

The SBA interprets the restriction against SVOG recipients primarily using grant funds to pay advertising, production transportation, and capital expenditures related to producing a theatrical or

live performing arts production, concert, exhibition, or comedy show as referring to all such costs in general rather than those relating only to one specific production or show.

**47. Is an entity's NAICS code relevant for purposes of its SVOG application?**

While the NAICS code an entity operates in is not a determining factor for SVOG eligibility, it is one of many pieces of information the SBA may draw upon when conducting a broad-based examination of an entity's [principal business activity](#).

**48. Can several people fill out one application and access it from different locations?**

Only one person may have access to an entity's SVOG application at a time, but it is possible that multiple parties could collaborate on a single application if they did so sequentially rather than concurrently.

**49. \*Can an entity have its accountant or adviser fill out its SVOG application?**

Yes. However, an "adviser" cannot sign the Notice of Award or the assurances. Likewise, the required government-issued ID must belong to an owner, officer, or other principal officer of the entity, not the ID of an accountant or adviser.

**50. \*What is the difference between "applicant information" and "authorized representative information" as both are asked for?**

Applicant information refers to the eligible entity applying for an SVOG. Authorized representative information refers to the actual person submitting an SVOG application on behalf of an eligible entity. Depending on the type of entity, these may have the same name.

**51. \*Will the SBA apply the governmentwide grant rules of 2 C.F.R. Part 200 to the SVOG program?**

Yes.

**52. \*Two different SVOG application questions ask to upload floor plans; is it necessary to upload the same file twice?**

Yes. Where the SVOG application requests uploads of the same documentation in different questions, please do so to ensure a complete application.

**53. What is the Electronic Funds Transfer (EFT) Indicator (formerly known as the DUNS+4) if an entity has only one bank account in its SAM.gov registration?**

If an entity has only one bank account associated with its SAM.gov entity registration, its EFT Indicator is 0000.

**54. \*Are DUNS numbers required for affiliates unrelated to an entity's SVOG application?**

No.

**55. In the SVOG application question regarding whether a business was in operation as of Feb. 29, 2020 it says quarterly tax filings, financial statements, payroll documents, or other supporting documentation should be provided. What constitutes "other supporting documentation"?**

This is intended to be a catch-all category to invite entities to provide any other type of documentation they possess which they believe helps them to establish when the entity began business operations.

**56. The SVOG application says a venue floor plan, venue layout, or other evidence of a projector**

**and fixed audience seating must be attached to meet the eligibility requirement for at least one auditorium with a motion picture screen and fixed audience seating. Is this needed for every screen with fixed seating (if multiple) in each location or will one example per location suffice?**  
No, only ONE is required.

**57. Does the \$100,000 limit in annual compensation for an individual employee apply to an eligible entity's employees, independent contractors, or employees of independent contractors?**

The limit only applies to individual employees of independent contractors.

**58. The original version of the SVOG application included the Form 1386 in the list of required documents. Are SVOG applicants required to submit this form?**

No. The SBA is not requiring SVOG applicants to submit a Form 1386 and the current version of the SVOG application does not include it in the list of required documents.

**59. \*If a tribal/state/local government does not require a business license, how should an entity respond to this application question?**

If the entity is not required to have a business license under local law, it may upload a document stating "Business licenses are not required under local law" instead of providing a copy of a business license.

**60. What will the SBA do if an eligible entity has two or more business activities with essentially the same level of combined revenues, costs, staff time, assets, contracts, etc.?**

Where an eligible entity has multiple lines of business that are essentially tied regarding their share of the entity's overall business activity, they will all be deemed its [principal business activities](#).

**61. When filling out an application, which "form of organization" should a tribally-owned museum select?**

Tribally-owned museums (the only type of eligible entity which the Economic Aid Act permits to be owned by tribes), should select "Government Owned" from the list of possible forms of organizations on the SVOG application.

## **Taxes and 4506-T**

**1. \*Is there guidance an entity can use to help it ensure it is properly filling out the Form 4506-T (Request for Transcript of Tax Return) correctly?**

Yes, it is included on the second page of the unique [SVOG 4506-T](#), which is what entities should use, posted at [www.sba.gov/svagrant](http://www.sba.gov/svagrant) and the Applicant User Guide provides for additional direction. Though an entity must fill in its own entity information, the [SVOG-specific 4506-T](#) includes certain pre-filled boxes required by the program and IRS.

**2. \*The SVOG-specific pre-filled Form 4506-T only references 2019 tax returns. Are nonprofits required to submit a second form for their 2018 tax returns, where relevant?**

No. The pre-filled portions of the SVOG-specific Form 4506-T were required by the IRS and IRS has assured SBA that no others will be necessary.

**3. \*Is there some alternative documentation an eligible entity that is exempt from filing federal tax returns under federal law (for example, certain entities owned by a tribal, state, or local governments) should submit to verify its revenues?**

Yes. Instead of providing copies of its federal tax returns, an entity that is exempt from filing federal taxes should submit copies of audited financial statements that cover its gross and earned revenues. If it does not have audited financial statements of its own, it may provide those of its parent entity.

## Prioritization

### 1. Which priority or phase is number of employees considered?

There is no priority based on number of employees in the application process. Per the Economic Aid Act, the \$2 billion small employer set-aside for those with 50 employees or less is a separate aspect of the awarding process from the priority periods.

### 2. Is an entity's eligibility for the priority periods based on its gross revenue or earned revenues?

Eligibility for the first and second priority periods is based upon reductions in an entity's gross revenues between comparable dates in 2019 and 2020.

### 3. How did the SBA determine what "revenue" to consider for establishing priority period eligibility?

Congress simply referenced "revenue" for the SVOG priority periods in the Economic Aid Act. General rules of statutory interpretation require an agency to give meaning to every word where possible and apply the word's ordinary meaning. In the legislation, Congress used "revenue" in setting forth the priority periods, not "earned revenue" and specifically used the term "earned revenue" in other areas, illustrating its understanding of a distinction between the two terms and the ability to use the limitation where Congress deemed it appropriate.

### 4. Will the SBA require entities to use the accrual method of accounting only when determining their qualification for a priority period, or must they also rely on the accrual method for establishing their award amount and/or non-priority period eligibility?

The accrual method of accounting is only required when determining whether an entity qualifies for one of the priority periods under the Economic Aid Act. For all other purposes, an entity may rely upon either the accrual or cash method of accounting.

### 5. Can government-owned eligible entities receive funds during the first or second priority periods?

No. The first and second priority periods are designed to assist the eligible entities that have faced the most significant losses while having limited means to make up for lost revenue. Tribal, state and local governments have access to taxpayer funds and other resources which private individuals or organizations lack.

### 6. How will the SBA prioritize applications within each priority period? Will it be on a first-come, first-served basis or will it be based on the size of the percentage of revenue loss suffered?

Within each priority period and the non-priority period, the SBA will process applications in the order in which they were received.

### 7. Where will a non-profit entity fit into the application periods?

Qualification for the first and second priority periods is based upon the extent of the reduction in an entity's gross revenues between Apr. 1 - Dec. 31 of 2019 and 2020. Because gross revenue includes all funds taken in by an entity other than federal disaster assistance, SBA is not aware of any reason why a nonprofit entity could not demonstrate a reduction in gross revenue over this time frame.

**8. \*Are there separate rules for how seasonal employers can demonstrate the required gross revenue loss to qualify for priority period funding?**

Yes. The Economic Aid Act authorizes SBA to use an alternate method of calculating gross revenue loss for seasonal employers that would be adversely impacted by the omission of January, February and March from the comparison of their 2019 and 2020 gross revenues when seeking to qualify for priority period funding. In such cases, SBA has determined that seasonal employers may compare their seasonal period of activity in 2019 to the same period in 2020.

## Use of Funds

**1. Can SVOG funds be used to refund customers still holding tickets for cancelled performances?**

Yes. Such expenses should be listed under the “Other” category.

**2. Are all customer refunds from 2020 due to cancellations a valid use of funds? If so, what category will that fall under?**

Yes. Such expenses should be listed under the “Other” category.

**3. Can SVOG funds be used to reimburse an owner who put their own money into the entity to keep employees and operating expenses paid?**

Yes. Owners of eligible entities may be fully reimbursed for personal funds they contribute(d) to an entity to keep it in operation between March 1, 2020, and Dec. 31, 2021 (or June 30, 2022, if the entity receives a supplemental phase award), provided sufficient documentation of the transfer and expenditure of such funds exists. Without such documentation, claimed owner reimbursements will be treated as compensation or distributions of profits and subject to the cap on such payments noted in question 4 in this section.

**4. Can an entity use funds for owner compensation?**

Yes. Owner compensation, including distributions and dividends, will be treated as an ordinary business expense and thus payable using SVOG funds to the extent that the total amounts involved do not exceed what an owner received in compensation in 2019.

**5. Can grantees use SVOG funds to reimburse themselves for allowable expenses they already paid going back as far as March 1, 2020?**

Yes.

**6. Is debt refinanced or consolidated under a new lender, but existed prior to Feb. 15, 2020 considered an eligible expense? What about a line of credit or revolving loan that existed prior to Feb. 15, 2020, but was drawn down after that date?**

Yes. Payments toward debts recorded prior to Feb. 15, 2020, represent an allowable expense even if the debt was refinanced or consolidated with other debts that existed prior to that cutoff date. Any otherwise allowable debt consolidated with a debt that was not recorded prior to Feb. 15, 2020, would continue to be an allowable expense only to the extent of the original qualifying debt. Any additional amount of indebtedness following the consolidation that is attributable to the nonqualifying loan would not be an allowable expense. Additionally, payments on lines of credit or revolving loan funds recorded prior to Feb. 15, 2020, but not drawn down until after that date would also be an allowable expense. Where an existing line of credit or revolving loan fund was increased after Feb. 15, 2020, only the pre-Feb. 15, 2020, amount would represent an allowable expense. SVOG funds could not be used to make payments on any increase in the indebtedness.

**7. Do ‘state and local taxes’ identified as allowable expenses include real estate taxes and personal property taxes on buildings and equipment?**

Yes. Where real estate taxes and personal property taxes are levied on buildings and equipment directly related to eligible SVOG program operations they may be paid using grant funds. Taxes on property and equipment owned by an eligible entity not directly related to its SVOG program operations are not an allowable expense.

**8. \*Can an entity put SVOG funds into an interest-bearing bank account?**

Yes. The grantee must maintain advance payments in interest bearing accounts and the limit on interest earned on grant fund deposits is \$500 per year, as per 2 CFR 200.305. Any interest over \$500 must be remitted to the Department of Health and Human Services Payment Management System.

**9. Can a grantee include the uncredited portion of an individual’s salary for whom it has received an employee retention tax credit (ERTC) as an allowable expense under an SVOG?**

Yes. Where an eligible entity receives an ERTC for one of its employees and that credit does not fully cover the employee’s salary, SVOG funds may be used to pay the uncredited portion of the employee’s salary; however, grantees cannot use SVOG funds to pay any portion of an employee’s salary covered by an ERTC.

**10. Will SVOG awards count toward the Single Audit Act threshold?**

Yes. As a Federal grant program, all funds awarded under the SVOG will count toward an entity’s requirement to comply with the Single Audit Act if it receives \$750,000 or more in Federal grant funding during a single fiscal year.

**11. Will SBA consider audit costs to be an allowable expense?**

Generally, audit expenses will not be considered an allowable grant expense; however, there is an exception for SVOG recipients covered by the Single Audit Act. For grantees covered by the Single Audit Act, they may charge a reasonably proportionate share of the costs of audits required by, and performed in accordance with, the Single Audit Act to its SVOG.

**12. Is depreciation an allowable expense under SVOG?**

Yes.

**13. How long will SVOG recipients have to use their grant funds?**

Recipients who receive an SVOG in the initial phase will have one year from the date their awards are disbursed by the SBA to use grant funds. If an eligible entity receives a Supplemental Phase SVOG, they will instead have 18 months from the date their Initial Phase award was disbursed by the SBA to expend all their combined grant funds (both Initial and Supplemental Phase awards). At the end of the applicable deadline, SVOG grantees must return all unexpended SVOG funds to the SBA.

**14. Can SVOG funds be used to pay artist deposits and guarantees?**

Yes. Understanding that artists are typically independent contractors paid out of ticket proceeds and in many cases the proceeds are not available prior to the show closing so entities often use deposits and/or guarantees to provide prior payments to artists, this use of SVOG funds is authorized as an ordinary and necessary business expense.

**15. Will an SVOG be disbursed in one lump sum or in multiple payments? If multiple payments are**

**used, what will the time frame be for payout?**

Depending on the size of the award and other risk factors, some SVOGs will be disbursed in the form of a single lump sum while others will be spread out over multiple payments.

- Under \$1 million: disbursed in one or two installments.
- Over \$1 million: disbursed in two to four installments.

Where payment is made via installments, the schedule of payments will depend upon the grantee's submission of documentation of an SVOG recipient's use of the initial fund disbursement and their 2020 federal tax return.

**16. Is there a difference between the amount of time an SVOG recipient has to expend award funds and the period of time during which they may incur allowable costs?**

Yes. While a recipient of an Initial Phase SVOG has one year from the date of its award to expend its grant funds, it can only use those funds to pay allowable items of cost incurred between March 1, 2020, and Dec. 31, 2021. Where an entity receives a Supplemental Phase SVOG, it will have 18 months from the date of its Initial Phase Award to expend its grant funds, but it can only use those funds to pay allowable costs incurred between March 1, 2020 and June 30, 2022.

**17. \*Can SVOG funds be used to make payments on SBA-backed or SBA direct loans?**

Yes. The Economic Aid Act states SVOG funds may be used for "scheduled payments of interest or principal on any indebtedness or debt instrument incurred in the ordinary course of business." Given the broad language used by Congress, the SBA will treat payments on both SBA-backed and SBA direct loans as an allowable expense under the SVOG program, so long as those loans began prior to February 15, 2020.

**18. Can SVOG funds be used to make employees whole for temporary reductions in pay an employer had to impose due to economic circumstances under the pandemic?**

Yes. Where employee salaries and wages were reduced for some or all of the period between March 1, 2020 and Dec. 31, 2021 (or June 30, 2022 in the case of supplemental award recipients) due to economic circumstances caused by the COVID-19 pandemic, an SVOG recipient may use grant funds to restore the lost wages of its employees in whole or in part.

**19. If SVOG is disbursed in several payments, does the grantee have one year from the date of each disbursement to use the funds?**

No. Grantees will have one year from the date their SVOG award is issued to spend their funds, unless they receive an extension following the issuance of a supplemental award.

**20. For purposes of determining whether an SVOG recipient has expended more than \$750,000 in federal financial assistance and is subject to the Single Audit Act, should the grantee use its SVOG award amount before or after its PPP loans were deducted?**

The Single Audit Act threshold applies to the amount of federal financial assistance an entity expends in one fiscal year, not the amount which it receives. As such, it does not matter whether an SVOG grantee had its award reduced by the amount of its PPP loan. All that matters is the aggregate amount of federal financial assistance it spent in one fiscal year. Additionally, PPP loans are not considered federal financial assistance as delegated lenders disburse them and the government does not directly provide them (the government provides the guaranty) so they do not count for purposes of the Single Audit Act threshold. However, Economic Injury Disaster Loans **are** considered federal financial assistance, so an entity that received an EIDL or EIDL Advance, Targeted EIDL Advance and

the like, would have to add those funds to its SVOG award amount when determining if it had expended more than \$750,000 in federal financial assistance in one fiscal year.

**21. Will making improvements/changes to bathrooms, HVAC etc. in response to COVID-19 be eligible uses of SVOG funds?**

Yes.

**22. Will entities be required to stay within the limits of how they propose to spend the grant funding, and will it matter if the final expenses comply closely with the budget provided?**

Although small changes are allowable, grant recipients are required to stay near their proposed budget. Budgetary changes that shift funds among approved cost categories more than 10%, or that shift costs to a category not included in the approved budget, require prior approval.

**23. Will artist deposits/guarantees from promoters who hold then disburse the money to multiple artist clients, count as contractors for booking agencies and, if so, will it be limited to the \$100,000 payment for individual employees of an independent contractor?**

No. Talent representatives or other entities acting as fiscal transfer agents on behalf of individual artists will not be considered independent contractors for purposes of the \$100,000 payment limit. Instead, the SBA will consider the relevant independent contractor in such cases to be the individual artist represented by the talent agent or manager.

**24. Will credit card payments be considered scheduled debt payments that can be paid from SVOG funds?**

No. However, individual credit card charges that relate to allowable expenses such as utility payments, worker protection expenditures, or other ordinary and necessary business expenses and which were incurred between March 1, 2020 and Dec. 21, 2021 (or Jun. 30, 2022 if the entity receives a supplemental SVOG award) are payable or reimbursable from grant funds.

**25. Are all owners' distributions and wages from 2019 a valid use of funds? If so, what category will that fall under?**

No. Only costs incurred after March 1, 2020 are allowable.

**26. How will the SVOG award funds be delivered to the recipients?**

Entities will submit their bank information as part of the SAM.gov registration process. Upon confirming the grant award, the SBA will process the funds (in whole or in part, depending on the circumstance) through its internal accounting system and deliver them via ACH to the entity's bank.

**27. \*Can funds be used to pay for construction projects such as a new roof and similar projects?**

No, construction projects such as a new roof may not be paid for with SVOG funds, as capital expenditures are not allowable expenses as per 2 CFR 200.439. However, maintenance costs that are ordinary and necessary business expenses are allowable, as are any costs related to employee protection (Use of Funds FAQ #21 above).

For example, if an entity has loose shingles on the roof replaced on an annual basis, this could be allowable. Also, the cost related to the construction of a set used for stage performances may be allowable, if this is an ordinary and reasonable expense of the entity.

# Business Size/Employees

## 1. How should an entity determine its number of full-time equivalent employees?

For employee count, the SBA is drawing on the Economic Aid Act's specific provisions re: the calculation of employees and decades of agency experience in counting employees under the SBA size regulations (13 C.F.R. § 121.106). Employees that work at least 30 hours per week are considered full-time. Employees that work between 10-29 hours per week are considered one-half of a full-time employee. Employees that work less than 10 hours per week are not considered an employee. Once the qualifying employees are determined, an entity must then calculate the average number of employees it had over the prior year by adding up the number of qualifying employees in each individual pay period and dividing that amount by the number of pay periods over the 12-month period from Mar. 1, 2019 to Feb. 29, 2020.

For example, assume a firm paid its employees monthly and had the following number of qualifying employees each pay period:

- Mar 2019 – 9.5 full-time employees
- Apr 2019 – 8 full-time employees
- May 2019 – 9.5 full-time employees
- Jun 2019 – 8.5 full-time employees
- Jul 2019 – 10 full-time employees
- Aug 2019 – 10 full-time employees
- Sep 2019 – 7 full-time employees
- Oct 2019 – 8.5 full-time employees
- Nov 2019 – 7 full-time employees
- Dec 2019 – 6 full-time employees
- Jan 2020 – 7.5 full-time employees
- Feb 2020 – 6 full-time employees

The sum of the firm's full-time employees is 97.5. The firm would then divide 97.5 by 12 (the number of pay periods) to determine its average number of full-time employees was eight.

## 2. \*Are institutions of more than 500 employees eligible to apply for an SVOG if they meet other eligibility criteria?

Yes, as long as the entity does not also operate in more than 10 states **AND** in more than one country.

## 3. For determining employee counts and the average number of employees, what should an entity do if the date range doesn't match neatly with the payroll schedule (e.g., biweekly)?

An entity's average number of full-time employees will be determined with reference to each pay period that falls, either in whole or in part, within the 12-month timeframe stipulated by the Economic Aid Act.

For example, if an entity's biweekly pay period ran from Feb. 18, 2019, to March 3, 2019, that pay period would be considered when determining the entity's number of full-time employees, even though only three days of that pay period fell within the 12-month timeframe. In this case, the entity would average the employee's weekly hours for that pay period (including the days that fell outside the 12-month timeframe) to determine if they were a full-time employee in the first covered pay period. If the employee worked 40 hours from Feb. 18-24, 2019 and 30 hours from Feb. 25-March 3,

2019, their weekly average for that pay period would be 35 hours and they would count as a full-time employee for the first pay period.

**4. If an entity has a biweekly payroll schedule it will likely have some staff who work less than 10 hours for the first week of a pay period and more than 10 hours for the second week of a pay period. Would the entity average their total hours over those two weeks to determine if they were a full-time employee for purposes of that pay period?**

Yes, when calculating their number of full-time employees, entities will use a weekly average of the employees' total hours over that pay period.

For example, if an entity has a biweekly pay period and an employee worked 10 hours the first week and 30 hours the second week, the employee would have worked an average of 20 hours per week during that pay period and would be considered half a full-time employee for that pay period. While the Economic Aid Act defines full-time employees in terms of how many hours they work per week, for the small employer set-aside, the SBA will average number of full-time employees an entity has per pay period over the course of a set 12-month period.

**5. What is the full-time employee calculation used for?**

The SBA will look to the number of full-time employees retained by an entity for three purposes:

- (1) To determine whether the entity has more than 500 employees and thus may be ineligible for the SVOG if it also meets other criteria;
- (2) To determine whether the entity has between 500 and 10,000 employees and is thus subject to the certification regarding labor rights; and
- (3) To see if the entity is eligible for the small employer set-aside.

**6. Do independent contractors count as employees for purposes of the small employer set-aside?**

The SBA will consider the totality of the circumstances, including criteria used by the IRS for Federal income tax purposes, in determining whether individuals are employees of a concern. Where the IRS considers an individual to be an independent contractor rather than an employee, the SBA will do the same.

**7. If an eligible entity is run by a management company does the owner report that it doesn't have any employees, or is it required to include the number of individuals working for the management company in its application?**

As is the case with listing personnel costs, an eligible entity must only list its own full-time employees on its application, if any. The owner would not include employees of the management company.

**8. Can a tribal, state or local government-owned eligible entity qualify for the small employer set-aside?**

Yes.

## Revenue

**1. Will a recipient's grant amount be based on their earned or gross revenue?**

Earned revenue - The amount of funding an eligible entity receives under the SVOG program will be based on the product of a formula applied to their 2019 earned revenue (minus the amount of any PPP loan(s) received after Dec. 27, 2020) or \$10 million, whichever is less.

**2. Are donations / contributions included in gross earned revenue?**

No. Only earned revenue should be included in calculations of gross earned revenue. Unearned revenue, including donations and other gratuitous contributions, such as foundation grants and individual gifts, should not be included.

**3. Are fundraising event receipts considered gross earned revenue?**

In dealing with fundraising events, the SBA will follow the same general principles applied to tax deductions for donations to charities. This means that the portion of the amount an individual pays in connection with a fundraising event which represents the estimated value of the good or service they receive in exchange must be included in gross earned revenue. However, that portion of the amount such an individual pays that exceeds the estimated value of the good or service they receive will be considered a donation and is not included in gross earned revenue.

For example, if a ticket to a fundraising dinner costs \$100 per person and the estimated value of the dinner provided is \$50, then \$50 of the funds generated from the fundraising ticket would be considered gross earned revenue and the other \$50 would be considered a donation and would be excluded from gross earned revenue.

**4. Does a non-profit count contributions and grants revenue?**

No. Only earned revenue should be included in calculations of gross earned revenue. Unearned revenue, including donations and other gratuitous contributions, such as foundation grants and individual gifts, should not be included.

**5. Does a non-profit count membership revenue?**

Like fundraising, membership revenue will be considered part earned revenue and part gross revenue. The portion of membership cost that represents the estimated value of the goods or services provided as a condition of membership should be included in earned revenue. The portion of a membership cost that exceeds the estimated value of the goods or services provided as a condition of membership is considered gross revenue.

**6. What is included in the 10% maximum for federal grants/funding?**

The 10% maximum for federal grants/funding covers everything except disaster assistance, regardless of the use of the grant/funding.

**7. Is rental income from tenants and income from renting the venue for private events counted as earned revenue?**

Yes, rental income from longer-term tenants and from short-term rentals for event hosting should be included in earned revenue because they derive from standard commercial transactions for the paid use of facilities.

**8. If an eligible entity has multiple lines of business activity, including a line(s) not covered by the SVOG program (e.g., provides talent representation and financial services for athletes and entertainers), should it include earned revenue derived from those business lines or just the portion that relates to the SVOG?**

Yes. If an entity's primary business activity places it within one of the categories of an eligible entity under the Economic Aid Act, then it should use its gross earned revenue across all business activities and not exclude any non-SVOG revenue streams. The entity would also need to satisfy the requirement that the principal line of business makes it eligible for an SVOG.

**9. Is school tuition (e.g., charged by a dance school that operates a live venue) considered earned revenue?**

Yes.

**10. Will the SBA treat funds raised via capital campaigns differently than other types of fundraising proceeds?**

Yes. Given the unique nature and objective of capital campaigns conducted by nonprofits, the SBA will exclude all funds raised via capital campaigns from calculations of earned revenue.

**11. \*Will the SBA look to calendar year 2019 or fiscal year 2019 earned revenues for calculating award amounts?**

The SBA will use an entity's calendar year 2019 earned revenues as the basis for determining its award amount.

**12. Will earned revenue be analyzed/reported net of sales tax, returns, and discounts?**

Yes. Amounts that represent the costs of taxes collected for and remitted to a taxing authority, or returns, and post-sale discounts may be deducted from earned revenues.

**13. Does the exclusion of disaster assistance funds only apply to funds received directly from the Federal government?**

No. Disaster assistance funds an eligible entity receives, whether directly from the Federal government or indirectly through a tribal, state or local government, will be excluded from the entity's gross revenues.

For example, if a state government received CARES Act funding from the Federal government in a lump sum and apportioned it to make grants to small businesses, those state-issued grants also would be excluded from an entity's gross revenue. However, disaster assistance funding provided by tribal, state and local governments that does not originate from federal disaster assistance block grants, as well as disaster assistance provided by private entities, will not be excluded from an entity's gross revenues.

**14. Does disaster assistance include stimulus checks, unemployment insurance payments, loan forgiveness, or other forms of debt relief?**

For purposes of the SVOG, if such assistance originated from funding provided under either the Stafford Act (41 USC 5121 et seq.) or the CARES Act (Pub. L. No. 116-136), as amended, it would be considered federal disaster assistance (even if it was delivered by a tribal, state or local government) and excluded from an eligible entity's gross revenue. If the funding came from any other source it would have to be included in gross revenue. In no event would assistance of this sort be considered earned revenue.

**15. Will the SBA treat funds derived from sponsorships as earned revenue or gross revenue? Will sponsorship revenue be treated the same for for-profit and non-profit entities?**

SBA's treatment of sponsorship revenue will depend on whether an entity is a for-profit or non-profit entity.

- Because it represents payment made in exchange for a service (i.e., recognition or advertising), sponsorship payments (such as naming rights) received by for-profit entities will be considered earned revenue.
- Sponsorship payments received by non-profits will be considered part earned revenue and

part gross revenue. In such cases, the sponsorship payment amount that represents a fair market value for services in exchange (i.e., promotion, free admission, use of facilities) will be deemed earned revenue and the portion of the sponsorship payment that exceeds that amount will be deemed a contribution and thus gross revenue.

For example, if a company gives \$25,000 to a non-profit and for that, gets its logo in a program, event admission and screen time on monitors at the venue, then the “market cost” of those items are earned revenue and the remaining is gross revenue.

**16. How will the SBA categorize a partner’s standard, non-passive revenue (such as that reported on an IRS schedule K-1)?**

The SBA will include this type of revenue as both gross revenue and earned revenue.

**17. How will the SBA treat cases where all the revenue of an entity that commenced business operations and incurred costs in 2020 was refunded due to closures and cancellations brought on by the COVID-19 pandemic?**

In such cases, an entity may include these refunded amounts in both its gross revenue and earned revenue.

**18. If an entity operates two separate sites, which in 2019 were operated by two separate entities but merged in January 2020, how should it treat its 2019 and 2020 revenues?**

In cases of merged entities under circumstances such as this, entities should combine the revenues from both organizations for 2019 and then use the revenues for the successor entity for 2020.

**19. Should in-kind gifts be included in gross revenue?**

Yes. Gifts or contributions of any type, whether cash or in-kind, must be included in gross revenue.

**20. If an entity receives production fees and reimbursements from outside entities that put on productions in its spaces and some of the events are business conferences, does the revenue from these programs have to be excluded from performance fees?**

No. This revenue should be included along with an entity’s other performance fees.

**21. If an entity holds fee-based educational events at its venue and presents fee-based programs offsite, is the revenue from the offsite programs excluded?**

No. The fees generated by these offsite programs should be included in the entity’s gross and earned revenues.

**22. If an entity does not sell food or beverages directly to consumers, but receives a commission from a concessions firm that is outsourced for this, would the commission funds received constitute food and beverage sales?**

Yes.

**23. Can music recordings produced via a record label in an entity’s spaces, on tour and online count as merchandise sales?**

Yes.

**24. For an entity that only operates some facilities and the facility owner remains responsible for profits and losses (i.e., revenue and expenses are reported on operator tax return attributable to owner), how should the operator handle reporting? Should the revenue from the operated-**

**only facilities be removed in this section since the owner will use those revenues on owner's SVOG application?**

While it is possible that the same venue may be associated with multiple applications, such as where a venue owner, promoter, and talent representative all reference the same venue for purposes of documenting that they each individually meet the facility and event related eligibility requirements of the SVOG program, no SVOG application should include revenues that are also included on another SVOG application.

**25. Where a venue, movie theatre, or museum owned by a private university does not have its own EIN, should its application use the revenue figures for the university department which operates the entity, or must the requested revenue figures be those of the entire university system given it is the legal entity for purposes of the application?**

With the exception of government-owned eligible entities, including those owned by public universities, the SBA will look to the legal entity that is the holder of the EIN associated with the application to determine whether that application meets the SVOG program criteria, including the 10% federal contribution to gross revenue restriction, the [principal business activity](#) requirement, and all revenue loss thresholds.

**26. \*What should a talent representative count as their gross and earned revenues?**

Talent representatives should claim the commission income they earned from an artist's fee and any retainers paid to the talent representative. They should not claim payments passed through to the artists they represent.

## **Subsidiaries & Affiliates**

**1. What does it mean for two or more entities to be affiliated?**

Affiliation occurs where one firm has the power to control another firm, or a single person or entity has the power to control both. Affiliation typically arises due to common ownership, management, or through contractual or other legal arrangements. The SBA uses the principle of affiliation to help it determine if an entity is eligible for some government program or benefit reserved for small businesses. Where firms are found to be affiliated with one another, the SBA will combine their revenues and number of employees and compare those aggregated amounts to the relevant size limit for the program or benefit one of the firms is seeking. In this way, the SBA ensures that a firm which appears to be small but is actually controlled by a large corporation does not take a benefit meant only for small firms. The rules regarding affiliation in the context of SBA's financial assistance programs may be found at 13 C.F.R. §121.301(f).

**2. \*How will the SBA apply the principle of affiliation to the SVOG program?**

In administering the SVOG program, the SBA will consider the principle of affiliation in the following two contexts:

- (1) In applying the two provisions of the Economic Aid Act that specifically reference affiliation. First, it says affiliated firms (including subsidiaries) may apply for SVOGs on their own if they meet all the eligibility requirements. Second, it says that no more than five affiliated firms may receive SVOGs. In applying these two provisions, the SBA will rely upon the general principles of 13 C.F.R. § 121.301(f) to determine when firms are affiliated.
- (2) In determining whether an entity qualifies for the small employer set-aside or is subject to the certification regarding protecting labor rights. When calculating how many full-time equivalents an entity has for purposes of determining whether it falls within the threshold for either of these,

the SBA will look to the total number of full-time equivalents retained by the entity and all its affiliated entities (excluding those subsidiaries that independently meet the SVOG eligibility criteria and are thus not considered affiliates for purposes of the Economic Aid Act).

**3. How are shared expenses across affiliated organizations treated?**

Assuming an entity with subsidiaries, the (parent) shares costs with its subsidiaries, the parent's shared costs (or allocated costs to subsidiaries) remain as such, and the parent should keep records to show that all expenses claimed under the grant served grant purposes. If a subsidiary is eligible to apply for and applies for its own grant, only the portion of the shared cost that the subsidiary pays can be paid for by the SVOG should it be received.

**4. Are there limits on the number of affiliates that can receive an SVOG or the total between them?**

Yes, a maximum of five business entities related via affiliation (for example, one parent firm and four subsidiaries) can receive an SVOG. In addition, an eligible museum, and all other museums it operates as subsidiaries may receive no more than \$10 million combined under the program.

**5. \*For entities with subsidiaries, does each entity need to meet the eligibility criteria independently?**

No. [Subsidiaries](#) only need to meet the eligibility criteria independently if they are applying for SVOG awards on their own. Additionally, per the Economic Aid Act, subsidiary entities that qualify for an SVOG will not be treated as affiliates of their parent entity or one another.

**6. If a parent company is ineligible for an SVOG, can one of its subsidiaries still be eligible?**

In general, yes, if they apply separately. The Economic Aid Act specifically allows up to five firms with a subsidiary/parent relationship to apply for an SVOG provided that they meet the eligibility requirements in their own right, and the fact that one of them is ineligible generally should not preclude the others' eligibility. However, a subsidiary would not be eligible if it is [majority owned](#) or [controlled](#) by a parent entity that is either listed on the stock market or owns or operates eligible entities in more than 1 country and more than 10 states and has more than 500 employees. In either of those cases, the Economic Aid Act mandates that a subsidiary entity is ineligible for an SVOG even if it meets all the other requirements.

**7. May a parent company include its subsidiaries in an SVOG application or do separate applications need to be submitted for a parent and each subsidiary?**

A parent company may include its [subsidiaries](#) in an SVOG application. While subsidiaries can apply for SVOGs on their own, they are not required to do so. A parent company can submit an application that includes some or all its subsidiaries if it wishes to.

**8. If a theatre circuit has five theatres, each a separate legal entity, but filed a consolidated tax return, are they considered five entities or one entity?**

Five entities. Consolidating tax returns does not strip subsidiary or affiliated entities of any separate legal existence they may possess.

**9. If a motion picture theatre business is organized into two legal entities (the motion picture theatre management company and the motion picture theater operating company) and does not separately allocate revenues because all income and expenses are consolidated, may the management company and operating company each apply for separate SVOGs? For purposes of determining the respective revenues of each separate affiliate, may the business apply a**

**reasonable method of dividing revenue between the two entities?**

Yes. In allocating revenues and expenses to the separate entities the owner should consider the roles and responsibilities of each entity and the effort and other resources each contributed to the consolidated operations and ensure that any such division is reasonable and well documented.

**10. If a company has 10 subsidiaries or affiliates that are independent legal entities could all 10 apply for an SVOG at once with the understanding that only five of them could receive grants?**

No. Any applications received above the five affiliated-entity limit will be rejected without being evaluated. No more than five affiliated eligible entities may have active SVOG applications at any one time to efficiently allocate resources. This also reduces the potential for erroneous SVOG awards which would need to be cancelled and possibly recouped.

**11. \*Can two affiliated eligible entities both use the employer identification number of their parent to apply for their own SVOG? For example, could a concert hall and a movie theatre owned by the same parent entity each use that parent entity's EIN to apply?**

Generally no; however, multiple government-owned and tribally-owned entities may apply with the same EIN for reasons noted above in the Eligibility section. Additionally, except in the case of government-owned entities, where a parent entity's EIN is used it is the parent entity that must meet the statutory definition of an eligible entity rather than its subsidiaries or internal divisions.

**12. When will the SBA consider two entities with common ownership to be affiliated for purposes of the SVOG program?**

Consistent with the affiliation regulations for financial assistance programs (see 13 C.F.R. § 121.301(f)) the SBA will consider two firms to be affiliated based on ownership for purposes of the SVOG program where one firm owns more than 50% of the other or a single person or entity owns more than 50% of both.

**13. Can 2 or more firms affiliated due to their common ownership by another firm apply jointly?**

While affiliates may apply for the SVOG program in their own name or may be included in an application submitted by their ultimate parent entity, they cannot team up together on an application unless one of the firms owns more than 50% of the other.

For example, if Company A owns 100% of Company B, which owns 100% of Company C, then Company C could apply in its own name or be included in either A or B's application. Conversely, if Companies B and C are both 100% owned by Company A then they could each apply in their own name or be included in A's application, but B and C could not pair up together to submit an SVOG application.

**14. If an entity does not have DUNS numbers for affiliates that will be listed as part of its SVOG application, but the affiliates do not qualify for a SVOG (and won't be applying), does it need to have DUNS numbers for those affiliates?**

No. If an entity does not currently have DUNS numbers for non-SVOG eligible affiliates it is not required to obtain such registrations to submit an SVOG application.

**15. \*Does the limit on having no more than five pending applications or receiving no more than five SVOG awards per group of affiliated entities apply to government-owned entities?**

No, the SBA will not limit tribal, state or local governments to having no more than five pending SVOG applications or to receiving no more than five SVOGs. Given most government-owned entities do not

have their own EINs as noted above in the Eligibility section and many states may own numerous eligible entities, whether directly or through their public university systems, applying the ‘5 per group’ restriction here would prevent many, if not most, of them from receiving SVOG funding. Additionally, given the decentralized way governments own and operate eligible entities, it is not feasible to bundle several such entities into a single application as privately-owned parent companies may easily do.

**16. \*Can affiliated entities use the same SAM registration to apply for up to five SVOGs or should each affiliated entity that desires to receive a SVOG individually obtain its own SAM registration?**

With the exception of tribal, state or local government-owned eligible entities, which as previously noted typically do not have their own EINs and thus will also lack their own SAM registration, each entity applying for an SVOG must use its own SAM registration.

**17. If an entity is disregarded for tax purposes and doesn’t file its own tax returns, should the disregarded entity apply for an SVOG or should the entity that files tax returns apply for the SVOG?**

Assuming both entities have their own separate legal existence and each meets the eligibility requirements under the Economic Aid Act, either could apply for an SVOG.

**18. \*Can the same email address be used for registering several affiliated eligible entities that will be applying for SVOG awards?**

No. Separate email addresses must be used for each entity that registers with the SVOG Application Portal.

## Supplemental Phase

**1. If all SVOG program funds are expended during the program’s initial phase, what will the SBA do with regard to making supplemental awards?**

If all SVOG funding is expended during the program’s initial phase (or funds run out before the SBA can make fully funded supplemental awards to all eligible entities), the SBA intends to issue zero dollar ‘placeholder’ supplemental awards that could subsequently be modified to add funds in the event Congress appropriates additional monies for the program. Under this approach, an eligible entity that received a zero-dollar placeholder grant would still be entitled to the six-month extension afforded to recipients of supplemental phase awards.

**2. For seasonally-operated entities, will an alternative earned revenue loss comparison of Q1 2021 to Q1 2019 method be used for supplemental award eligibility?**

Yes, where an entity operates seasonally rather than year-round, the SBA will permit the seasonally-operated entity to compare its Q2 2021 earned revenues to its Q2 2019 earned revenues to demonstrate whether it has experienced the 70% earned revenue loss required for supplemental grants.

**3. Can eligible entities include an application for a supplemental grant as part of the initial grant request, or will they be required to submit a separate supplemental application later?**

Eligible entities cannot include a supplemental application as part of the initial request. Consistent with the Economic Aid Act, the SBA will finish the initial round of awards before proceeding to the supplemental phase.

# Definitions

## 1. Applicant User Guide

The document that serves as a tool for technical assistance by guiding applicants through the SVOG application portal with step-by-step instructions, see [www.sba.gov/svogrant](http://www.sba.gov/svogrant).

## 2. Booker

A booker is an individual (e.g., a talent buyer) who books bands or other performing artists for venues and fields inquiries from performing artists and performing and their agents or representatives.

## 3. Box office manager

A box office manager is an individual who is responsible for overseeing the sale of all tickets or receipt of admission fees, and may include the task of ensuring the security of payments exchanged.

## 4. Control

SBA regards control as including both the strategic policy setting exercised by boards of directors or similar organizational governance bodies and the day-to-day management and administration of business operations as overseen by principals.

## 5. Cover charges

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.

## 6. Date of operation

In response to this application question, an entity should enter the date the entity began in business.

## 7. Defined audience space

The defined audience space is the distinct physical area in which the audience experiences the performance for qualifying venues that host live performing arts events (not including museums and movie theatres).

## 8. Defined performance space

A defined performance space is the distinct physical space reserved solely for the presentation of a performance, such as drama, music, dance, comedy, or other live performing arts activity.

## 9. Disaster assistance

For purposes of the SVOG, if such assistance originated from funding provided under either the Stafford Act (41 USC 5121 et seq.) or the CARES Act (Pub. L. No. 116-136), as amended, it would be considered federal disaster assistance (even if it was delivered by a tribal, state or local government) and excluded from an eligible entity's gross revenue. If the funding came from any other source it would have to be included in gross revenue. In no event would assistance of this sort be considered earned revenue.

## 10. Eligible Entity

A live venue operator or promoter, theatrical producer, or live performing arts organization operator, a relevant museum operator, a motion picture theatre operator or owner, or a talent representative that meets the specific eligibility requirements of the SVOG.

**11. Fixed audience seating (as a requirement for museums and movie theatre operators)**

Fixed audience seating is seating permanently fixed to the floor or ground or which is so heavy or cumbersome as to make removing it impractical, such as heavy bleachers. Where fixed audience seating is required for a museum auditorium or movie theatre, a majority of the seating provided in that space must meet the definition of fixed audience seating.

**12. Fully operational**

A business that is in operation, including seasonal employers that are “out of season.”

**13. Full-time equivalent**

For purposes of determining the number of full-time equivalent employees, any employee working not fewer than 30 hours per week shall be considered a full-time employee; and 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.

**14. Government-owned entity**

Any eligible entity owned by a state or local government or any tribally-owned relevant museum.

**15. Lighting rig**

A lighting rig is a structure that holds lights in place for illuminating a stage or other defined performance space.

**16. Majority owned**

More than 50% of the ownership interests in an entity (regardless of its legal structure) are held by a single individual or entity.

**17. Mixing equipment**

Mixing equipment is a sound mixer that mixes two or more audio signals together, provides one or more output signals, allows adjustment of levels and enhancement of sound with equalization and effects, and creates monitor feeds.

**18. Motion picture theatre operator**

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

**19. Museum**

A museum is a public, tribal, or private nonprofit agency or institution organized on a permanent basis for essentially educational, cultural heritage, or aesthetic purposes, that uses a professional staff, owns or uses tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis. This 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.

**20. Open**

Being “open” includes operations such as maintaining facilities, paying employees, and/or planning and preparing to eventually resume staging, producing, promoting, or booking clients for live performing arts events, screening motion pictures, or presenting exhibitions.

### **21. Ordinary and necessary expenses**

An ordinary expense is one that is common and accepted in your trade or business. A necessary expense is one that is helpful and appropriate for your trade or business. An expense does not have to be indispensable to be considered necessary.

### **22. Paid fairly**

Being paid fairly means that event performers are paid in an amount based on a percentage of sales, a guarantee (in writing or standard contract), or another mutually beneficial formal agreement. Venues may also compensate performers by sharing an agreed upon portion of revenues received through door fees along with drink or meal tickets that may fall below 1099 reporting requirements.

### **23. Performing arts organization operator**

A performing arts organization operator is any entity (including a theatrical management business) whose [principal business activity](#) is to create, produce, perform, and/or present live performances for audiences in qualifying venues, including amphitheaters, concert halls, auditoriums, theatres, clubs, festivals, and schools.

### **24. Principal**

An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction OR a consultant or other person, whether or not employed by the participant or paid with Federal funds, who (1) Is in a position to handle Federal funds; (2) Is in a position to influence or control the use of those funds; or, (3) Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.

### **25. Principal business activity**

An entity's principal business activity is the line of business in which the entity has the greatest combined amount of revenues, expenses, employees and work hours, assets, contracts, and other business activity as compared to all its other lines of business.

### **26. Promoter**

A promoter is an entity or individual that organizes live events by performing artists and carries out tasks (other than as a vendor or service provider) such as renting a performance site, contracting with artists or a production company for the performance, marketing events, and collecting gate receipts. A promoter must have:

- (1) a profit (net income or loss) interest in the live event's presentation; and
- (2) sole or joint rights to control the financial terms of the live event's presentation, use of the venue, and/or marketing of the event. Promoters may own and/or operate live venues or contract for space and may include festival promoters or the promotion of live performing arts events at outdoor, festival spaces that have all the required characteristics of a qualifying venue.

### **27. Public address system**

A public address system is an electronic system with at least one microphone, amplifier, and loudspeaker which increases the volume of a human voice, musical instrument, or other acoustic sound source or recorded sound or music.

## **28. Regular programming**

Programming provided an average of at least four times per month in a qualifying theatre, lecture hall, or similar venue.

## **29. Revenue**

### **a. Earned revenue or 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. Earned revenue does not include other sources of funds that an organization may receive, such as donations, governmental assistance, or returns on investments.

### **b. Gross revenue**

Gross revenue is functionally equivalent to 'receipts,' which the SBA has defined under 13 C.F.R. § 121.104 as meaning "all revenue in whatever form received or accrued from whatever source." This will include contributions, donations, and grants from any and all sources (excluding any [disaster assistance funding](#)).

## **30. Seasonal employer**

An employer that does not operate for more than 7 months in any calendar year; or during the preceding calendar year, had gross receipts for any 6 months of that year that were not more than 33.33% of the gross receipts of the employer for the other 6 months of that year. (Section 7(a)(36)(A)(xiii) of the Small Business Act, 15 USC 636(a)(36)(A)(xiii))

## **31. Security personnel**

Security personnel are individuals hired for a live event to provide protection and aid for attendees, performers, and venue employees. Duties of security personnel may include monitoring the event, maintaining order, escorting attendees out of events, and suppressing disturbances.

## **32. Sound engineer**

A sound engineer is an individual who helps to produce a live performance by managing or enhancing source levels of sound, including by equalization and audio effects, mixing, reproduction, and reinforcement of sound.

## **33. Stage manager**

A stage manager is an individual who supervises the performance space and physical aspects of a production and oversees the performance space while a production is in progress.

## **34. Subsidiary business**

A subsidiary is an entity that is either wholly or majority-owned and controlled by another entity.

## **35. Talent representative**

A talent representative is an agent or manager for whom no less than 70% of their business

operations (as measured with reference to their overall revenues, costs, devotion of time, contracts, and other indicia of business activity) involves the representation or management of two or more artists or entertainers. These operations must involve booking or representing musicians, comedians, actors, or similar performing artists primarily at live events staged in venues or at festivals in exchange for compensation founded on the number of tickets sold or a similar basis (including flat fee guarantees).

### **36. Theatrical producer**

A theatrical producer is an eligible individual or entity (including the entity that employs the performers in a theatrical production) which has the responsibility for creating, producing, or operating live theatrical productions and that have either a non-passive profit (net income or loss) interest in a theatrical production (other than as a vendor or service provider) or sole or joint rights to control a theatrical production. Theatrical producers are responsible for functions such as negotiating debt or equity financing with lenders or investors, financial and tax reporting, and closing the production. The term “theatrical producer” does not include individuals or entities that provide financial support for a theatrical production without either a non-passive profit (net income or loss) interest or the control described above.

### **37. Worker protection expenditures**

An operating or capital expenditure which helps an entity adapt its business activities to comply with guidance or requirements issued by a Federal, state, or local health authority related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to the COVID-19 pandemic. Such expenditures must be incurred between March 1, 2020, and the date on which the COVID-19 national emergency declared by the President expires. Worker protection expenditures may include the purchase, maintenance, or renovation of items such as a drive-through window facility; a ventilation or air filtration system; a physical barrier such as a sneeze guard; an expansion of additional indoor, outdoor, or combined business space; an onsite or offsite health screening capability; and personal protective equipment.