



## **\$15 Billion in Grants Provided for Shutter Venue Operators**

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As part of the latest Covid-19 Relief package, there is funding of up to \$15 billion being provided as grants to “eligible persons or entities”. These grants will be administered through the SBA similar to the Paycheck Protection Program (PPP) and are part of the newly passed legislation. All indicators show that this funding will take time for the SBA to establish the program procedures and make the funds available to those that qualify.

### **Do I qualify for a Grant?**

Eligible persons or entities include live venue operators or promoters, theatrical producers, live performing arts organization operators, relevant museum operators, motion picture theater operators, or talent representative in operation as of February 29, 2020.

To be eligible, the applicant must intend to resume organizing, promoting, producing, managing, or hosting future live events. As to motion picture theaters or museums, eligibility requires intention to reopen, and talent representatives must continue to represent or manage artist and entertainers. Finally, the applicant must make a certification that the uncertainty of current economic conditions makes necessary the Grant to support ongoing operations.

### **Small Business Provisions:**

To be eligible, the applicant must not be a publicly traded stock, or have received more than 10 percent of its revenue from Federal funding during 2019. Further, the entity is ineligible if it or its majority owner has 2 or more of the following qualities: (i) owns or operates locations in more than one country, (ii) owns or operates entities in more than 10 States, and (iii) employs more than 500 employees as of February 29, 2020 as determined by the full-time equivalent test.

### **What if I received an SBA Loan?**

An eligible entity cannot have received a loan under the SBA Section 7(a). Other details are applicable, and you can contact us should you have an SBA loan at this time to see if you qualify. Additionally, if you received a PPP loan on December 27th or later, you are not eligible for this Grant. It appears you are eligible if you received a PPP loan prior to that date.

### **What qualifies at a Talent Representative?**

A Talent Representative is an agent or manager has not less than 70 percent of the operations engaged in representing or managing artists and entertainers that perform primarily at live events



in venues or festivals and the performers are paid in an amount that is based upon the number of tickets sold, or a similar basis.

The Talent Representative must be primarily engaged in and relating to representation of live performances.

### **What expenses are eligible under this Grant?**

In general, the expenses eligible for use of these grant funds are payroll costs, rent, utilities, interest or principal payments on a covered mortgage, payments to independent contractors, and other ordinary and necessary business expenditures such as maintenance, administrative costs, operating leases, etc. The eligible expenditures under the grant are for costs incurred during the period beginning March 1, 2020 and ending December 31, 2021. Under provisions for supplemental grants under this program, the period extends to June 30, 2022.

### **When would I be eligible for funding?**

The first level of funding would go to those that have 10% or less of revenue in 2020 as compared to the same period in 2019. The second priority of funding is to those with 30% or less in 2020 compared to 2019.

Currently, the SBA must establish the program and then establish the application process. It is expected that funding will likely not occur until early March 2021.

### **How much can I apply for?**

The grants are expected to be up to 45% of the person or entity's 2019 revenues, up to a maximum of \$10 million. If a person or entity began operations after January 1, 2019, grant is equal to 6x the average monthly gross earned revenue for each full month of 2019 that the eligible person was in operation. Due to the limitations on the overall funding, different levels of funding based upon decrease in revenues, and other limitations for funding of the various eligible persons/entities, the maximum grants may change as SBA prepares for the application process.

SKP will monitor the status and be available to assist should you believe you qualify for this grant.