
Shuttered Venue Operators Grant *Overview*

The Shuttered Venue Operators Grants (SVOG), a \$16.2 billion grant program, is tailored to provide emergency assistance to shuttered venues affected by the COVID-19 pandemic. The SVOG program will offer up to \$10 million to eligible live shuttered venue operators. Grants will be awarded on a rolling basis, with a priority on eligible entities who have suffered the greatest economic loss. Applications will be available on **April 8, 2021**. [Click here for more information.](#)

Who is an eligible *Shuttered Venue Operator*?

Eligible shuttered venue operators include:

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization operators
- Relevant museum operators
- Motion picture theater operators
- Talent Representatives
- Each business entity owned by an eligible entity that also meets the eligibility requirements

Classification will depend on the entity's **principal business activity**, which the SBA defines as "the business activity in which the entity has the greatest combined amount of revenues, expenses, employees, and work hours, assets, and contracts."

Additional eligibility requirements include:

- Must have been in operation as of Feb. 29, 2020
- Had a reduction of **at least 25%** in gross earned revenue in any quarter of 2020 compared to the same quarter in 2019; and
- Has or intends to resume operations

What is the amount of an SVOG?

Eligible entities with a reduction in revenue due to the COVID-19 pandemic will have the opportunity to receive up to a \$10 million grant under the SVOG program. The amount of each grant is determined as such:

- For an eligible entity in operation *on January 1, 2019*, grants will be the *lesser* of the **amount equal to 45% of their 2019 gross earned revenue OR \$10 million**
- For an eligible entity that began operation *after January 1, 2019*, grants will be the *lesser* of the **average monthly gross revenue for each full month in operation during 2019 multiplied by six OR \$10 million**

SBA estimates that they will award approximately 15,000 grants, with the estimated average award amount of \$1M.

How will the SVOG be distributed?

The grants will be distributed on a rolling basis, with a priority on eligible entities who have suffered the greatest economic loss.

In the initial 14-day period of implementation, grants will be awarded to eligible entities with revenue losses of *at least 90 percent*, and in the following 14-day period, grants will be offered to entities with *at least 70 percent* revenue loss. After these two periods, grants will be awarded to all other eligible entities. Additionally, \$2 billion is reserved for eligible applications with up to 50 full-time employees.

What can the SVOG funds be used for?

The SVOG funds can be used for specific expenses, which include:

- Payroll costs
- Rent payments
- Utility payments
- Scheduled mortgage payments
- Scheduled debt payments (not including prepayment of principal on any indebtedness incurred in the ordinary course of business prior to February 15, 2020)
- Worker protection expenditures
- Payments to independent contractors (not to exceed \$100,000 in annual compensation per contractor)
- Other ordinary and necessary business expenses, including maintenance costs
- Administrative costs
- State and local taxes and fees
- Operating leases in effect as of February 15, 2020
- Insurance payments
- Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production

Cross-Eligibility

Entities are eligible to receive both a PPP loan and a SVOG as long as the entity applied for the PPP loan before they receive a SVOG.

- If an entity received a PPP loan after Dec. 27, 2020, the full amount of the PPP loan will be deducted from the amount of the SVOG. If an entity received a PPP loan on or before Dec. 27, 2020, that amount will not be deducted from the SVOG amount. Once an applicant received SVOG funding, that entity will no longer be eligible to apply for a PPP loan
- Receipt of CARES Act funding does not disqualify an entity from the SVOG program

	Paycheck Protection Program Applicant	Employee Retention Tax Credit Applicant	Shuttered Venue Operators Grant (SVOG) Applicant	COVID-19 EIDL Applicant
Paycheck Protection Program Recipient	First Draw PPP borrowers eligible to apply for Second Draw PPP loans if they (a) have 300 or fewer employees and (b) 25% revenue loss	May use for ERTC – but cannot be used for same purpose/costs	Venue or promoter who received a PPP loan on or after December 27, 2020 , will have the SVOG reduced by the PPP loan amount.	May apply for EIDL; PPP and EIDL cannot be used for same purpose/costs
Employee Retention Tax Credit Recipient	May apply for PPP – but cannot be used for same purpose/costs	Using the credit in 2020 does not impact use in 2021	May apply for SVOG; ERTC and SVOG cannot be used for same purpose/costs	May apply for EIDL; ERTC and EIDL cannot be used for same purpose/costs
Shuttered Venue Operators Grant Recipient	Not eligible to apply for new PPP loan	May use the ERTC – but cannot be used for same purpose/costs	May be eligible to receive a supplemental SVOG award	May apply for EIDL; SVOG and EIDL cannot be used for same purpose/costs
COVID-19 EIDL Program Recipient	May apply for EIDL – but cannot be used for same purpose/costs	May use ERTC – but cannot be used for same purpose/costs	May apply for SVOG; EIDL and SVOG cannot be used for same purpose/costs	Same business cannot apply for more than one EIDL

This chart is for guidance only; please consult your tax professional for formal advice.