

Small Business Recovery Grant Program



June 9, 2021 | **CLIENT ALERTS**

New York State has announced the \$800 million Small Business Recovery Grant Program to benefit certain small businesses doing business in New York State. The purpose of the program is to reimburse eligible small businesses for a broad range of business expenses incurred between March 1, 2020, and April 1, 2021.

To be eligible to receive a Small Business Recovery Grant, an applicant business must meet the following requirements:

- Be currently viable and must have been in business on or before March 1, 2019;
- Have no more than one hundred (100) employees;
- Have demonstrable economic hardship as a result of the COVID-19 pandemic;
- Meet the following economic requirements:
 - 2019 or 2020 gross receipts between \$25,000 and \$500,000 per year;
 - A net profit of at least \$1 or greater on their 2019 income tax return;
 - Total 2020 expenses on applicant's 2020 income tax return must be greater than their respective grant amount;

- Be in compliance with all applicable laws, regulations and codes and must not have any outstanding federal, state or local taxes prior to July 15, 2020; and
- Must not have received any other available federal COVID-19 assistance through any available federal program, unless any such assistance received was below the following levels:
- Paycheck Protection Program: \$100,000 or less in loan proceeds (including Second Draw loans)
- Economic Injury Disaster Loan Advance Grant: \$10,000 or less
- Economic Injury Disaster Loan Supplemental Targeted Advance Grant: \$5,000 or less
- SBA Shuttered Venue Operators Grant: \$150,000 or less

The following types of businesses are ineligible for the Small Business Recovery Grant Program:

- All non-profit entities;
- Government-owned entities;
- Any business that is primarily engaged in political or lobbying activities;
- Any business that received an award from the SBA Restaurant Revitalization Fund; and
- Landlords and passive real estate businesses.

If a small business is eligible for the Small Business Recovery Grant Program, they will be eligible to receive the following amounts under the program:

- 2019 gross receipts between \$25,000 and \$49,999 - \$5,000 per eligible business
- 2019 gross receipts between \$50,000 and \$99,999 - \$10,000 per eligible business
- 2019 gross receipts between \$100,000 and \$500,000 – 10% of gross receipts (\$50,000 maximum)

The funds may be used for a broad range of expenses incurred between March 1, 2020, and April 1, 2021. At this time the only barred use enumerated for the grant funds is re-paying or paying down any loan obtained through a federal or New York State COVID-19 relief package.

The application portal is expected to be open to applicants on June 10, 2021. Full program details are also expected to be announced shortly.

If you have any questions about the Small Business Recovery Grant Program, or any other COVID-19 relief programs, please contact us at Lippes Mathias.

Related Team



Brendan J. Rich

Partner | Team
Leader - Corporate
and Mergers &
Acquisitions



Michael G. Rossetti

Partner | Office
Leader, Washington,
D.C. | Team Co-
Leader - Indian Law |
Team Co-Leader –
Government &
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