



2021 COVID19 Hospitality Industry Recovery Program

Frequently Asked Questions

(As of April 23, 2021. Subject to Change)

GENERAL GRANT INFORMATION

Q. What is the Pennsylvania COVID19 Hospitality Industry Recovery Program (CHIRP)?

A. The Commonwealth of Pennsylvania has allocated \$145 million to counties for a grant program to provide financial assistance to businesses with a primary activity in NAICS subsector 721 (Accommodations) and 722 (Food Service and Drinking Places) per Senate Bill 109, known as Act 1 of 2021.

It should be noted that a significant portion of the eligibility criteria and requirements of the program are dictated by Act 1, 2021 and the requirements set forth in the Fiscal Code.

Q. How much is available in Berks County?

A. Total available funding to Berks County hospitality businesses will be \$4,770,257 for alleviating revenue losses and paying eligible operating expenses as well as attendant program administrative costs.

Q. How is this program different from prior County of Berks and City of Reading programs?

A. This program is different in several ways. First, it is funded by the Commonwealth of Pennsylvania. Second, much of the program's structure, eligibility requirements, and processes are derived directly from the language in the program's authorizing legislation (Senate Bill 109, signed into law as Act 1 of 2021). The most noticeable difference from prior programs is that applicants will need to submit an accounting at the time of application for past eligible expenses from April 1, 2020 through date of application.

Q. In 2020, I received a Berks County Small Business New Start Program Grant. May I apply for this grant program?

A. Yes, if the business meets all of the program eligibility criteria, however priority consideration will be given to applicants who have not received a loan or a grant issued under the authority of the Commonwealth or the Commonwealth's political subdivisions (e.g., Berks County) or by the Federal Government under the CARES Act (PPP, EIDL, etc.) or Consolidated Appropriations Act, 2021.

Q. Is there enough funding to meet the need?

A. Available funds are limited, and high demand is anticipated. Grant funds were not fully expended in the first round so a second round will open at Noon on Monday, April 26, 2021 through 5PM on Monday, May 17, 2021. A business may only apply one time.



ONLINE APPLICATION AND ESTIMATED TIMELINES

NOTE: Please see the CHIRP 'What Do I Need to Apply' Document on www.rebuildberks.com before starting the online application.

Q. When will the CHIRP funding be available?

A. The Berks County online application will be available at www.rebuildberks.com. The second round of the application will be open from Noon on April 26, 2021 through 5PM on May 17, 2021. Prior to that, specific information about 'How to Apply' will be available on the www.rebuildberks.com website. This will give applicants additional time to gather necessary documentation.

Q. What is the process for applying?

A. All applicants MUST apply online at www.rebuildberks.com to facilitate processing. Use of the online application reduces the potential for errors and omissions.

Q. May I fill out a paper application?

A. No, paper applications will not be available for the CHIRP grant program. If needed, access to computers can be scheduled by contacting Josephine Torres-Boykins at the Berks County Latino Chamber of Commerce at 610-451-3239 or josie.boykins@i-leadusa.org

Q. Will assistance be available if I have a question about eligibility or required documents for the application?

A. For general information, an email message can be sent to financing@greaterreading.org or a voicemail at 610.898.7782. Greater Reading Chamber Alliance employees are prohibited from offering legal or accounting advice. For applicants in need of assistance in submitting a complete and accurate application, an accountant or a trusted business advisor should be consulted. Businesses requiring technical advice in completing the application or any general business questions, please contact the Kutztown University SBDC at 484-646-5937.

Q. Will the application be available in Spanish?

A. The application, guidelines, FAQ and 'How to Apply' are available in Spanish. Bilingual assistance is provided by the Berks County Latino Chamber of Commerce. Please contact Josephine Torres-Boykins at 610-451-3239 or josie.boykins@i-leadusa.org.

ELIGIBILITY

Q. Who is eligible?

A. The online application will be open to Berks County private (not publicly traded), for-profit entities meeting the following criteria:

- Entities must operate with a primary NAICS designation within the Accommodation subsector (721) or Food Services and Drinking Places subsector (722).



- Have fewer than three hundred (300) full-time equivalents employees as February 15, 2021.
- Have less than a \$15 million tangible net worth.
- Must have been in operation on February 15, 2020, are currently operating, and will not permanently cease operating within one year of application.
- Applicant must have experienced a reduction in revenue in calendar year 2020 under **one** of the following:
 - (i) 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, or
 - (ii) 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, or
 - (iii) 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, or
 - (iv) 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
 - (v) The applicant that was in operation in all four quarters of calendar year 2019 is deemed to have experienced the revenue reduction in annual receipts of at least 25% in 2020 compared to 2019 and the applicant can provide 2019 and 2020 annual Federal tax forms substantiating the revenue decline.

Q. What can grant funds be used for?

A. Funds can be used for Operating Expenses, including payroll and nonpayroll expenses, that are both ordinary and necessary. An ordinary expense is one that is common and accepted in the eligible applicant's industry. A necessary expense is one that is helpful and appropriate for an eligible applicant's trade or business. To determine an eligible operating expense, the following limitations apply:

- The operating expense must have been incurred between March 1, 2020, and June 15, 2021, or prior to submission of an application, 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.



NOTE: Depreciation is not an eligible Operating Expense.

Q. If I have received other funding assistance during COVID-19, can I still receive funding through CHIRP?

A. Yes. If your business received other federal, state, or local loans or grants, you are still eligible to apply, however, priority will be given to those entities who have not received any funding assistance. The sources of funding include, but it is not limited to, EIDL, PPP, Statewide Small Business Assistance and/or the Berks County ReStart and New Start programs.

Q. My business has multiple locations in Berks County, may I apply more than once?

A. You may only submit one application for one location. Entities that have common ownership (mirror ownership or individuals/partnerships with 50% or greater ownership in multiple entities) may submit one application in the first round. If a second round is open, a second application may be submitted for a different entity/operation.

Q. As a franchisee, may I submit an application?

A. Yes, however, an eligible franchisee applicant must have a physical operating location in Berks County, Pennsylvania, and must have an FTE of fewer than 300 companywide as February 15, 2020. All funds must be used for costs incurred in Berks County locations.

APPLICATION INFORMATION:

Q. Must I apply for the maximum grant amount?

A. No.

- Eligible applicants can only apply for an amount that they can provide appropriate documentation for per the program guidelines.
- Applicants 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 the other prohibitions detailed in the program guidelines and program grant agreement:
- Operating expenses are **not** eligible for which an applicant receives or received payment, reimbursement, and/or loan forgiveness including but not limited to the following sources:
 - Any County of Berks grants received in 2020 or 2021.
 - Any PA Small Business Grant Program of 2020 administered by the PA CDFI Network.
 - Any US SBA EIDL and PPP funds.
 - Any 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.
- Grant awards may be awarded in increments of \$5,000, not to exceed \$50,000, per eligible applicant based upon eligible operating expenses (between March 1, 2020 and



June 15, 2021 of submission of application, whichever comes first) **AND** based on Annual Revenues as listed below:

ANNUAL REVENUES (2019)	GRANT AMOUNT (Per Applicant)
Up to \$50,000	\$5,000
\$50,001 - \$100,000	\$10,000
\$100,001 - \$250,000	\$15,000
\$250,001 - \$500,000	\$20,000
\$500,001 - \$750,000	\$25,000
\$750,001 - \$1,000,000	\$30,000
\$1,000,001 - \$1,250,000	\$35,000
\$1,250,001 - \$1,500,000	\$40,000
\$1,500,001 - \$2,000,000	\$45,000
\$2,000,000+	\$50,000

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Q. How many applications are expected to be received?

A. We anticipate high demand for the program. Businesses within Berks County that fall within the eligible NAICS codes exceed 750.

Q. If I am not one of the first applications submitted, does that mean I won't receive grant funding through this program? How long with applications be accepted for?

A. No, the applications are not 'first come, first serve' however there is limited funding in the second round which opens at Noon on Monday, April 26, 2021 through 5PM on Monday, May 17, 2021.

Q. I am having trouble accessing the online application form?

A. We are encouraging everyone to be patient in submitting their applications. Please note applications will not be formally accepted for review for the second round before Noon on April 26, 2021. **The online application form will not be available until the application window opens.** We expect that when the program opens, there will be a steady influx of applications. You may need to clear your web browser's cache if you continue to have trouble reloading the application form. Also, please make sure you complete all required sections of the online application form and upload all the required documents. The program is not first come, first served.

Q. I have an at-home business; how does that impact my use of grant funding?

A. At-home businesses are eligible, but with the following provisions:

- Allowable use of funds for mortgage or rent must include documentation for grant reporting that indicates the percentage of the domicile used for business purposes. Example – if 10% of the domicile is used for business purposes, only 10% of the rent/mortgage can be paid with grant funds.



- Allowable use of funds for utilities is only permissible if the account is in the name of the business. If, for example, a personal cell phone is used for business purposes, that would not be an eligible use of grant funds.

Q. I am a sole proprietor and do not have an EIN; what should I do to complete the application?

A. For the application, please provide the last four digits of your social security number.

Q. Will I receive a grant if my application is incomplete, or contains errors?

A. No. A grant will not be awarded if the application is incomplete, not properly executed, contains erroneous information, or lacks proper documentation. Only full, complete, and accurate applications will be considered. Applications with technical errors or without required back-up documentation will be removed from the applicant pool and deemed ineligible. It is the applicant's responsibility to ensure the application is complete and accurate.

Q. How will I know if I am awarded a grant? If I am awarded a grant, how soon will funds be disbursed?

A. Applicants awarded grant funding will be contacted via email by the Greater Berks Development Fund and are required to sign a grant contract and documentation provided as part of the award and disbursement process. The grant agreement must be signed and returned within 15 calendar days of receipt, or the grant award might be forfeited. Upon execution of the grant contract and it being returned to the Greater Berks Development Fund, efforts will be made to disburse funds within approximately 10-15 business days. Grant administration, grant contracting, and fund disbursement will be done by the Greater Berks Development Fund.

Q. What if I have a question that is not answered in the guidelines or the FAQ?

A. All questions about the program can be submitted to financing@greaterreading.org. FAQ will be updated on an as-needed basis so check back often.