

Frequently Asked Questions Regarding the Non-Governmental Business Interruption Grant Program

This list of Frequently Asked Questions is based on the current statutory provisions and federal and Commonwealth guidance relating to Pennsylvania Act 24 of 2020 (“Act 24”), the Pennsylvania COVID-19 – County Relief Block Grant Program, and the federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) Coronavirus Relief Fund provisions as of July 7, 2020. The existing guidance is limited and open to interpretation in many ways. This interpretation is subject to change and future amendments to Act 24 by the Pennsylvania General Assembly, the COVID-19 – County Relief Block Grant Program guidance issued by the Commonwealth, the CARES Act by Congress, or related guidance from federal agencies could change some of the following answers. The following FAQ should not be extended to cover other facts or situations not addressed in this FAQ.

1. What laws provide the basis for the Non-Governmental Business Interruption Grant Program?

Pennsylvania Act 24 of 2020 distributes federal CARES Act Coronavirus Relief Fund money to certain Pennsylvania counties. Act 24 permits the County to establish grant programs to support certain small businesses and to provide nonprofit assistance programs for tax exempt entities covered by Section 501(c)(3) or 501(c)(19) of the Internal Revenue Code of 1986. Under the federal CARES Act such programs fall within the general category of business interruption grants. The County must distribute such funds no later than December 30, 2020.

2. What type of organizations are eligible for a Grant?

Pennsylvania Act 24 of 2020 provides that Coronavirus Relief Fund money distributed through the Commonwealth, which includes the funds received by the County used to fund the Business Interruption Grant Program, may be used for small business grant programs to “support businesses with fewer than 100 employees with priority given to those businesses that did not receive a loan or grant through the federal Paycheck Protection Program or the Economic Injury Disaster Loan Program established under the CARES Act.” In addition, such grants are available to businesses and other entities that are primarily engaged in the tourism industry, with 100 or more employees. Current interpretation of federal CARES Act guidance related to the definition of the term “small business” suggests that entities with more than 500 employees generally would not be deemed to be a small business for CARES Act purposes at this time. In the event your business is above the applicable thresholds, a review will be conducted to determine whether any exceptions apply.

Act 24 further provides that CARES Act Coronavirus Relief Fund money may be used for nonprofit assistance programs for entities that are an exempt organization under Section 501(c)(3) or 501(c)(19) of the Internal Revenue Code of 1986. Current interpretation of federal CARES Act guidance suggests that Section 501(c)(3) or 501(c)(19) entities qualify as small businesses for the purposes of CARES Act business interruption grants but that entities with more than 500

employees generally would not be eligible for such grants at this time. In the event your non-profit entity is above the applicable thresholds, a review will be conducted to determine whether any exceptions apply.

3. Is my organization eligible for a grant even if it did not close during the COVID-19 public health emergency?

Possibly. Based on the current guidance, your organization may be eligible for a grant even if it did not close, but it must have experienced some negative effects such as lost revenues or additional costs due to COVID-19. Limited guidance has been issued by the Commonwealth regarding the application of Act 24. Guidance issued by the United States Department of the Treasury (“U.S. Treasury”) permits funds to be used to provide “grants to small businesses to reimburse the costs of business interruption caused by required closures.” Frequently Asked Questions issued by the U.S. Treasury indicate that such grants may be used to reimburse the costs of business interruption caused by required closures as well as “to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.” Such effects must relate to the period that began on March 1, 2020 and ends on December 30, 2020.

4. My non-profit entity had to cancel fundraising events due to COVID-19. Is that a basis for obtaining a grant?

Yes. Lost revenue due fundraisers that were cancelled due to COVID-19 are an example of an effect of COVID-19 that would provide a basis for a non-profit entity to receive a grant.

5. What other requirements apply?

Applicants must be appropriately licensed and operating in the County. Applicants must also operate from a physical location in the County. [List additional County requirements, if any, such as at least a ___% loss in revenue that can be attributed to COVID-19 for ___ months; have less than \$___ million in annual receipts; etc.]

6. How will the grant amount be determined if my organization is approved for a Non-Governmental Business Interruption Grant?

[Insert details to be determined by County.]

7. When will my organization be informed if it is approved for a Non-Governmental Business Interruption Grant?

[Insert details to be determined by County.]

8. When will my organization receive its grant if it is approved for a Non-Governmental Business Interruption Grant?

[Insert details regarding time table for grant payments as determined by County.]

9. Are the rules relating to the Non-Governmental Business Interruption Grant Program subject to change?

Like many things related to the COVID-19 pandemic, state and federal guidance affecting the Non-Governmental Business Interruption Grant Program is subject to change. Some of the limited guidance issued by the federal government has already been revised several times. The Commonwealth has not yet issued extensive guidance relating to Act 24 and the COVID-19 – County Relief Block Grant Program but is likely to do so in the near future.

10. I heard that CARES Act Coronavirus Relief Fund money cannot be used for revenue replacement – does this apply to my non-governmental organization?

No. The requirement that Coronavirus Relief Fund money cannot be used for revenue replacement only applies to governmental entities. Grants received by eligible private businesses and eligible non-profit entities can be used for any lawful purpose.

11. If my organization applies for a Non-Governmental Business Interruption Grant Program, will federal or Commonwealth approval of its application be required?

No. The U.S. Treasury has indicated that federal approval of CARES Act Coronavirus Relief Fund money requests is not required. At this time, the same is true of the Commonwealth. The County will be making decisions relating to the approval or denial of requests for Non-Governmental Business Interruption Grants.