

Schuylkill County COVID Hospitality Industry Recovery Program (CHIRP)

Frequently Asked Questions (FAQs)

Q. What is the COVID Hospitality Industry Recovery Program (CHIRP)?

A. This is a Commonwealth of Pennsylvania funded program as a result of Act 1 of 2021 (previously known as Senate Bill 109 and signed into law on February 5th, 2021). Each county in Pennsylvania is being awarded a block grant (the amount of which is based on population) to provide financial relief to eligible businesses whose primary business activity is in NAICS subsectors 721 (Accommodations) or 722 (Food Service and Drinking Places). The Redevelopment Authority of Montgomery County will administer this program as the Certified Economic Development Organization (CEDO) component of the Montgomery County Commerce Department.

Q. How is the program being funded?

A. Schuylkill County received \$1,601,084 in funds for this program.

Q. What is a NAICS Code?

A. NAICS stands for North American Industry Classification System. It is an international method of classifying businesses for data gathering and other activities. You can learn more about NAICS at www.census.gov/naics.

Q. What NAICS Codes are eligible for grants through CHIRP?

A. The state legislation that authorized the CHIRP Program has identified the hospitality subsectors of 721 and 722 specifically for inclusion in the program. For more information on these NAICS codes please refer to census.gov website above or page 6 of the application.

Q. In 2020 I received an SBA EIDL and PPP Loan. Am I still eligible for the CHIRP program?

A. Yes, the legislation specifically states that the receipt of other economic relief dollars does not prohibit you from applying for and receiving a CHIRP Grant. However, you cannot receive a CHIRP Grant for any expenses that were previously covered by those programs.

Q. How much can I apply for?

A. The legislation indicates you can apply for anywhere from \$5,000 to \$50,000 (in \$5,000 increments) to offset expenses necessary in running your hospitality business. However, Schuylkill County has decided to limit the grants to a maximum of \$25,000 in order to assist to most businesses.

Q. How do I qualify for the grant?

A. Entities must have sustained a minimum quarterly revenue loss of 25% or greater in any quarter when comparing between 2019-2020. Businesses must have fewer than 300 full-time equivalent employees and a maximum tangible net worth of no more than \$15 million. Passive businesses, such as commercial and residential landlords, are ineligible to apply.

Q. What can I use the grant money for?

A. Grant funds may be used for eligible expenses incurred and paid between March 1, 2020 up to the date of application. Eligible expenses are defined as an operating expense, including a payroll and non-payroll 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:

- 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.*

Awardees must certify that grant funds are not being used for any eligible operating expenses that are impermissible per Act 1 of 2021 as described below in addition to the other prohibitions detailed in the program guidelines and program grant agreement:

- Eligible operating expenses for which an eligible applicant receives or received payment, reimbursement, and/or loan forgiveness from the following sources:

- o Any PA Small Business Grant Program of 2020 administered by the CDFI Network.*
- o Any US SBA EIDL and PPP funds.*
- o Any of public sector funding due to COVID-19 from any sources public or private between March 1st, 2020 through the date of application for this program as described in Act 1 of 2021.*

- Providing funds, directly or indirectly, for a dividend distribution, return of capital, or otherwise to owners, partners or shareholders of the business enterprise.*
- Payments to 1099 employees and/or those identified as subcontractors.*
- The payment of any local, school district, county, state, and/or federal tax obligations (including the remittance of Sales Tax, the Hotel Occupancy Tax, or any other tax obligations to a government entity).*

- To finance a business, project, activity, and/or location primarily located outside the geographic boundaries of Schuylkill County, Pennsylvania.
- The purchase of items or services not expressly listed in the program guidelines or permissible for the grant agreement.
- Any business activities not otherwise specified as allowable costs per the grant agreement.

Q. When can I apply for the CHIRP Grant?

A. *The application will open on March 5th and remain open until funds are exhausted or June 15th, whichever is first.*

Q. If I am not one of the first applicants, does that mean I will not receive grant funding through this program? How long are applications being accepted? How are applications reviewed?

A. *Applications will be reviewed on a rolling basis as complete application packages are received by NEPA Alliance. Once a complete application is received, NEPA Alliance will review the application for program eligibility and make the grant determination. Grant funds will be awarded upon approval.*

Q. If my business has multiple locations in Schuylkill County do I submit an application for each location?

A. *An eligible applicant can submit only one application in Schuylkill County with no exceptions. Additional information is contained in the legislation and Program Guidelines.*

Q. Are franchise businesses eligible for a CHIRP Grant.

A. *While Act 1 of 2021 states that publicly traded entities are not eligible, we are not interpreting this to include franchise locations owned and operated by local entities so long as they are not publicly traded entities themselves.*

Q. Do I have to have a specific number of employees to receive a grant?

A. *The legislation indicates that your business must have fewer than 300 employees, but there is no minimum number of employees under the program.*

Q. How long will the review process take for applications?

A. *This will depend on several factors including (but not limited to) the quality and quantity of applications received. We do not anticipate announcing awards for this program for at least 2 weeks after the program application window opens. Awards will be announced on a rolling basis until such time as all grant program funds are allocated. Unlike prior programs we expect to announce smaller batches of awardees over a longer period of time until all grant funds are*

allocated rather than announcing 60 or more grant awardees at a time. Please remember that feedback on applications and/or updates on the review of an application will not be provided.

Q. How will I know if I am awarded a grant? If I am awarded a grant, how soon will funds be disbursed?

A. Applicants awarded grant funding will be contacted by NEPA Alliance and required to sign a grant contract and documentation provided as part of the award and disbursement process. The grant contract must be signed within 30 calendar days upon recipient by the grant awardee or the grant award is forfeited. Upon execution of the grant contract and it being returned to NEPA Alliance, efforts will be made to disburse funds within approximately 10-15 business days. Grant administration, grant contracting, and fund disbursement will be done by NEPA Alliance.

Q. What if I have a question that is not answered in the Program Guidelines or the FAQ?

A. All questions about the program can be submitted to chirp@nepa-alliance.org or by contacting Steve Ursich at 570-891-4649.