

The New York State COVID-19 Pandemic Small Business Recovery Grant Program FAQ

Frequently Asked Questions as of May 28, 2021



Empire State
Development

The New York State COVID-19 Pandemic Small Business Recovery Grant Program

- The NYS COVID-19 Pandemic Small Business Recovery Grant Program was created to provide flexible grant assistance to currently viable small businesses, micro-businesses and for-profit independent arts and cultural organizations who have experienced economic hardship due the COVID-19 pandemic.
- Eligible applicants may qualify for grants of up to \$50,000 depending upon the amount of the business's gross receipts.
- Small businesses, Micro-businesses and For-profit independent arts and cultural organizations (collectively, "Eligible Applicants") must 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 (may be shuttered due to COVID-19 restrictions).
- Eligible Applicants will be required to show a gross receipts loss or other economic hardship as a result of the COVID-19 pandemic or compliance with COVID-19 health and safety protocols which resulted in business modifications, interruptions, or closures.

When can I apply for a grant?

- The grant portal is in the process of being created. Please visit the ESD website for further details.
- We anticipate the portal will open on June 10, 2021 at 9am ET.

Who is eligible and can apply for a grant?

- Small businesses and Micro-businesses and For-profit independent arts and cultural organizations (collectively, "Eligible Applicants") must:

- 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 (may be shuttered due to COVID restrictions).
- Have 2019 or 2020 Gross Receipts of between \$25,000 and \$500,000 per annum (line 1a, IRS Form 1120 or 1065; line 1 IRS Form 1040 Schedule C).
- Demonstrate positive net profit on 2019 Business Return (\$1 or greater) (line 28, IRS Form 1120; line 22, IRS Form 1065; or 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.
 - COVID-19 EIDL Advance Grant of \$10,000 or less.

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- COVID-19 EIDL Supplemental Targeted Advance Grant of \$5,000 or less.
- SBA Shuttered Venue Operators Grant of \$150,000 or less.

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.

When does a business have to have been established to be eligible to apply for a Grant?

- The business must have been in operation as of March 1, 2019 and continue to be in operation as of the date of application.

My business has closed permanently but was open on March 1, 2019. I am eligible for a grant?

- No. The business must be in operation as of the date of application.

My business was profitable in 2019, but unprofitable in 2020. I am eligible to apply for a grant?

- Yes. The business needs to have shown positive income in 2019 only (\$1 or greater).

My business saw a revenue increase in 2020. I am eligible for a grant?

- No. The business needs to have shown a gross revenue loss of at least 25% from 2019 to 2020 to qualify.

How long will this program last?

- The program will last until the funding is exhausted.
- 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

Is a business that applied for and received a Paycheck Protection Program loan in 2020 or 2021 eligible to apply for a Grant?

- Yes, provided the total of all PPP loans does not exceed \$100,000.

Is a business that applied for and received as SBA Restaurant Revitalization Fund Grant eligible to apply for this Grant?

- No.

What entities are NOT eligible?

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

How much grant money can I receive?

- Grant awards will be calculated based on a business' annual gross receipts for 2019:
 - Annual gross receipts: \$25,000-\$49,999: Award is \$5,000/ business.
 - Annual gross receipts: \$50,000-\$99,999: Award is \$10,000/ business; or

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

Are Non-Profits eligible for grants?

- No. Only for-profit businesses are eligible.

How are grant funds allowed to be used?

- The grants must be used for COVID-19 related losses or expenses incurred between March 1st, 2020 and April 1st, 2021.
- These expenses include:
 - Payroll costs; or
 - Commercial Rent or mortgage payments for NYS-based property (may not be used for pre-payments); 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.

How are grant funds NOT allowed to be used?

- 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 is “small business” being defined?

- "Small business" shall mean a business which is resident in New York State and incorporated in New York State and licensed or registered to do business in New York State, is independently owned and operated, not dominant in its field, and employs one hundred or less persons.

How is “micro-business” being defined?

- "Micro-business" shall mean a business which is resident in New York State, incorporated in New York State and licensed or registered to do business in New York State, is independently owned and operated, not dominant in its field, and employs ten or less persons.

How is “For-profit independent arts and cultural organization” being defined?

- "For-profit independent arts and cultural organization" shall mean a small or medium sized private for-profit, independently operated live-performance venue, promoter, production company, or performance-related business located in New York state negatively impacted by COVID-19 health and safety protocols, and having one hundred or less full-time employees, excluding seasonal employees. The qualifying organizations under this definition may include businesses engaged in a field including, but not limited to, architecture, dance, design, film, music, theater, opera, media, literature, museum activities, visual arts, folk arts and casting.

How is “COVID-19 health and safety protocols” being defined?

- "COVID-19 health and safety protocols" means any restrictions imposed on the operation of businesses by executive order 202 of 2020 issued by the Governor, or any extension or subsequent executive order

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issued in response to the COVID-19 pandemic, or any other statute, rule, or regulation imposing restrictions on the operation of businesses in response to COVID-19.

What documentation will I be expected to provide?

- The following documentation will be collected as proof of grant qualification:
 - Proof of revenue loss or other economic hardship: 2019 and 2020 Business Income Tax returns
 - For Corporations and LLCs – IRS form 1120
 - For partnerships – include IRS Form 1065 and Schedule K-1
 - For sole proprietors – include IRS Form 1040 Schedule C
 - Completed IRS Form 4506-C
 - 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.
 - Schedule of ownership: Listing of names, addresses, Social Security Numbers (or for non-US owners, Individual Taxpayer Identification Numbers), phone numbers, e-mails, percentage ownership, and photo ID for any owners with more than 20% ownership of business.
 - To complete the application for the grant, owner/applicant must be at least a 20% owner and provide listing of name, address, Social Security Number (or for non-US

owners, Individual Taxpayer Identification Number), phone number, e-mails, percentage ownership, and photo ID.

- To complete the funding of grant, applicant must submit schedule of ownership information for all owners with 20% or more ownership of business: listing of names, addresses, Social Security Numbers (or for non-US owners, Individual Taxpayer Identification Numbers), phone numbers, e-mails, percentage ownership, and photo ID.
- Proof of number of employees: Most recently submitted NYS-45 document for employer firms.
- For funds distribution: W-9 and bank account information.

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