**ELIGIBLE APPLICANT**

Grants may be awarded to eligible applicants for the purpose of alleviating revenue losses and paying eligible operating expenses.

A for-profit entity that meets each of the following:

* Is not publicly traded.
* Experienced a reduction in revenue in calendar year 2020, measured as follows:
	+ 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;
	+ 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;
	+ 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 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;
	+ 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
	+ 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.
	+ 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.
* Meets each of the following conditions as of February 15, 2020:
	+ Operates a place of business within this Commonwealth having a NAICS designation within the Accommodation subsector (721) or Food Services and Drinking Places subsector (722) and where accommodations, food or drink is served to or provided for the public, with or without charge.
	+ Has fewer than 300 full-time equivalent employees. For purposes of determining the number of full-time equivalent employees under this subparagraph, the calculation shall include each employee of the eligible applicant notwithstanding whether the eligible applicant has employees at multiple locations.
		- "Full-time equivalent employee." The quotient obtained by dividing the total number of hours for which employees were compensated for employment over the preceding 12-month period by 2,080.
	+ Has a maximum tangible net worth of not more than $15,000,000 computed in accordance with generally accepted accounting principles.

**PRIORITIZATION**

Priority in the awarding of grants shall be given to eligible 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 or Consolidated Appropriations Act, 2021;
* were subject to closure by the proclamation of disaster emergency issued by the Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency; or
* can demonstrate a reduction in revenue which meets one of the following:
	+ 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 under clause (A), 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.
	+ "Gross receipts." Revenue in whatever form received or accrued, in accordance with the entity's accounting method, from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees or commissions, reduced by returns and allowances. The term does 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 concern or its employees;
* proceeds from transactions between a concern and its domestic or foreign affiliates; and
* amounts collected for another by a travel agent, real estate agent, advertising agent or conference management service provider.

**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:
	+ 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.
	+ 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.
* 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:
	+ 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 Appropriation Act of 2019.
* The receipt of a loan or grant issued under the authority of the Federal Government or the Commonwealth shall not disqualify an applicant from eligibility for a grant under this section.

**CERTIFICATIONS**

An eligible applicant or authorized representative of the eligible applicant making application to the program must certify in good faith to each of the following:

* The eligible applicant was in operation on February 15, 2020, and, if required, paid income taxes to the Federal and State 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.
* 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 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.
* 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).