

# Help for Shuttered Nonprofit Venues

04.07.21 | Linda J. Rosenthal, JD



*[Important Updates: See Below]*

After the first waves of generous federal COVID-19 relief last spring, there was a long and frantic wait in the nonprofit sector for desperately needed supplemental aid.

Finally, that assistance has arrived through emergency appropriations and legislation at historic funding levels in late December 2020 and again in mid-March 2021. Among the provisions of particular interest to the nonprofit community is the \$16-billion [Shuttered Venues Operators Grant Program](#) (SVOG). It's open to certain arts and cultural nonprofits as well as zoos and aquariums. But there will be competition, too, from the *for-profit* sector; some small performance venue operators are also eligible to apply.

Interested applicants must act *right now*.

The Small Business Administration (SBA), the agency tasked with administering this program, has activated a new online application portal. Eligible organizations can apply beginning on Thursday, April 8, 2021, for grants that could be as high as \$10-million each. The SVOG is expected to be popular – immediately – so time is of the essence.

*[Update details: The application portal for SVOG encountered technical problems shutting it down without hours of its opening. The SBA announced on 4/19/21 that the problem has been partially fixed and the agency expects the portal to reopen within a matter of days.]*

Be aware, though, that there is another time-sensitive element in this process. Applicants must be registered with the federal government's grants-management registration system (SAM.gov) *before* submitting the SVOG application. That registration is handled by an entirely separate federal office; there are reported backlogs and delays.

## SVOG Program Terms

In the nonprofit sector, among the hardest hit organizations are arts and cultural institutions like theaters and museums that ordinarily rely heavily on in-person exhibitions and performances.

The Shuttered Venues Operators Program (SVOG) was established by the \$900-billion Consolidated Appropriations Act in late December 2020. More specifically, this grant program was part of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

The SVOG was then amended and expanded in the more comprehensive and historic \$1.9-trillion American Rescue Plan Act (ARP), signed into law on March 12, 2021, and effective immediately. See Mostly Good News for Nonprofits in Federal Aid Package (March 24, 2021).

“Broadly speaking,” SVOG was “designed as a lifeline for *certain* small businesses and nonprofits (including theaters, museums, and zoos) that were subject to financially crippling shutdown orders or restrictions.” An interesting feature of this program is that organizations that have suffered the *most* budgetary harm as a result of COVID-19 lockdown orders and other venue restrictions will be given *first* approval priority.

The award amount will be based partly on how long an organization had been in operation before the start of the pandemic. “Eligible applicants *may* qualify for grants equal to 45% of their gross earned revenue (if they were in operation on January 1, 2019), with the maximum amount available for a single grant award of \$10 million.” There are different calculations and grant amounts for organizations with venues that began operations *after* January 1, 2019.

A welcome aspect of this grant program is a special reserve for smaller organizations. Of the total \$16-billion appropriated, at least \$2-billion must be awarded to eligible applicants with no more than 50 full-time employees. In earlier rounds of other COVID-19 relief grant programs – the PPP, for instance – there were serious allegations that larger organizations were able to muscle their way into approvals ahead of other less well-off and less-powerful entities.

## *Getting Started*

The Small Business Administration (SBA) has worked diligently to get the Shuttered Venues Operators Grant Program (SVOG) up and running. Those efforts include developing the administrative framework and details for awarding and administering this crisis funding along with quickly designing and launching the online information and application portal.

These were challenging tasks because of the emergency nature of the grant program requiring a short implementation period to get the money out the door as quickly as possible. And, certainly, the changes to the December 2020 statute that were made by Congress just weeks later in the American Rescue Plan Act complicated these endeavors.

Nevertheless, the SBA has given the green light for applications to proceed and offers helpful instructional materials with step-by-step guides, checklists, and explanations.

Perhaps the best place to begin the SVOG educational voyage is to tune in to the (already-recorded) Shuttered Venues Operators Grant Information Session webinar first aired on March 30, 2021. About one hour in length, the program begins with discussions of the pre-application steps and preparation

a prospective grantee must take and how to navigate the online application process. It continues with eligibility issues, maximum award amounts, priorities in the selection of grantees, permissible uses of funds, and record-keeping and reporting duties.

The online portal has supplemental written materials including a summary section titled [Shuttered Venue Operators Grant](#) as well as the handy [Preliminary Application Checklist](#) and the section on [Eligibility Requirements](#). There are also short YouTube video tutorials on a variety of topics including [how to set up the required SAM.gov account](#), and the permissible (and prohibited) [uses of grant funds](#). Take a peek also at [Eligibility for Live Performing Arts Organization Operators](#) and [Eligibility for Museum Operators](#).

The SBA portal for the SVOG Program features a comprehensive (and regularly updated) [Frequently Asked Questions](#) section.

An important point covered first in the March 30th webinar and in other materials on the online portal is the thorny matter of how many COVID-19 emergency grants any single organization may receive. The SBA offers a useful chart titled [Cross-program eligibility on SBA COVID-19 relief options](#) with horizontal and vertical grids with various combinations of possible participation in: the Paycheck Protection Program, the Economic Injury Disaster Loan Program, and – now – the Shuttered Venues Operating Grant Program.

## *Conclusion*

The Small Business Administration deserves kudos for this comprehensive (if not entirely scintillating) educational effort, particularly given the tight time constraints and the not-insignificant fact that all of this was happening during the change of presidential administration.

Of course, we in the nonprofit sector are already a bit spoiled by the Internal Revenue Service's much slicker productions starring Legal, the StayExempt Eagle. A delightful cartoon narrator is always a welcome addition to online tutorials about tax and financing statutes.

— *Linda J. Rosenthal, J.D., FPLG Information & Research Director*