



The NYS COVID-19 Pandemic Small Business Recovery Grant Program

Empire State Development

A Division of Empire State Development

The NYS COVID-19 Pandemic Small Business Recovery Grant Program

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

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

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

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



Small Business Qualifications

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

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

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

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



Businesses NOT ELIGIBLE for a grant award

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





Grant Award Amount Calculation

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

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

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

Example calculations:

#1) A Qualifying Business with \$25,000 in Gross Receipts in 2019: $25,000 \times .10 = 2,500$: This business would get the minimum grant of 5,000

#2) A Qualifying Business with \$75,000 in Gross Receipts in 2019: $75,000 \times .10 = 10,000$: This business would get the flat 10,000 grant.

#3) A Qualifying Business with \$250,000 in Gross Receipts in 2019: $$250,000 \times .10 = $25,000$: This business would get a \$25,000 grant.

#4) A Qualifying Business with \$500,000 in Gross Receipts in 2019: $500,000 \times .10 = 50,000$: This business would get the maximum \$50,000 grant.

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





Eligible usage of Grant funds

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

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

Ineligible uses of funds:

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



How to Apply

- Applications will be accepted online through a process to be determined, more information will be available prior to launch.
- The application portal is expected to become operational on June 10, 2021, at 9am ET.



Documentation Requirements

- For proof of revenue loss or other economic hardship 2019 and 2020 Business Income Tax returns;
 - o For corporations and LLCs IRS Form 1120
 - For partnerships IRS Form 1065 and Schedule K-1
 - For sole proprietors IRS Form 1040 with Schedule C
- Completed IRS Form 4506-C;
- For proof of business location and current operation Any two (2) of the following documents:
 - Current lease; or
 - Utility bill; or
 - Current business bank statement; or
 - Current business mortgage statement; or
 - Business credit card statement; or
 - Professional insurance bill; or
 - Payment processing statement; or
 - NYS ST-809 or ST-100 sales tax collection documentation.



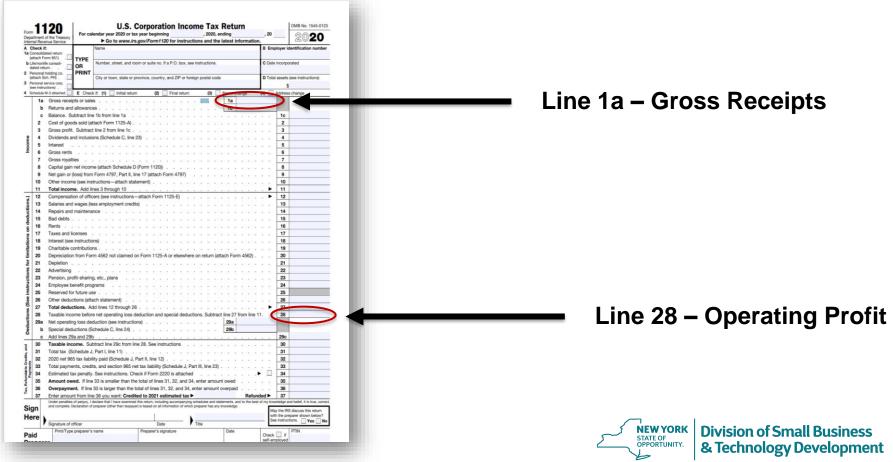


Documentation Requirements (continued)

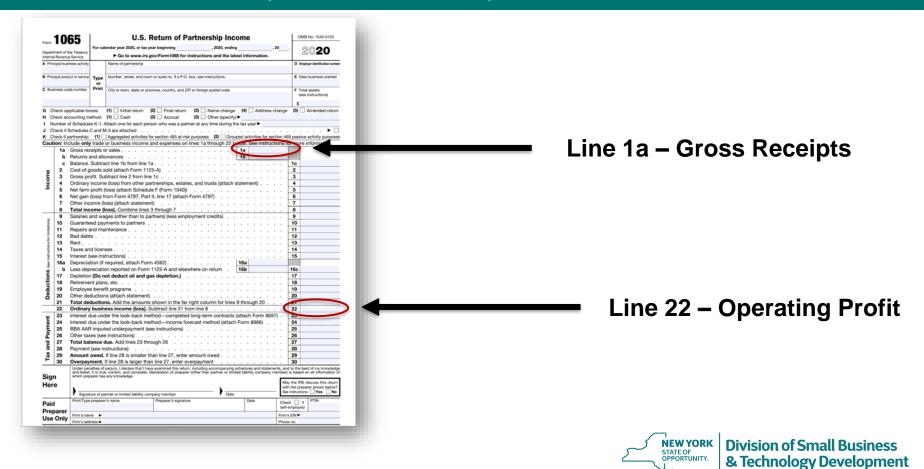
- Schedule of ownership: Listing of names, addresses, Social Security Numbers (or Individual Taxpayer Identification Numbers), phone numbers, e-mails, percentage ownership, and photo ID for any owners with more than 20% ownership of business.
 - To complete the application for the grant, owner/applicant must be at least a 20% owner and provide listing of name, address, Social Security Number (or for non-US owners Individual Taxpayer Identification Number), phone number, e-mails, percentage ownership, and photo ID.
 - To complete the funding of grant, applicant must submit schedule of ownership information for all owners with 20% or more ownership of business: listing of names, addresses, Social Security Numbers (or for non-US owners Individual Taxpayer Identification Numbers), phone numbers, emails, percentage ownership, and photo ID.
 - Non- U.S. owners are subject to Individual Taxpayer Identification Number verification through IRS Form CP565.
- Proof of number of employees: Most recently submitted NYS-45 document (for employer firms only);
- For funds distribution: W-9 and bank account information.



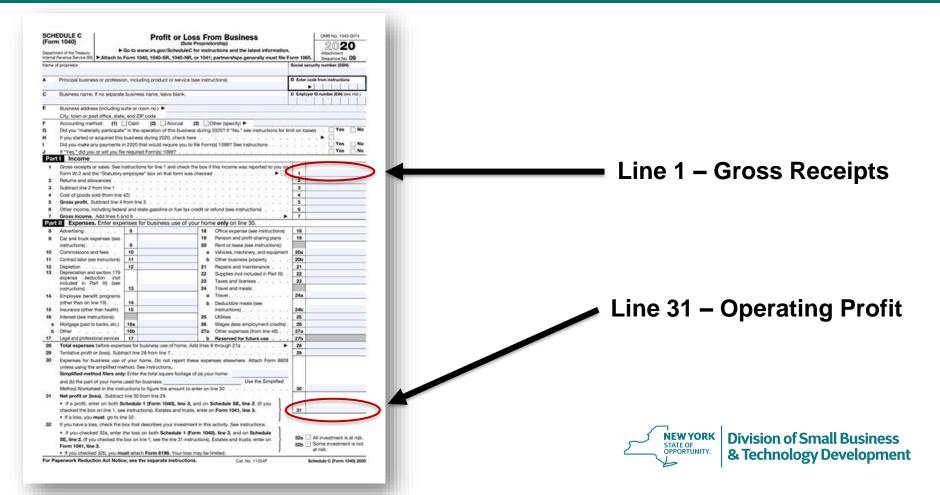
IRS Form 1120 Corporations – Data Location Examples



IRS Form 1065 Partnerships – Data Location Examples



IRS Form 1040 Schedule C Sole Proprietorships – Data Location Examples



Additional Information for Applicants

- Eligible Applicants must provide evidence, acceptable to New York State that the Eligible Applicant is operational and that the Eligible Applicant is not restricted by any state, local or other agency mandate.
- Due to a limited amount of funding and the high volume of requests expected, your business type, geography and industry may factor into your ability to receive a grant.
- Priority will be given to socially and economically disadvantaged business owners including, but not limited to, minority and women-owned business enterprises, service-disabled veteran-owned businesses, and veteran-owned businesses, or businesses located in communities that were economically distressed prior to March 1, 2020, as determined by the most recent Census data.



Free Assistance Preparing Applications

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

- SBA Small Business Development Centers (SBDC): http://nysbdc.org/
- Entrepreneurship Assistance Centers (EAC):
 https://esd.ny.gov/sites/default/files/EACContactListJuly2020.pdf
- Business Mentor NY COVID-19 Volunteer Task Force: <u>www.businessmentor.ny.gov</u>



- ESD Small Business Division: https://esd.ny.gov/doing-business-ny/small-business-hub
- ESD Directory for Organizations available to Assist Businesses: https://esd.ny.gov/organizations-available-assist-businesses



Thank you for supporting Small Business Recovery in New York State



