Why your Shuttered Venue Operators Grant application is ineligible

Section 324 of the Economic Aid to Hard-Hit Small Busineses, Nonprofits, and Venues Act which was part of **H.R. 133 Consolidated Appropriations Act, 2021**, established the SVOG program. The Economic Aid Act included specific eligibility criteria that the SBA followed in awarding grants to ensure the funds were delivered to those Congress intended to receive them. The tables that follow provide the general eligibility criteria that apply to all applicants, as well as the eligibility criteria for each entity type. The final page provides common reasons certain types of organizations are deemed to be ineligible.

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General Eligibility (applies to all applicants)

Eligibility Criteria		Statute Reference
1	Must be fully operational on February 29, 2020	15 USC 9009a(a)(1)(A)(i)(I)
2	Must be currently open, in operation, or currently representing live talent	15 USC 9009a(a)(1)(A)(ii)
3	Must demonstrate at least a 25% reduction in gross earned revenue during at least one quarter of 2020, compared to 2019 *(not applicable for businesses that opened in early 2020)*	15 USC 9009a(a)(1)(A)(i)(II)
4	Must not issue securities on a national securities exchange or is Applicant wholly or partly owned or operated by an entity that issues securities on a national securities exchange	15 USC 9009a(a)(1)(A)(vi)(I)(aa)
5	Must not have more than 10% of 2019 income come from Federal resources *(not applicable to government entities)*	15 USC 9009a(a)(1)(A)(vi)(I)(bb)
6	Must not meet <u>all</u> the following (or be wholly- or partly-owned by an entity that meets <u>all</u> the following): (1) own or operate a venue in more than one country (2) own or operate venue in more than 10 states (3) have more than 500 full-time equivalent employees	15 USC 9009a(a)(1)(A)(vi)(II)
7	Must not be currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans	2 CFR Parts 180 and 2700
8	Must not have done any of the following in the past 5 years: (1) been convicted… (2) pleaded guilty… (3) pleaded nolo contendere…	Pub. L. No. 113-235, Title V, Div. B, § 523
9	Must not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services	15 USC 9009a(a)(1)(B)

Live Performing Arts Organization Operator

Eligibility Criteria		Statute Reference
1	Must create, produce, perform, and/or present live performances for audiences in qualifying venues, including amphitheaters, concert halls, auditoriums, theatres, clubs, festivals, and schools	15 USC 9009a(a)(3)(A)(i)(I), as supplemented by ⁋ 23 of the Definitions section of the FAQs.
2	Must have principal business activity as either: (1) selling tickets to live events by performing artists an average of not less than 60 days before the show date (2) creating, producing, performing, and/or presenting live events by performing artists, with not less than 70% of earned revenue coming from ticket sales/cover charges, sales of merchandise/food/beverage (incl. alcohol), production fees/reimbursements, and/or nonprofit educational initiatives	15 USC 9009a(a)(3)(A)
3	Must require a ticket purchase or cover charge for most performances	15 USC 9009a(a)(1)(A)(iii)(IV)
4	Must market performances via print or electronic means	15 USC 9009a(a)(1)(A)(iii)(VI)
5	Must pay performers based on a percentage of sales, a guarantee, or other mutually beneficial arrangement other than compliementry food and beverage	15 USC 9009a(a)(3)(A)(i)(I)(bb) and 9009a(a)(3)(A)(ii)(II)
6	Most venues used for performance must have a defined performance space (e.g., a stage or roped-off area)	15 USC 9009a(a)(1)(A)(iii)(I)
7	Most venues used for performance must have a defined audience space (e.g., standing or seating area)	15 USC 9009a(a)(1)(A)(iii)(I)
8	Most venues used for performance must have sound mixing equipment	15 USC 9009a(a)(1)(A)(iii)(II)
9	Most venues used for performance must have a public address system	15 USC 9009a(a)(1)(A)(iii)(II)
10	Most venues used for performance must have a lighting rig	15 USC 9009a(a)(1)(A)(iii)(II)
11	Most venues used for performance must have at least one individual who performs at least two of the following roles: (1) Sound engineer (2) Booker (3) Promoter (4) Stage manager (5) Security personnel (6) Box office manager	15 USC 9009a(a)(1)(A)(iii)(III)

Live Venue Operator

Eligibility Criteria		Statute Reference
1	Must own a venue and/or operate a venue on behalf of an owner	15 USC 9009a(a)(3)(A)
2	Must have principal business activity as either: (1) hosting live concerts, comedy shows, theatrical productions, or other events by performing artists with not less than 70% of the Live Venue Operator's earned revenue coming from ticket sales/cover charges, sales of merchandise/food/beverage (incl. alcohol), production fees/reimbursements, and/or nonprofit educational initiatives (2) selling tickets to live concerts, comedy shows, theatrical productions, or other events by performing artists an average of not less than 60 days before the show date	15 USC 9009a(a)(3)(A)
3	Must be either: (1) Not a nonprofit, and most performances require a ticket purchase or cover charge (2) A nonprofit, and performances are produced and managed primarily by paid employees	15 USC 9009a(a)(1)(A)(iii)(IV) 15 USC 9009a(a)(1)(A)(iii)(V)
4	Must market performances via print or electronic means	15 USC 9009a(a)(1)(A)(iii)(VI)
5	Must pay performers based on a percentage of sales, a guarantee, or other mutually beneficial arrangement other than compliementry food and beverage	15 USC 9009a(a)(3)(A)(i)(I)(bb) and 9009a(a)(3)(A)(ii)(II)
6	The venue used for performance must have a defined performance space (e.g., a stage or roped-off area)	15 USC 9009a(a)(1)(A)(iii)(I)
7	The venue used for performance must have a defined audience space (e.g., standing or seating area)	15 USC 9009a(a)(1)(A)(iii)(I)
8	The venue used for performance must have sound mixing equipment	15 USC 9009a(a)(1)(A)(iii)(II)
9	The venue used for performance must have a public address system	15 USC 9009a(a)(1)(A)(iii)(II)
10	The venue used for performance must have a lighting rig	15 USC 9009a(a)(1)(A)(iii)(II)
11	The venue used for performance must have at least one individual who performs at least two of the following roles: (1) Sound engineer (2) Booker (3) Promoter (4) Stage manager (5) Security personnel (6) Box office manager	15 USC 9009a(a)(1)(A)(iii)(III)

Motion Picture Theatre Operator

Eligibility Criteria		Statute Reference
1	Must own a movie theatre and/or operate a movie theatre on behalf of an owner	15 USC 9009a(a)(4)
2	Must have principal business activity as owning and/or operating at least one place of public accommodation for the purpose of motion picture exhibition for a fee	15 USC 9009a(a)(4)
3	Must require a ticket purchase or cover charge for most performances	15 USC 9009a(a)(1)(iv)(III)
4	Must market performances via print or electronic means	15 USC 9009a(a)(1)(A)(iv)(IV)
5	The venue used for performance must have at least one auditorium	15 USC 9009a(a)(1)(A)(iv)(I)
6	The venue used for performance must have a motion picture screen	15 USC 9009a(a)(1)(A)(iv)(I)
7	The venue used for performance must have a defined audience space which is mostly fixed seating	15 USC 9009a(a)(1)(A)(iv)(I)
8	The venue used for performance must have a projection booth or space containing not less than one motion picture projector	15 USC 9009a(a)(1)(A)(iv)(II)

Museum

Eligibility Criteria		Statute Reference
1	Must be a nonprofit	15 USC 9009a(a)(7)(B)
2	Must have principal business as serving as a museum	15 USC 9009a(a)(1)(A)(v)(I)
3	Must be organized on a permanent basis for essentially educational, cultural heritage, or aesthetic purposes	15 USC 9009a(a)((7); 20 USC 9172
4	Must use professional staff	15 USC 9009a(a)((7); 20 USC 9172
5	Must own or use, care for, and exhibit tangible objects to the public on a regular basis	15 USC 9009a(a)((7); 20 USC 9172
6	Must be one of the following: ▪ aquarium ▪ arboretum ▪ botanical gardens ▪ art museum ▪ children's museum ▪ general museum ▪ historic house or site ▪ history museum ▪ nature center ▪ natural history and anthropology museum ▪ planetarium science and technology center ▪ specialized museum ▪ zoo ▪ similar institution	15 USC 9009a(a)((7); 20 USC 9172
7	Must have indoor exhibition spaces which have been subjected to pandemic-related occupancy restrictions	15 USC 9009a(a)(1)(A)(v)(II)
8	Must have at least one auditorium, theater, or performance or lecture hall with fixed audience seating	15 USC 9009a(a)(1)(A)(v)(III)
9	Must have regular programming (for example: daily, weekly)	15 USC 9009a(a)(1)(A)(v)(III)

Promoter

Eligibility Criteria		Statute Reference
1	Must organize live events by performing artist by doing <u>all</u> of the following: (1) renting or owning a performance site (2) contracting with artists or a production company for the performance (3) marketing the events (4) collecting an admission fee or gate receipts	15 USC 9009a(a)(3)(A), as supplemented by ⁋ 26 of the Definitions section of the FAQs
2	Must have <u>both:</u> (1) a profit interest (net income or loss interest) in the live event's presentation (2) sole or joint rights to control the financial terms of the live event's presentation, use of the venue, and/or marketing of the event	15 USC 9009a(a)(3)(A), as supplemented by ⁋ 26 of the Definitions section of the FAQs
3	Must have the principal business activity as either: (1) Selling tickets to live concerts, comedy shows, theatrical productions, or other events by performing artists an average of not less than 60 days before the show date (2) Promoting live concerts, comedy shows, theatrical productions, or other events by performing artists with not less than 70% of the Promoter's earned revenue coming from ticket sales/cover charges, sales of merchandise/food/beverage (incl. alcohol), production fees/reimbursements, and/or nonprofit educational initiatives	15 USC 9009a(a)(3)(A)
4	Must require a ticket purchase or cover charge for most performances	15 USC 9009a(a)(1)(A)(iii)(IV)
5	Must market performances via print or electronic means	15 USC 9009a(a)(1)(A)(iii)(VI)
6	Must pay performers based on a percentage of sales, a guarantee, or other mutually beneficial arrangement other than compliementry food and beverage	15 USC 9009a(a)(3)(A)(i)(I)(bb) and 9009a(a)(3)(A)(ii)(II)
7	The venue used for performance must have a defined performance space (e.g., a stage or roped-off area)	15 USC 9009a(a)(1)(A)(iii)(I)
8	Most venues used for performance must have a defined audience space (e.g., standing or seating area)	15 USC 9009a(a)(1)(A)(iii)(I)
9	Most venues used for performance must have sound mixing equipment	15 USC 9009a(a)(1)(A)(iii)(II)
10	Most venues used for performance must have a public address system	15 USC 9009a(a)(1)(A)(iii)(II)
11	Most venues used for performance must have a lighting rig	15 USC 9009a(a)(1)(A)(iii)(II)

12	Most venues used for performance must have at least one individual who performs at least two of the following roles: (1) Sound engineer (2) Booker (3) Promoter (4) Stage manager (5) Security personnel (6) Box office manager	15 USC 9009a(a)(1)(A)(iii)(III)

Talent Representative

Eligibility Criteria		Statute Reference
1	Must be engaged in representing or managing artists and entertainers as 70% or more of its operations	15 USC 9009a(a)(10)(A)(i) as supplemented by ⁋ 35 of the Definitions section of the FAQs
2	Must book or represent musicians, comedians, actors, or similar performing artists primarily live events in venues or festivals	15 USC 9009a(a)(10)(A)(ii)
3	Most venues performers are booked into must require a ticket purchase or cover charge for most performances	15 USC 9009a(a)(1)(A)(iii)(IV)
4	Most venues performers are booked into must market performances via print or electronic means	15 USC 9009a(a)(1)(A)(iii)(VI)
5	Most venues performers are booked into must pay performers based on a percentage of sales, a guarantee, or other mutually beneficial arrangement other than complimentary food and beverage	15 USC 9009a(a)(1)(A)(iii)(IV) and 9009a(a)(10)(A)(iii)
6	Most venues performers are booked into must have a defined performance space (e.g., a stage or roped-off area)	15 USC 9009a(a)(1)(A)(iii)(II)
7	Most venues performers are booked into must have a defined audience space (e.g., standing or seating area)	15 USC 9009a(a)(1)(A)(iii)(II)
8	Most venues performers are booked into must have sound mixing equipment	15 USC 9009a(a)(1)(A)(iii)(III)
9	Most venues performers are booked into must have a public address system	15 USC 9009a(a)(1)(A)(iii)(III)
10	Most venues performers are booked into must have a lighting rig	15 USC 9009a(a)(1)(A)(iii)(III)
11	Most venues performers are booked into must have at least one individual who performs at least two of the following roles: (1) Sound engineer (2) Booker (3) Promoter (4) Stage manager (5) Security personnel (6) Box office manager	15 USC 9009a(a)(1)(A)(iii)(III)

Theatrical Producer

Eligibility Criteria		Statute Reference
1	Must have responsibility for creating, producing, or operating live theatrical productions	15 USC 9009a(a)(10)(A)(i) as supplemented by ⁋ 36 of the Definitions section of the FAQs
2	Must be either: (1) a non-passive profit (net income or loss) interest in a theatrical production (other than as a vendor or service provider) (2) have sole or joint rights to control a theatrical production	15 USC 9009a(a)(10)(A)(i) as supplemented by ⁋ 36 of the Definitions section of the FAQs
3	Must have a principal business activity as either: (1) selling tickets to theatrical productions an average of not less than 60 days before the show date (2) producing theatrical productions, with not less than 70% of earned revenue coming from ticket sales/cover charges, sales of merchandise/food/beverage (incl. alcohol), production fees/reimbursements, and/or nonprofit educational initiatives	15 USC 9009a(a)(3)(A)
4	Must require a ticket purchase or cover charge for most performances	15 USC 9009a(a)(1)(A)(iii)(IV)
5	Must market performances via print or electronic means	15 USC 9009a(a)(1)(A)(iii)(VI)
6	Must pay performers based on a percentage of sales, a guarantee, or other mutually beneficial arrangement other than compliementry food and beverage	15 USC 9009a(a)(3)(A)(i)(I)(bb) and 9009a(a)(3)(A)(ii)(II)
7	The venue used for performance must have a defined performance space (e.g., a stage or roped-off area)	15 USC 9009a(a)(1)(A)(iii)(II)
8	The venue used for performance must have a defined audience space (e.g., standing or seating area)	15 USC 9009a(a)(1)(A)(iii)(II)
9	The venue used for performance must have sound mixing equipment	15 USC 9009a(a)(1)(A)(iii)(III)
10	The venue used for performance must have a public address system	15 USC 9009a(a)(1)(A)(iii)(III)
11	The venue used for performance must have a lighting rig	15 USC 9009a(a)(1)(A)(iii)(III)
12	The venue used for performance must have at least one individual who performs at least two of the following roles: (1) Sound engineer (2) Booker (3) Promoter (4) Stage manager (5) Security personnel (6) Box office manager	15 USC 9009a(a)(1)(A)(iii)(III)

Common reasons SVOG applicants have been declined and are ineligible

Each applicant is unique, and the SBA has at least two individuals review each application before deciding to grant or decline an applicant. The following list provides common types of organizations that applied for an SVOG and were deemed ineligible, along with the reason.

Type of Organization	Commonly Unmet Eligibility Criteria
Event venues (e.g., wedding venues)	Most apply as Live Venue Operators ▪ #2 (principal business activity) ▪ #5 (paid performers)
Sports arenas	Most apply as Live Venue Operators ▪ #2 (principal business activity)
Escape rooms	Most apply as Live Venue Operators ▪ #2 (principal business activity) ▪ #5 (paid performers) ▪ #6 (defined performance space) ▪ #7 (defined audience space) ▪ #11 (specific roles)
Festivals	Some apply as Live Venue Operators ▪ #1 (own/operate a venue) ▪ #2 (principal business activity) Some apply as Promoters ▪ #3 (principal business activity)
Running event with live music	Most apply as Live Venue Operators ▪ #2 (principal business activity) ▪ #10 (lighting rig) ▪ #11 (specific roles)
Tour companies	Most apply as Promoters ▪ #3 (principal business activity)
Conventions	Some apply as Live Venue Operators ▪ #1 (own/operate a venue) ▪ #2 (principal business activity) ▪ #5 (paid performers) Some apply as Promoters ▪ #3 (principal business activity)