

# PHILADELPHIA COVID-19 HOSPITALITY INDUSTRY RECOVERY PROGRAM



The Pennsylvania COVID-19 Hospitality Industry Recovery Program (CHIRP) is the new \$145 million Statewide fund created by the Commonwealth of Pennsylvania to alleviate revenue losses and pay eligible operating expenses for certain businesses in the hospitality industry severely impacted by the COVID-19 pandemic. Philadelphia County is receiving approximately \$17 million in funding to provide grants to eligible businesses through this program. Grants are available to eligible businesses in the range from \$5,000 - \$50,000.

## ELIGIBILITY

### BUSINESSES MUST:

- Be physically located in Philadelphia County, in operation as of February 15, 2020, and intend to continue operating within one year of the date of application.
- Have a NAICS designation within the Accommodation subsector (721) or Food Services and Drinking Places subsector (722) as its primary activity.

*Note: [NAICS \(North American Industry Classification System\) code](#) is a 6-digit number used to identify the type of business you are operating and can be found on the first page of most business tax returns.*

- Have a documented 25% reduction in gross receipts between 2019 and 2020 (calculated annually or quarterly) due to financial impact from COVID-19.

*Note: Businesses that started operations between January and February 15, 2020 may compare Q1 2020 to any other quarter in 2020.*

- Be a for-profit business and not a publicly traded entity.
- Have fewer than 300 full-time equivalent employees entity wide as of February 15, 2020.
- Have a maximum tangible net worth not more than \$15 million as of February 15, 2020.
- Be in compliance with all local, state, and federal taxes, or be on an approved payment plan or can prove they are in the process of getting on a payment plan.
- Have the required federal, state, and local licenses and permits to legally operate and be in good standing with the City of Philadelphia.
- Apply for only one CHIRP grant per Philadelphia County business location (per unique EINs).

## PROGRAM PRIORITIES

The following parameters are not required to apply for the program but businesses that meet any of these criteria will be prioritized when evaluated. Due to limited funding, this program will prioritize businesses that:

- Demonstrate 50% or greater reduction of revenue, as measured by gross receipts between Q2 through Q4 2019 and Q2 through Q4 2020 (calculated annually or quarterly) due to financial impact from COVID-19.

*Note: Businesses that started operations between January 1, 2020 and February 15, 2020 may use a monthly average reduction in gross receipts to compare months in Q1 2020 to Q2 through Q4 of 2020.*

- Prior to this grant program, have not received a COVID-19 relief loan or grant from the City of Philadelphia, Commonwealth of Pennsylvania, or Federal Government.
- Were subject to mandated closure by the Commonwealth's proclamation of disaster emergency in March 2020 and any renewal of state of disaster emergency proclamations.
- Are owned by Historically Disadvantaged People

*Note: Historically Disadvantaged businesses are at least 51% owned and operated by persons who are Black, Hispanic, Native American, Asian American, or Pacific Islander because they have traditionally been discriminated against and disadvantaged when seeking financial services and products.*

- Are located in an area with high poverty.

In addition, the program will give consideration to businesses that:

- Are owned by women, immigrants, disabled-persons, or veterans.
- Earn less than \$3 million in annual revenue pre-COVID-19.
- Provide jobs in Philadelphia.

## WHERE & HOW TO APPLY

APPLY ONLINE: [PIDCPHILA.COM/CHIRP](https://PIDCphila.com/CHIRP)

Eligible business owners can apply online beginning at 11 a.m. on **Monday, March 15th**. The deadline to submit applications is 11:59 p.m. on **April 12th**. The online application is simple and is estimated to take approximately 15-20 minutes to complete. It can be completed on your mobile device or computer.

All applications will be reviewed after April 5th. The program is not first-come, first-served; applications will be awarded based on eligibility and alignment with program priorities.



## WHAT YOU'LL NEED TO APPLY

### BASIC INFORMATION ABOUT YOUR BUSINESS, SUCH AS:

- Type and structure of business
- Employer Identification Number (EIN), social security number, or Individual Taxpayer Identification Number (ITIN) of business owner
- NAICS Code (6-digit number used to identify the type of business you are operating can be found on the first page of most business tax returns)
- Annual and quarterly gross receipts from 2019 and 2020
- Number of full-time and part-time employees pre-COVID and currently

### DOCUMENTS YOU WILL NEED TO PROVIDE:

- 2019 Tax Return, if in operation in 2019
- 2019 Profit and Loss statements on a quarterly or monthly basis, if in operation in 2019
- 2020 Profit and Loss statements on a quarterly or monthly basis
- Signed, dated, and completed [W9 form \(the October 2018 version must be used\)](#).

## WHAT FUNDS MAY BE USED FOR

If approved for a grant, businesses may use the funds for eligible expenses incurred 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.

If using grant funds to cover expenses related to mortgage, rent, or utilities then those services must have begun before February 15, 2020.

Grant funds cannot be used for expenses or losses that were already covered by any public sector funding received by businesses due to COVID-19 between March 1, 2020 through the date of application for this program.

