



## PROGRAM GUIDELINES

### COVID-19 Hospitality Industry Recovery Program (CHIRP)

Lebanon County will receive approximately \$1.6 million in grant funding through the Pennsylvania COVID-19 Hospitality Industry Recovery Program to be administered through the Lebanon Valley Economic Development Corporation beginning March 15, 2021 and ends June 15, 2021 or until all funds have been expended but not to exceed June 15, 2021. Grants will be awarded to eligible applicants for the purpose of reimbursing revenue losses in increments of \$5,000 with a maximum grant amount of \$50,000.

#### Eligible Applicants for CHIRP

Eligible entities for this program are strictly limited to those within the hospitality industry as defined by the North American Industry Classification System (NAICS) and have the designation within the following subsectors:

- Accommodation subsector (721)
- Food Services and Drinking Places subsector (722)

**The business entity NAICS code can be found on the first page of the corporate tax return. Eligibility for this requirement will be confirmed using the required submitted tax return.**

#### A business is eligible if:

- Applicant had gross receipts during the first, second, third or fourth quarter in calendar year 2020 that demonstrate at least a 25% reduction from the applicant's gross receipts during the same quarter in calendar year 2019;

If the applicant was not in business during the first or second quarter of calendar year 2019, but was in business during the third and fourth quarters of calendar year 2019, the applicant had gross receipts during the first, second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the applicant's gross receipts during the third or fourth quarter of calendar year 2019

- It has fewer than 300 full-time equivalent employees.
- It has a maximum tangible net worth of not more than \$15 million.
- Place of business must be physically located in Lebanon County.
- Must be able to certify that business was in operation as of February 15, 2020.
- Has and will remain in operation and does not intend to cease operations within one year of application date.
- Must have filed a 2019 federal tax return unless the business initially opened between January 1 – February 15, 2020.
- Has paid and is current on Federal, State and Local taxes.

- Is current with Real Estate and Hotel Occupancy taxes (if applicable).
- Has had an adverse economic impact created by Covid-19 pandemic that requires this award in order to continue operations.
- Will utilize the grant to pay for Covid-19 related economic impacts not already covered by another Cares Act or Pandemic related funding program.
- Must be able to certify that business has not and will not receive another CHIRP grant between January 1, 2021 to June 30, 2021.

**Priority will be given to applicants that:**

- Have not received a loan or grant issued under the authority of the Commonwealth or the Commonwealth's political subdivisions or by the Federal Government under the Cares Act of Consolidated Appropriations Act 2021; including but not limited to the following:
  - Small Business Administration- Paycheck Protection Program (PPP) (Federal)
  - PIDA COVID19 Working Capital Access Program (CWCA) (State)
  - Small Business Administration Economic Injury Disaster Loan Program (Federal)
- Were subject to closure by the Governor's disaster declaration; or
- Can demonstrate one of the following:
  - A reduction in gross receipts of 50 percent or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after March 31, 2019, and ending before December 31, 2019.

If the eligible applicant was not in operation during the entire comparison period, but was in operation on February 15, 2020, a monthly average reduction in gross receipts of 50 percent or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after January 1, 2020, and ending before April 1, 2020.

## **Applicant's Requirement**

A grant may not be awarded to pay for the same eligible operating expenses for which an eligible applicant receives or received payment, reimbursement or loan forgiveness from the following sources:

- A. The Cares Act or Consolidated Appropriations Act 2021 money that is not required to be repaid to the Federal Government.
- B. The act of May 29, 2020 known as the COVID-19 Emergency Supplement to the General Appropriation Act of 2019.

The receipt of a loan or grant issued under the authority of the Federal Government or the Commonwealth will not disqualify an applicant from eligibility for a grant.

*It is the Applicant's responsibility to certify that the funds being applied for through CHIRP will not be utilized for the same expenditures for which Cares Act or Covid related programs were utilized.*

## **Important Dates**

March 8, 2021 – Announcement of grant opportunity.

March 15, 2021 – Applications open via on-line portal until funds are depleted.

March 15, 2021 - Applications will be accepted on a rolling basis beginning March 15, 2021 and ending June 15, 2021 or until funds have been exhausted; whichever is earlier.

April – June, 2021 – Awards or declines will be announced monthly until funds are exhausted.

July 15, 2021 – All funds must be disbursed. In order to disburse; signed Agreements must be executed well in advance of this date.

## Application Requirements

Applicants will be required to submit an online application. Applicants will also be required to upload the following supporting documentation in PDF format:

- Profit & Loss Income Statement for the business for 2019, organized by quarter
- Profit & Loss Income Statement for the business for 2020, organized by quarter
- Completed W-9
- 2019 business tax return
- 2020 business tax return - recommended
- Signed Self- Certification form

\*Be prepared to supply monthly Profit & Loss Statements if requested.

\*If the online submission requirement creates a hardship you may contact [mkulbitsky@lvedc.org](mailto:mkulbitsky@lvedc.org) or call the LVEDC office 717-274-3180. However, paper applications are not preferred.

## Application Review

Applications will be accepted on a rolling basis between March 15, 2021 and June 15, 2021 or until funds have been exhausted, whichever is earlier. Completed applications will be reviewed in the order that they are received. After you electronically submit your application, you will receive an electronic acknowledgement that it was successfully transmitted and was received for review. If you do not receive an electronic acknowledgment, please check your spam/junk mail folder(s).

**Only complete and accurate applications will be considered. Applications with technical errors or without the required back-up documentation will be removed from the applicant pool and deemed ineligible. If your application is ineligible, you will receive an email notification, allowing you the opportunity to resubmit a complete application before the deadline.**

All grant applications will be reviewed for approval by the LVEDC loan committee.

## Award Guidelines and Distribution of Funds

Once approved, an award letter and grant agreement will be emailed to the Grantee for execution. Upon execution, checks will be mailed to the Mailing address listed on the Application within two weeks of receipt of executed Agreement.

*For more information about the program: Questions should be directed to the Lebanon Valley Economic Development Corporation at [mkulbitsky@lvedc.org](mailto:mkulbitsky@lvedc.org) or 717-274-3180.*

Applicants in need of assistance in ensuring an accurate and complete submission should consult a local accountant or advice of other area professionals that can be of assistance. LVEDC will not be able to support review of your application and supporting materials in advance of your submission.

## **APPENDIX A:**

### **ACT 1 of 2021**

#### **“Eligible applicant.” A for-profit entity that meets each of the following:**

- (1) Is not publicly traded.
- (2) Experienced a reduction in revenue in calendar year 2020, measured as follows:
  - (i) The applicant had gross receipts during the first, second, third or fourth quarter in calendar year 2020 that demonstrate at least a 25% reduction from the applicant’s gross receipts during the same quarter in calendar year 2019;
  - (ii) If the applicant was not in business during the first or second quarter of the calendar year 2019, but was in business during the third and fourth quarters of calendar year 2019, the applicant had gross receipts during the first, second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the applicant’s gross receipts during the third or fourth quarter of calendar year 2019;
  - (iii) If the applicant was not in business during the first, second or third quarter of calendar year 2019, but was in business during the fourth quarter of the calendar year 2019, the applicant had gross receipts during the first, second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the fourth quarter of calendar year 2019;
  - (iv) If the applicant was not in business during calendar year 2019, but was in operation on February 15, 2020, the applicant had gross receipts during the second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the gross receipts of the entity during the first quarter of calendar year 2020; or
  - (v) An applicant that was in operation in all four quarters of calendar year 2019 is deemed to have experienced the revenue reduction in subparagraph (i) if the applicant experienced a reduction in annual receipts of at least 25% in 2020 compared to 2019 and the applicant provides copies of its annual Federal tax forms substantiating the revenue decline.
  - (vi) If an applicant changed ownership or control in calendar year 2020, the applicant may measure its reduction in revenue in calendar year 2020 under subparagraphs (i) (ii) (iii), (iv) or (v) using the gross receipts of the entity for 2019.
- (3) Meets each of the following conditions as of February 15, 2020:
  - (i) Operates a place of business within this Commonwealth having a NAICS designation within the Accommodation subsector (721) or Food Services and Drinking Places subsection (722) and where accommodations, food or drink is served to or provided for the public, with or without charge.
  - (ii) Has fewer than 300 full-time equivalent employees. For purposes of determining the number of full-time equivalent employees under this paragraph SUBPARAGRAPH, the calculation shall include each employee of the eligible applicant notwithstanding whether the eligible applicant has employees at multiple locations.
  - (iii) Has a maximum tangible net worth of not more than \$15,000,000 computed in accordance with generally accepted accounting principles.

**“Eligible operating expense.”** An operating expense, including a payroll and nonpayroll expense, that is both ordinary and necessary. An ordinary expense is one that is common and accepted in an eligible applicant’s industry. A necessary expense is one that is helpful and appropriate for an eligible applicant’s trade or business. For purposes of determining an eligible operating expense, the following limitations shall apply:

- (1) The operating expense must have been incurred between March 1, 2020, and June 15, 2021, or prior to submission of an application under subsection (b), whichever occurs first.
- (2) For a mortgage obligation, the mortgage must have been in force before February 15, 2020.
- (3) For rent, under lease agreements, the lease agreement must have been in force before February 15, 2020.
- (4) For utility costs, service must have begun before February 15, 2020.
- (5) If an existing mortgage obligation or lease agreement in force before February 15, 2020, is refinanced or restructured after February 15, 2020, the mortgage obligation or lease agreement is deemed to have been in force before February 15, 2020.

**APPENDIX B: Financial information required to be input by Applicant through on-line portal.**



**Note: Normal and eligible operating expenses does not include amortization, bad debt write-offs, charitable donations, depreciation, gifts, interest, leasehold improvements, legal settlements, miscellaneous uncategorized expenses, penalties and fines, taxes other than payroll. You will need to show the sum of these ineligible expenses for 2019 and 2020.**

**The Applicant certifies that:**

1. All information and statements contained in this Application, and all documents and exhibits submitted with this Application, are to the best of Applicant's knowledge, true, accurate, complete and not misleading, as of the date of this Application. Any further information or documentation submitted by Applicant in connection with this Application shall also be subject to this certification, which shall be deemed to be remade as of the date submitted.
2. Applicant has fully complied with, and will fully comply with, all federal, state and local laws and regulations applicable to this grant and applicable to Applicant's business, assets and/or operations, and the Applicant is not currently under investigation with respect to any violation of, or other failure to comply with, any such applicable law or regulation. No funds will be used for any purpose or in any manner that violates federal, state or local laws or regulations. All funds will be utilized for purposes consistent with the COVID-19 Hospitality Industry Recovery Program.
3. COVID-19 has had an adverse economic impact on the eligible applicant which makes the grant request necessary to support the ongoing operations of the eligible applicant. The Application is based on the Applicant's reasonable estimate of financial need for, and all funds will be utilized by the Applicant solely for, COVID-19 related impacts.
4. Applicant will submit additional information and documentation in support of this application and/or the grant requested or awarded with respect to this Application, in each case, upon request, and will permit the Commonwealth of Pennsylvania, County of Lebanon or its representatives, designees or affiliates to inspect and/or audit the books, records, premises and operations of the Applicant to assure compliance with the requirements of this program. Applicant hereby acknowledges and agrees that all information may be shared by and with the Lebanon County and the Lebanon Valley Economic Development Corporation (LVEDC), their respective partners, designees, affiliates, employees, agents, volunteers and committees to the extent such disclosure is made in connection with the application and this grant program.
5. **AVAILABLE FUNDS ARE LIMITED AND SIGNIFICANT INTEREST IS ANTICIPATED.** Applicant recognizes that there is no assurance that Applicant will be awarded any grant of any size, regardless of how well the Applicant may meet the criteria used for awarding these grants and regardless of what the Applicant may have been told or read with respect to this grant program. As a condition and in exchange for the consideration of receiving and reviewing this application, the Applicant hereby releases and will hold harmless Lebanon County and the Lebanon Valley Economic Development Corporation (LVEDC), their respective partners, designees, and affiliates in facilitating, and administering this grant program and their respective Board of Commissioners, Boards of Directors, officers, employees, representatives, volunteers and committees of and from any and all claims and/or causes of action of any kind or type arising from or out of (a) their receipt and review of this application and any information or documentation of or concerning the Applicant, (b) any decisions or recommendations with respect to this application, (c) the administration of this program and/or the award or denial of funds and/or the sufficiency thereof, and (d) any other matter or thing related to this program.
6. All decisions and recommendations with respect to this application and this grant are final when made and are non-appealable. The Applicant acknowledges that grant award determinations will be made based on both objective and subjective analysis of information available and that award determinations need not follow strictly or consistently the scoring methods utilized. The Applicant also acknowledges that the identity of funding applicants and recipients, award amounts and application scores and recommendations will become public information.
7. The eligible applicant was in operation on February 15, 2020, and, if required, paid income taxes to the Federal, State and Local Government, as reported on individual or business tax returns. The eligible applicant remains in operation and does not intend to permanently cease operations within one year of the date of application.

8. The eligible applicant has paid and is current on all Real Estate and Local Hotel Occupancy taxes (if applicable).
9. The grant will be used to pay for COVID-19- related economic impacts. During the period beginning on January 1, 2021, and ending on June 30, 2021, the applicant has not and will not receive another grant under this program.
10. The individual signing below is legally authorized by the Applicant to submit this application, to sign this certification and to legally bind the Applicant. An eligible applicant or authorized representative of the eligible applicant must certify that the information provided in an application to the program and the information provided in all supporting documents and forms is true and accurate in all material respects. An eligible applicant or an authorized representative of the eligible applicant that knowingly makes a false statement to obtain a grant under the program is punishable under penalty of perjury and fines pursuant to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

This Certification and Acknowledgment, including all representations made in applying or seeking COVID 19 Hospitality Industry Recovery Program funds or goods, is true and accurate to the best of my information, knowledge, and belief, and I am making this Certification with the knowledge that it is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

**RECIPIENT**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name and Title

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SSN/EIN