

## Shuttered Venue Operators Grant Program

This is a new targeted grant program created by the Law specific to businesses that are a “live venue operator or promoter, theatrical producer, or live performing arts organization operator, a relevant museum operator, a motion picture theatre operator, or a talent representative” that was both:

- (a) fully operational on February 29, 2020 and
- (b) that demonstrates a 25% reduction from the gross earned revenue during the same quarter in 2019 (or 2020, as applicable).

Certain venue operators are not eligible to participate (e.g., venue operators owned by public companies, offering performances of a prurient sexual nature, receiving more than 10% of gross revenue from federal funding).

To be eligible, as of the date of the grant, the business must be open or intend to reopen.

Initial grants may be in an amount equal to 45% of gross earned revenue in 2019. A venue operator may qualify for a second grant equal to 50% of the amount of the first grant, but the total amount of grants may not exceed \$10 million.

For a 14-day period, the SBA will award priority grants to the venue operators that have seen at least a 90% decline in revenue comparing the period between April 1, 2020 and December 31, 2020 against the comparable period in 2019.

Immediately thereafter, for another 14-day period, the SBA will then award second priority grants to venue operators that have seen at least a 70% decline in revenue.

After both priority grants have been satisfied, all other venue operators may then apply. We note that the Law reserves \$3 billion for venue operators that do not qualify under the priority grant provisions.

A recipient must use the grant funds for the following expenses which were incurred between March 1, 2020 and December 31, 2021:

payroll costs; and certain rental obligations, utility payments, mortgage obligations, worker protection costs, payments to certain independent contractors and ordinary/necessary expenses.

The SBA is working on the rules they need to adopt to implement these Grants. In the meantime, here is what you can do to prepare:

1. Work through and document your revenue calculations of 2020 as compared to 2019 to verify how much of a decrease in revenue you had and if you are eligible, what round you can apply.
2. If you are a member of NIVA (National Independent Venue Association)....Read the NIVA emails being sent you as these will provide you with updates and progress. If you haven't renewed your NIVA membership yet or want to sign up to be a member you can do so here: <https://nivamembers.paperform.co> It is my understanding that NIVA membership is free. NIVA will be your best source of information on these Grants.
3. Since the SBA will be administering the Grant, you will need to register with The System for Award Management (SAM). This is an official website of the U.S. government. There is no cost to use SAM. You can register for this at: <https://www.sam.gov/SAM/> This can take 7-10 days, so please do your registry now so you are ready to apply for the grant when the SBA opens the application process.

Remember as stated above.... These grants will only be available for a short time so review and document your gross earned revenue to see if you are eligible and then make the preparations now so you can quickly apply when the application process opens. When the money is gone the application process will close!