



COVID-19 Hospitality Industry Recovery Program

Grant Guidelines & Application Form

March 2021

Wayne Economic Development Corporation

32 Commercial Street, Suite 1, Honesdale, PA 18431

570-253-5334 | programs@wayneeconomic.com | www.wayneeconomic.com

For assistance, call 570-253-5334 or email programs@wayneeconomic.com

Para recibir esta información en Español, por favor llame al 570-229-1399 o envíenos un correo electrónico al programs@wayneeconomic.com.

COVID-19 Hospitality Industry Recovery Program

GRANT GUIDELINES



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Section I. Introduction

The **COVID-19 Hospitality Industry Recovery Program** was established through Senate Bill 109, known as Act 1 of 2021, to provide financial relief to businesses primarily in the NAICS Code subsector 721 (Accommodations) and 722 (Food Service and Drinking Places). Wayne County is receiving approximately \$580,000 in funding to provide grants to eligible businesses through this program. The eligibility criteria, application requirements, program design and administration are all developed from the text of Act 1 of 2021.

The application window for this program is now open and remain open until all grant funds have been awarded or until June 15, 2021, whichever comes first. WEDCO will administer this program as the Certified Economic Development Organization (CEDO) for Wayne County.

If you have questions about the grant application, please contact WEDCO at 570-253-5334.

Section II. Eligibility

Applicant entities may apply for one grant for one business location in Wayne County. An eligible applicant (business) must meet each of the following conditions:

- Is a for-profit entity that is not publicly traded, was in operations as of February 15, 2020, remains in operations, and does not intend to permanently cease operations within one year of the date of application.
- Must have experienced a documented financial impact from COVID-19 of at least 25% reduction in revenue in calendar year 2020 as compared to 2019, measured by one of the following methods:

Annual Method

- The business was in operations in all four quarters of calendar year 2019 and experienced a reduction in annual receipts of at least **25%** in 2020 compared to 2019. The business will need to submit copies of both 2019 and 2020 Federal tax forms substantiating the revenue decline. If 2020 Federal tax forms are not available, a copy of a full 2020 Profit & Loss Statement or trial balance sheet must be submitted.

Quarterly Methods

- The business had gross receipts during the first, second, third, or fourth quarter in calendar year 2020 that demonstrate at least a **25%** reduction from the business's gross receipts during the same quarter in calendar year 2019.
- The business was not operating during the first or second quarter of calendar year 2019 but was operating the third and fourth quarters of calendar year 2019, and the business had gross receipts during the first, second, third, or fourth quarter of calendar year 2020 that demonstrate at least a **25%** reduction from the business's gross receipts during the third or fourth quarter of calendar year 2019.
- The business was not operating during the first, second, or third quarter of calendar year 2019 but was in operations the fourth quarter of 2019, and the business had gross receipts during the first, second, third, or fourth quarter of calendar year 2020 that demonstrate at least a **25%** reduction from the business's gross receipts from the fourth quarter of calendar year 2019.
- The business was not in operations during calendar year 2019, but was in operation on February 15, 2020, and the business 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.

Applicants using the Quarterly Method will need to submit documentation of the business's total gross receipts for a 2019 Quarter and the same Quarter in 2020; this could be done through the business's Sales, Use and Hotel Occupancy Tax form, Profit and Loss Statements, or bank statements. Additionally, submit copies of both 2019 and 2020 Federal tax forms. If 2020 Federal tax forms are not available, a copy of a full 2020 Profit & Loss Statement or trial balance sheet must be submitted.

- As of February 15, 2020:
 - The primary activity of the business is within the NAICS 721 Accommodations or NAICS 722 Food Services and Drinking Places subsectors and where accommodations, food or drink is served or provided for the public, with or without charge. Primary activity is defined as the primary means by which a business generate revenue. For more information about the North American Industry Classification System (NAICS) visit: www.naics.com.
 - Has fewer than 300 Full-time Equivalent employees (FTEs).
To calculate FTEs, divide the total number of hours for which employees were compensated for employment over the preceding 12-month period by 2,080. Include each employee regardless of whether the business has employees at multiple locations.
 - Maximum tangible net worth of not more than \$15 million computed in accordance with generally accepted accounting principles.
 - Is current with all taxes owed to any local, county, state, or federal taxing authority / entity.

"Gross receipts" is defined as revenue in whatever form received or accrued, in accordance with the business's accounting method, from whatever source, including from the sales of products or services, interest, dividends, rent, royalties, fees or commissions, reduced by returns or allowances. Gross receipts do not include the following:

- Taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the business or its employees.
- Proceeds from transactions between a business and its domestic or foreign affiliates; and
- Amounts collected for another travel agent, real estate agent, advertising agent or conference management service provider.

The receipt of a loan or grant under the authority of the Federal Government or the Commonwealth, such as the CARES Act, does not disqualify an applicant from eligibility for a grant.

Applicants or their authorized representative are required to certify in good faith that certain conditions and activities apply to the business, which are found in the Part 5 Certification / Signature section of the Grant Application Form.

Section III. Eligible Use of Funds

Grants funds may be used for the purpose of alleviating revenues losses or paying eligible operating expenses. An **"eligible operating expense"** is 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 the applicant's industry. A necessary expense is one that is helpful and appropriate for an eligible applicant's trade or business. For the purposes of determining an eligible operating expense, the following limitations shall apply:

- The operating expense must have been incurred between **March 1, 2020 and June 15, 2021, or prior to the submission of the application for this grant program**, whichever occurs first.
- For a mortgage obligation, the mortgage must have been in force before February 15, 2020.
- For rent, under lease agreements, the lease agreement must have been in force before February 15, 2020.
- For utility costs, service must have begun before February 15, 2020.

- 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.

Eligible operating expenses does not include providing funds for dividends, payments to a 1099 employee and/or those identified as subcontractors, payment of tax obligations, to finance a project, activity or location outside the geographic boundaries of Wayne County, or any business activities not otherwise specified as allowable costs per the grant agreement.

Applicants must certify that grant funds are not being used for the same eligible operating expenses for which the business receives or received payment, reimbursement, or loan forgiveness from the following sources:

- the CARES Act or Consolidated Appropriations Act, 2021 money that is not required to be repaid to the Federal Government.
- The act of May 29, 2020 (P.L., No.2A), known as the COVID-19 Emergency Supplement to the General Appropriations Act of 2019.

The funding sources include but are not limited to: the Payroll Protection Program (SBA), Economic Injury Disaster Loan / Grant Program (SBA), PA Small Business Assistance Program (MetroAction), Wayne County CARES Small Business Grant Program, COVID-19 Hazard Pay Grant, and Pandemic Unemployment Compensation.

Section IV. Grant Amount

Grants will be awarded in increments of five thousand dollars (\$5,000.00). The maximum grant amount is fifty thousand dollars (\$50,000.00). Applicants are required to provide a detailed description of how the amount of the grant request was determined. The amount of grant awarded, if any, may be less than the amount requested as determined by the evaluation process and the funding available to Wayne County.

Section V. Application Procedures

There is no application fee for this grant program. Applications are being accepted and will continue to be accepted until Wayne County's funding allocation is exhausted, or until **June 15, 2021**, whichever comes first. Award notifications will begin on or around April 5, 2021. There is no guarantee that funding will be available through the full application period, that all applications will be funded, or that applicants will receive their full funding request. It is anticipated that the amount of grant funds requested will exceed the total amount of funding available to Wayne County. The applicant should ensure that a complete, accurate application is submitted to avoid any delays.

Grant Application Form

To apply for funding, the applicant must complete the **Grant Application Form** found in Appendix A of this document, which is also found online at www.wayneeconomic.com, and provide the additional documents described below. For electronic submissions, all documents should be submitted in .pdf (Adobe) or .jpeg (photo) file format.

Supplemental Documents

The following documents must be included as attachments to the application.

- **Project Narrative**

On a separate sheet of paper, tell us a little about the business and describe the financial impact of this grant to the business. At a minimum, tell us how COVID-19 adversely impacted the business, how the business will use the grant funds, and whether the grant will help the business stay in operations.

- **Financial Information**

A. Provide the financial documents that correspond to how the business is measuring a 25% or more reduction in revenue as described in Section II.

B. Provide a detailed, accurate description as to how the amount of grant requested was determined. For example: *"We are requesting a grant in the amount of \$15,000. This amount is based on rent*

payments for November and December 2020 (our rent is \$2,500 per month), and our food supply orders incurred and paid for between November 1, 2020 and January 31, 2021 (\$10,000)."

Applicant will have to certify that the funding requested is based on eligible operating expenses.

C. Complete and attach a W-9 Form (template provided on program webpage)

- **Business License**

- A. NAICS subsector 721 – submit copy of local municipality business license, occupancy permit, or PA Department of Revenue Sales Tax Certificate.
- B. NAICS subsector 722 – submit copy of license to operate a food and/or beverage facility issued by PA Department of Agriculture (food license) or PA Liquor Control Board (LCB).

The application may be submitted using either of the following methods:

Via email – to programs@wayneeconomic.com

Via mail: WEDCO, 32 Commercial Street, Suite 1, Honesdale, PA 18431

Applicants will receive an email confirmation upon receipt of an application submitted by either delivery method. If you do not receive email confirmation within 2 business days of submitting an application, contact WEDCO. **Because of current delays with USPS service, it is strongly urged that enough time is given for mail delivery. Applications received after June 15, 2021 will not be considered.**

By July 15, 2021, all applications received by WEDCO for this grant program will be either approved or disapproved.

Upon grant approval, WEDCO and the applicant shall enter into a Grant Agreement which shall explain the terms and conditions of the grant, including each applicable law, statute, and reporting requirement. A fully executed Grant Agreement is required prior to disbursement of funds.

By July 31, 2021, each grant awarded shall be paid to the applicant.

Section VI. Application Evaluation

Completed applications will be reviewed and considerations for grants awards will be based on satisfaction of eligibility criteria and demonstrated need in the grant application. Priority will be given to applicants that:

- Have not received a loan or grant issued for COVID-19 relief under the authority of the Commonwealth or the Commonwealth's political subdivisions or by the federal government.
- Were subject to closure by the Governor's disaster declaration; or
- Can demonstrate one of the following (*provide 2019 and 2020 Profit & Loss Statements to substantiate*):
 - A reduction in gross receipts of **50%** 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%** 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.

Section VII. Additional Information

Questions about the program may be submitted to WEDCO at programs@wayneeconomic.com or by calling 570-253-5334.

Information on Act 1 of 2021 can be found at <https://www.governor.pa.gov/newsroom/gov-wolf-signs-bill-to-support-pennsylvania-businesses-help-renters-stay-in-their-homes/>

Appendix A

Grant Application Form

COVID-19 Hospitality Industry Recovery Program

GRANT APPLICATION FORM



For assistance in completing application, contact WEDCO:
 32 Commercial Street, Suite 1
 Honesdale, PA 18431
 570.253.5334
 programs@wayneeconomic.com

Complete all sections. Please print.

Part 1: Contact – Owner or Authorized Representative	
Contact Name: <i>(First, MI, Last)</i>	Today's Date:
Title:	Email:
Phone: <i>(Primary)</i> <i>(Secondary)</i>	Fax:

Part 2: Business Information	
Name of Business:	FEIN:
Street Address/PO Box: <i>(give business address)</i>	Year Founded:
City: State: Zip:	Business Website:
Business Phone:	Number of Employees:

Part 3: Grant Questionnaire
Was the business in operation in Wayne County on February 15, 2020? <input type="checkbox"/> Yes <input type="checkbox"/> No
Was the business required to shut down as the result of COVID-19 and the disaster emergency proclamation? <input type="checkbox"/> Yes <input type="checkbox"/> No
Did the business meet the following conditions as of February 15, 2020? <i>(Check yes or no for each condition.)</i>
A. The business is a for-profit business <input type="checkbox"/> Yes <input type="checkbox"/> No
B. The business is not publicly traded <input type="checkbox"/> Yes <input type="checkbox"/> No
C. The business operates in Wayne County within the NAICS 721 Accommodations or NAICS 722 Food Services and Drinking Places subsectors and where accommodations, food or drink is served or provided for the public, with or without charge? <input type="checkbox"/> Yes <input type="checkbox"/> No
D. The business has fewer than 300 full-time equivalent (FTE) employees? <i>(Include all locations in calculating FTE.)</i> <input type="checkbox"/> Yes <input type="checkbox"/> No
E. If required, the business paid income taxes to the Federal and State Government, as reported on individual or business tax returns? <input type="checkbox"/> Yes <input type="checkbox"/> No
F. The business has a maximum tangible net worth of not more than \$15 million, computed in accordance with generally accepted accounting principles? <input type="checkbox"/> Yes <input type="checkbox"/> No

What other funding has the business received related to COVID-19? (Check all that apply, and list amount funded next to each. The receipt of a grant or loan from the Federal Government or Commonwealth for COVID-19 relief does not disqualify a business from being eligible for this grant program.)

<input type="checkbox"/>	\$	Wayne County CARES Small Business Grant	<input type="checkbox"/>	\$	Hazard Pay
<input type="checkbox"/>	\$	Paycheck Protection Program (PPP)	<input type="checkbox"/>	\$	Pandemic Unemployment Compensation
<input type="checkbox"/>	\$	Economic Injury Disaster Loan (EIDL)	<input type="checkbox"/>	\$	Other: _____
<input type="checkbox"/>	\$	PA Small Business Assistance Program (MetroAction)	<input type="checkbox"/>	\$	Other: _____

Did the business experience a loss of revenue in 2020, measured as follows?

(The business must meet one of the measures listed below to be eligible for a grant, please check the measure you used to meet the grant requirement.)

- A. The business was in operations in all four quarters of calendar year 2019 and experienced a reduction in annual receipts of at least 25% in 2020 compared to 2019.
- B. The business had gross receipts during the first, second, third, or fourth quarter in calendar year 2020 that demonstrate at least a 25% reduction from the business's gross receipts during the same quarter in calendar year 2019.
- C. The business was not operating during the first or second quarter of calendar year 2019 but was operating the third and fourth quarters of calendar year 2019, and the business had gross receipts during the first, second, third, or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the business's gross receipts during the third or fourth quarter of calendar year 2019.
- D. The business was not operating during the first, second, or third quarter of calendar year 2019, but was in operations the fourth quarter of 2019, and the business had gross receipts during the first, second, third, or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the business's gross receipts from the fourth quarter of calendar year 2019.
- E. The business was not in operations during calendar year 2019, but was in operation on February 15, 2020, and the business 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.

Please check if either of the following reductions in gross receipts also applies to the business:

- F. A reduction in gross receipts of 50% or more for the period beginning after March 31, 2020 and ending on December 31, 2020, in comparison to the same period in 2019.
- G. The business was not in operation during March 31, 2019 to December 31, 2019 but was in operation on February 15, 2020 and had monthly average reduction in gross receipts of 50% or more for the period beginning March 1, 2020 to December 31, 2020, in comparison to the period beginning January 1, 2020 and ending April 1, 2020.

Change of Ownership: If an applicant changed ownership or control in calendar 2020, the business may measure its reduction in revenue in calendar 2020 under items A. through E. above using the gross receipts of the entity for 2019.

Amount of Grant Requested: \$ _____

Grants may be awarded to eligible applicants for the purpose of alleviating revenue losses and paying eligible operating expenses. See Grant Guidelines for definitions, restrictions, and exclusion regarding operating expenses.

Part 4: Supplemental Information (Attachments)

Include the following attachments with the application:

- **Project Narrative**

On a separate sheet of paper, tell us a little about the business and describe the financial impact of this grant to the business. At a minimum, tell us how COVID-19 adversely impacted the business, how the business will use the grant funds, and whether the grant will help the business stay in operations.

- **Financial Information**

- A. Provide the financial documents that correspond to how the business is measuring a 25% or more reduction in revenue as described in Section II.
- B. Provide a detailed, accurate description as to how the amount of grant requested was determined. See page 3 in the Grant Guidelines for an example.
- C. Complete and attach a W-9 Form (template provided on program webpage)

- **Business License**

- A. NAICS subsector 721 – submit copy of business license, occupancy permit, or PA Department of Revenue Sales Tax Certificate.
- B. NAICS subsector 722 – submit copy of license to operate a food and / or beverage facility issued by PA Department of Agriculture (food license) or PA Liquor Control Board (LCB).

Part 5: Certification / Signature

Please add your initials after reading the following statements. Contact WEDCO if you have any questions.

_____ I hereby certify that the business was in operation on February 15, 2020.

_____ I hereby certify that the business remains in operation and does not intend to permanently cease operations within one year of the date of this application.

_____ I hereby certify that COVID-19 has had an adverse economic impact on the business which make the grant request necessary to support the ongoing operations of the business.

_____ I hereby certify that the grant will be used for COVID-19 related economic impacts.

_____ I hereby certify that if the business is awarded a grant under this program, the grant funds will not be used to pay for the same operating expenses for which the business has already received payment, reimbursement, or loan forgiveness from another COVID-19 financial relief program.

_____ I hereby certify that between the period of January 1, 2021 and June 30, 2021, the business has not and will not receive another grant under this grant program.

_____ I hereby certify that the applicant and/or principals are not under criminal investigation or operating with a suspended license to operate the business.

_____ By signing this form, I hereby certify that I am authorized to submit this grant request and that the information contained herein and the information in all supporting documents and forms submitted to WEDCO is true and accurate to the best of my knowledge. I further understand that knowingly making a false statement to obtain a grant under this program is punishable under penalty of perjury and fines pursuant to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Signature

Date

Printed Name

Title

Application Submission

Applications will be accepted until funds are exhausted, or June 15, 2021, whichever comes first. Applications may be submitted via email or USPS to the corresponding address below.

Email: programs@wayneeconomic.com

Mail: WEDCO, 32 Commercial Street, Suite 1, Honesdale, PA 18431

Please retain a copy for your records. Please contact WEDCO at (570) 253-5334 if you have any questions.