



Washington County COVID-19 Hospitality Industry Recovery Program (CHIRP)

FULL PROGRAM GUIDELINES



Introduction

The Commonwealth of Pennsylvania has allocated \$145 million to counties for a grant program to provide financial relief to businesses with a primary activity in NAICS Code subsector 721 (Accommodations) and 722 (Food Service and Drinking Places). The COVID-19 Hospitality Industry Recovery Program (CHIRP) was created by legislation (Senate Bill 109, now known as Act 1 of 2021) and signed by Governor Wolf on Friday, February 5th, 2021. Washington County has received approximately \$2.3 million in funding to provide grants to eligible businesses through this program.

The eligibility, application requirements, program design, and program administration are all developed from the [text of Act 1 of 2021](#).

The application window for this program will open at Noon on Monday, March 15th, 2021 and remain open until all available grant funds have been awarded, as stipulated by the legislation.

The Washington Industrial Development Corporation (WIDC), an affiliate of the Washington County Chamber of Commerce, was selected by the Washington County Commissioners to serve as the administrative entity for this program as a Certified Economic Development Organization (CEDO). The WIDC has partnered with the Mon Valley Alliance (MVA), another Washington County CEDO, to execute the program.

While every effort has been made to draft these guidelines in conformity with Act 1 of 2021, any discrepancies between these guidelines and the statute should be resolved in favor of the legislative language.

Program Eligibility

Eligible applicants must meet the following criteria:

- Applicants may only apply for one CHIRP grant, even if they have multiple locations inside or outside Washington County, PA.
 - o A single entity with multiple locations, such as an incorporated business owning two coffee shops located in Washington County, may only apply and utilize grant funds as a single entity for both businesses located in Washington County, PA.
 - o A single entity with multiple locations in different counties, such as an incorporated business owning two coffee shops across two counties, may only apply and utilize grant funds as a single entity and should apply in the county where the incorporated business entity is headquartered.

- Applicants must have a business located in Washington County, PA that was in operation as of February 15, 2020, remains in operation, does not intend to permanently cease operations within one year of the date of application, and, if required, paid income taxes to the Federal and State Government, as reported on individual or business tax returns.

- Applicant business is not a publicly traded entity.

- The primary activity of the applicant business within the Commonwealth of Pennsylvania has 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.
 - o A full description of the eligible businesses and business activity under NAICS subsector 721 and 722 can be found at: <https://www.census.gov/naics/>.
 - o Primary activity is defined as the primary means by which the business generates revenue. For example, a business that serves food, but is a venue engaged primarily in another activity, such as a movie theater, would not be eligible to apply.

- Applicant business has fewer than 300 full-time equivalent employees as of February 15, 2020.

- Applicant business has a maximum tangible net worth of not more than \$15,000,000 computed in accordance with generally accepted accounting principles, as of February 15, 2020.

- Applicant business must be able to demonstrate and document a negative financial impact from COVID-19 of at least 25% revenue loss, defined as a reduction in revenue in calendar year 2020, in one of the following ways (please note: applicants will need to submit appropriate supporting documentation):
 - o a. 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. The applicant will need to submit a 2019 tax return and a Profit & Loss statement from a quarter in 2019 and the corresponding quarter in 2020 to meet the requirements of this criteria.

- **b.** 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. The applicant will need to submit a 2019 tax return and a Profit & Loss statement from a quarter in 2019 and the corresponding quarter in 2020 to meet the requirements of this criteria.
- **c.** 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. The applicant will need to submit a 2019 tax return and a Profit & Loss statement from a quarter in 2019 and the corresponding quarter in 2020 to meet the requirements of this criteria.
- **d.** 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. The applicant will need to submit a Profit & Loss statement from the first quarter of 2020 and from either the second, third, or fourth quarter in 2020 that demonstrates a 25% or more revenue loss.
- **e.** An applicant that was in operation in all four quarters of calendar year 2019 is deemed to have experienced the revenue reduction in subparagraph (a) 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 2019 and 2020 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 any of the above using the gross receipts of the entity for 2019.
- ****PLEASE NOTE: As this is a competitive grant program, applicants are strongly encouraged to submit a full 2019 and full 2020 Profit & Loss [P&L] statement and 2019 tax returns to demonstrate the total revenue loss if the business was in operation for all of 2019 and 2020.***

Please note, the eligibility parameters for this program are based on [Act 1 of 2021](#) as signed into law by Governor Wolf on February 5th, 2021.

Grant Awards & Eligible Use of Grant Funds

Grant awards will be determined based upon eligible operating expenses. Act 1 of 2021 requires grants to be awarded in increments of \$5,000. Washington County has decided to cap grants at a maximum of \$25,000 to benefit a greater number of companies while still providing an impactful benefit to eligible businesses. Eligible applicants must submit documentation to justify their grant request in full up to \$25,000.

The WIDC may determine the amount of funds awarded to be less than the amount an applicant applies for and the legislation requires that awards must be made in increments of \$5,000. As an example, if an eligible applicant submits an application with \$17,600 in eligible expenses the grant award would be for a maximum of \$15,000.

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 been activated 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 any 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:
 - Any Washington County CARES Grants received in 2020 or 2021.
 - Any PA Small Business Grant Program of 2020 administered by the CDFI Network.
 - Any forgiven portion of federal SBA EIDL and/or PPP funds.
 - 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.

Application Process and Requirements

To apply, eligible businesses will be required to complete an online application – the online application and other program information can be found at www.WashCoGrant.com. The online application will be available at 12:00pm (noon) on Monday March 15th, 2021; applications may not be submitted online prior to this specified date and time. Applications will be accepted until all grant funds have been awarded.

This is not a first come, first served/funded program; applicants should take time to ensure they have all materials required to apply before submitting an application and submit a thorough, thoughtful, and accurate application.

Applicants will be required to provide general information including, but not limited to, the following:

- Physical location and business contact Information.
- Mailing address of the business.
- Applicant entities primary business activity (for eligibility purposes).
- Number of employees.
- Information on other business relief dollars received due to COVID-19.
- Amount of grant dollars being requested for consideration.
- 2019 and 2020 Profit & Loss statements
- federal tax returns

Applicants will be asked to provide brief narrative responses to the following questions:

- Basic Description of the business, including how COVID-19 has impacted the business and how the business has adapted.
- List of eligible operating expenses for reimbursement from CHIRP grant.

Documentation should be submitted through the application website via the online application and applicants will be required to provide all the following documentation, as described below:

- 2019 Federal Tax Return for the Applicant Entity.
- Proof of financial impact due to COVID-19. Please refer to the “Program Eligibility” section of this document to determine the required documentation based upon your response to the application question regarding financial impact.

Grant applications will also require acknowledgements and good faith certifications to be considered a completed application for submission and review.

Applications will be reviewed on a rolling basis. It is expected that it will be several weeks before the first grant awards are announced. As grant awards are determined, grant awardees will receive an email from the WIDC to begin the contracting and disbursement process. Once all grant awards have been awarded, an email will be sent to all applicants regardless of award determination, to inform everyone that the process is complete.

During the review period, applicants should keep the following in mind:

- Submission of an application is not a guarantee of funding.
- The program is not a first come, first served/funded program.

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- Please do not email or submit questions asking for an update on the status of or feedback on a particular application. This information will not be provided.
 - If the review team needs additional information or explanation, applicants will be contacted directly.
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Award of Grant and Grant Contracting

Completed applications will be reviewed and considerations for grant awards will be based on satisfaction of eligibility criteria and meeting program guidelines. Additional priority will be given to applications 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:
 - o (A) 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.
 - o (B) 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.

Overall evaluation of need and grant award decision criteria will include:

- Complete and thorough application.
- Well explained and demonstrable need due to COVID-19 disruptions.
- Achieves program goal(s) based on economic impact of the applicant entity and sector.
- Supports the economy of our communities

Applicants awarded grant funding will be contacted via email by the WIDC and required to sign a grant agreement, certification form and provide any additional necessary documentation as part of the award and disbursement process. Upon execution of the grant agreement, certification form and any additional necessary documentation and it being returned to the WIDC, efforts will be made to disburse funds as soon as possible. Grant fund disbursement will be done by Washington County.

Submission of a grant application is not a guarantee of funding.
