COVID Relief Information

This document lists information gathered related to the Updated COVID Relief. Please visit external sources for more information.

The document is sorted by General Information, Shuttered Venue Information, EIDL Advances, Second PPP and First PPP Loan Information, and PPP Loan Forgiveness.

If you need additional guidance or resources, please reach out to Colleen Chandler at cchandler@artsmemphis.org

Last Updated 3/5/21

General Information
Information including PPP Loans, Shuttered Venue Grants, and other COVID Relief.

General COVID Relief Webinar:
Link: https://www.youtube.com/watch?v=MfGKHYaQcqE&feature=youtu.be
Source: Greater Memphis Chamber

Adams Keegan COVID-19 Employer FAQ Webinar – Specifically for Nonprofits

- Recording: https://zoom.us/rec/play/ZEnTsEEvI8Wx7VikTZ-8-IFWT3YBFjjpi76lV1ddkR940iCEiPxiikCjHKUy9pXI6LiyxBk53Vf8Z.oxmlh5fuR_PYOXTJq?startTi me=1613491233000&_x_zm_rtaid=28vuL7OTSyxeWRbxnXU2Wg.1613503017401.d99b85ce1b0b3af08cdefe403ba397c4&_x_zm_rhtaid=849
- New Expenses Notes: (Question was asked in the webinar)
  - PPP borrowers can have their first- and second-draw loans forgiven if the funds are used on eligible costs. As with the first round of the PPP, the costs eligible for loan forgiveness in the revised PPP include payroll, rent, covered mortgage interest, and utilities. In addition, the following costs are now eligible:
    - Covered worker protection and facility modification expenditures, including personal protective equipment, to comply with COVID-19 federal health and safety guidelines.
    - Covered property damage costs related to property damage and vandalism or looting due to public disturbances in 2020 that were not covered by insurance or other compensation.
    - Expenditures to suppliers that are essential at the time of purchase to the recipient’s current operations.
    - Covered operating expenditures, which refer to payments for any business software or cloud computing service that facilitates business operations; product or service delivery; the processing, payment, or tracking of payroll expenses; human resources; sales and billing functions; or accounting or tracking of supplies, inventory, records, and expenses.
  - To be eligible for full loan forgiveness, PPP borrowers will have to spend no less than 60% of the funds on payroll over a covered period between eight or 24 weeks.

What’s in the New COVID Relief Law for Nonprofits?
Shuttered Venue Operations Grant Information

Source: Arts Action Network

Please check the SBA website’s SVO section on a daily basis as they are posting new and corrected information by the minute at www.sba.gov/funding-programs/loans/coronavirus-relief-options/shuttered-venue-operators-grant.

Resources:

- SBA’s Frequently Asked Questions on SVO Grants updated 2-5-21
- Proskauer law firm’s excellent analysis of the Shuttered Venue Operators Grants

Video Trainings:

- SVOG video for Live Venue Operators
- SVOG video for Talent Reps
- How to Register for DUNS and SAM

**SVO Priority Awards.** The SBA website modified its original preliminary guidelines to be more in line with the Congressional intent of the newly passed law. SBA is no longer limiting the first two priority distributions to shuttered venues with only 50 employees or fewer. While there is still a set aside of $2 billion for this category of small venues, the early distribution awards are for any size organization with 90 or 70 percent revenue loss (still not clear if this is gross or earned revenue). The SBA statement on their website now reads:

>“On January 20, 2021, SBA updated the proposed plan for issuing Shuttered Venue Operators Grants during the first and second priority periods. To clarify, priority awardees will not need to satisfy the small employer set-aside. During the first 59 days of opening the SVO Grants, SBA will reserve no less than $2 billion of program funding for grants to entities that have no more than 50 employees.

**UPDATED INFORMATION**

**PPP or SVOG: The Congressional Fix** In the current Senate version of the Reconciliation Bill for additional economic COVID relief (aka The Biden American Rescue Plan), the bill eliminates the rule that applicants to an SVOG cannot also receive a new PPP after December 27, 2020. The bill further provides that SBA can simply reduce the amount of an SVOG award by the amount of the 2021 PPP loan for a net SVOG award in order to
avoid eligible entities from double dipping. Your concerns were heard! This is exactly what many of us have been lobbying for. The chances of this version of the bill being enacted into law by March 14th is very good. Please note that all current SVOG guidance in their latest FAQs and training videos will not reflect this legislative change until it is enacted into law.

**Guidance:** If you think you are eligible for PPP and SVOG, wait until the Congressional Fix above is enacted into law in mid-March before you apply for a PPP. But remember, the last day to apply for a PPP is March 31, 2021. This process will then clear the way for you to also apply for SVOG when that application portal opens in a few weeks.

**PPP Acceptance Timing.** In addition to the clarification above on applying for PPP versus SVO, please know that PPP bank loan offers can only remain open for 10 days before the bank offer is rescinded. SBA states “The lender must disburse the loan no later than 10 calendar days from the date of loan approval.”

**Preparing for SVO:** Here are some things you can do to get ready to apply as soon as possible, regardless of which Priority Category that you may fit into:

1. If you or your organization does not already have a Dunn and Bradstreet DUNS Number, get one.
2. Use your DUNS number to register in the federal government’s System for Award Management (SAM). You can’t simply use a Taxpayer or Employer ID Number to apply for an SVO grant. (Note: It could take up to two weeks to finalize a SAM registration.)
3. Gather documents that demonstrate your number of employees and monthly revenues so you can calculate the average number of qualifying employees you had over the prior 12 months.
4. Determine your gross earned revenue losses. It looks like SBA is going to use the Gross Earned Revenue definition to determine Priority Eligibility, but it’s not confirmed yet.
5. Determine the extent of gross earned revenue loss you experienced between 2019 and 2020 on a quarterly basis.
6. Make PDFs of additional information such as floor plans, contract copies and other evidence that will be needed to apply for an SVO grant.
7. Sign up for a regional mailing list and webinar in your area and develop a direct relationship.
8. Ask the SBA specific questions about SVO eligibility by e-mailing SVOGrant@sba.gov.

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**EIDL Advances**

Source: Arts Action Network

**Targeted EIDL Advances.** SBA has also now corrected information on their website about EIDL Advances based on the Economic Aid Act legislation passed on 12/27/20. SBA will now be fulfilling the balance of original EIDL Advance requests of up to $10,000 that the CARES Act was meant to do. Those borrowers (priority given to borrowers located in low income neighborhoods) will be contacted directly by SBA to receive additional EIDL advance grant funds (This is not a loan and it does not have to be repaid or reported as taxable income.) See the SBA website for additional rules and qualifications. www.sba.gov/funding-programs/loans/coronavirus-relief-options/covid-19-economic-injury-disaster-loans#section-header-6

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**Second PPP Loan Information**

This includes information on the second round of PPP Loans, if you are applying for a PPP Loan for the first time, if you applied the first time but returned funds, and if you did not receive your full request on the first round of PPP.
Arts Information Meeting Webinar on Second Round of PPP Loans

Link:  https://youtu.be/GaXKnIzXuws

Source: ArtsMemphis

- Clarification on 25% Gross Receipts Reduction: Defining
  o Gross Receipts meaning tied to Internal Revenue Code Section 6033 for the filing of the 990 • Your Nonprofit’s Gross Receipts are related to your accounting method • Accrual or Cash
  o Source: National Council of Nonprofits

Articles:

Source: National Council of Nonprofits

  o Form 2483-SD – Second Draw Borrower Application, Jan. 8, 2021.
  o Interim Final Rule #2 – PPP Second Draw Loans, Jan. 6, 2021.

Source: Arts Action Network

  o Second Draw PPP Loans: How to Calculate Revenue Reduction & Maximum Loan Amounts
  o How to Calculate Maximum Loan Amounts for First Draw PPP Loans and What Documentation to Provide
  o Procedural Notice - PPP Borrower Resubmissions of Loan Forgiveness Applications Using Form 3508S, Lender Notice Responsibilities to PPP Borrowers, and Offset of Remittances to Lender for Lender Debts
  o Procedural Notice - Paycheck Protection Program Excess Loan Amount Errors

Source: Momentum Nonprofit Partners

  o Second Draw Paycheck Protection Program (PPP) Loans: How to Calculate Revenue Reduction and Maximum Loan Amounts Including What Documentation to Provide, Small Business Administration, Jan. 19, 2021
  o Procedural Notice - Paycheck Protection Program Excess Loan Amount Errors (Released 1/15/21)

First PPP Loan Information

Articles:

Source: National Council of Nonprofits

  o Form 2483 – First Draw Borrower Application, Jan. 8, 2021.
  o Interim Final Rule #1 – PPP as Amended by Economic Aid Act, Jan. 6, 2021.

Source: Momentum Nonprofit Partners
How to Calculate Maximum Loan Amounts for First Draw PPP Loans and What Documentation to Provide – By Business Type *(Released 1/17/2021)*

Procedural Notice - Paycheck Protection Program Excess Loan Amount Errors *(Released 1/15/21)*

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**PPP Loan Forgiveness Information**

Articles:

Source: National Council of Nonprofits


Source: Arts Action Network

The SBA released additional guidance surrounding the PPP program this week. They have also updated their Forgiveness Forms to reflect the new changes made in the law on December 27, 2020, including using the 3508S short forgiveness form for loans up to $150,000, no longer reducing forgiveness by EIDL Advance amount, expanding the definition of payroll and non-payroll costs:

- SBA Form 3508 Paycheck Protection Program Loan Forgiveness Application *(updated 01-19-21)*
- SBA Form 3508EZ Paycheck Protection Program Loan Forgiveness Application *(updated 01-19-21)*
- SBA Form 3508S Paycheck Protection Program Forgiveness Application *(updated 01-19-21)*

Source: Momentum Nonprofit Partners

- Procedural Notice - PPP Borrower Resubmissions of Loan Forgiveness Applications Using Form 3508S, Lender Notice Responsibilities to PPP Borrowers, and Offset of Remittances to Lender for Lender Debts *(Released 1/15/21)*