

A person wearing a red jacket is holding a white smartphone in their left hand and using their right hand to interact with the screen. The background is blurred. Three dark red rectangular boxes with white text are overlaid on the right side of the image.

How to apply for the Small Business COVID-19 Hardship Fund

Today's Presenter



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Program Summary

The Victorian Government's Small Business COVID Hardship Fund assists small to medium businesses whose operations have been severely impacted by COVID restrictions that have been in place between 27 May 2021 and August 2021 (COVID-19 restrictions) and;

- have experienced at least a 70 per cent reduction in turnover as a result of the COVID-19 restrictions, and
- are ineligible for other key COVID-19 Victorian Government business grant programs that have been announced since 27 May 2021.

Standard Eligibility Criteria

To be eligible for the Program, a business must:

- be located within Victoria; and
- as a direct consequence of COVID-19 restrictions since 27 May 2021 (Impacted Period), have experienced a reduction in turnover³ of at least 70 per cent for a minimum consecutive two-week period comparable to a Benchmark Period in 2019 (note alternative arrangements are available for businesses who do not have a trading history in 2019); and
- have an annual Victorian payroll of up to \$10 million in 2019-20 on an ungrouped basis; and
- be registered for Goods and Services Tax (GST) on and from 28 July 2021; and
- hold an Australian Business Number (ABN) and have held that ABN on and from 28 July 2021; and
- be registered with the responsible Federal or State regulator ; and
- Additional eligibility requirements for employing businesses:
 - be registered with WorkSafe Victoria ; and
 - attest that the business is supporting its workers to access any paid leave entitlements, or that if a person can work from home, to work from home during the COVID-19 Restrictions, and supporting their casual workers, where possible

Other Eligibility Requirements

Businesses will not be eligible to receive a Small Business COVID Hardship Fund grant if they have received support under any of the government COVID-19 support packages launched on and after 27 May 2021, including:

- Business Costs Assistance Program Round Two
- Business Costs Assistance Program Round Two Extension
- Licensed Hospitality Venue Fund 2021
- Licensed Hospitality Venue Fund 2021 – July Extension
- Alpine Resorts Support Program
- Victorian Events Support Package (see details on inclusions)

Further eligibility requirements – refer to the website

How to apply

1. A qualified agent (qualified accountant, registered tax agent or registered BAS agent) can apply on your behalf and verify the 70% drop in business turnover as part of the application. The qualified agent needs to attest that they are authorised to apply on your behalf.
2. You can apply directly as a business owner and have the application verified by a qualified agent (qualified accountant, registered tax agent or registered BAS agent) using the Small Business COVID Hardship Fund.
3. Business owners who do not have access to a qualified accountant, registered tax agent or registered BAS agent can register their interest for the program. Applicants may receive an Invitation to Apply email from the department. Applications received via the Invitation to Apply process may take up to 25 business days to process, due to the need for additional verification measures.

Accountants Letter

I confirm that the above listed business as a direct consequence of COVID-19 restrictions since 27 May 2021 (**Impacted Period**) has experienced a reduction in turnover of at least 70 per cent for a minimum consecutive two-week period comparable to a **Benchmark Period** in 2019.

Impacted Period GST Turnover for a minimum consecutive two-week period between 27 May 2021 and 10 Sept 2021	[insert dates used]	[insert GST turnover]
Benchmark Period <i>For businesses actively trading in 2019:</i> GST Turnover for a minimum consecutive two-week period between 27 May 2019 and 10 Sept 2019 <i>For businesses that were not actively trading in 2019:</i> GST Turnover for a minimum consecutive two-week period between 1 February 2021 to 28 July 2021	[insert dates used]	[insert GST turnover]
Reduction in turnover (per cent) Guidance notes: Reduction in turnover % = $[1 - (\text{GST turnover in Impacted Period} / \text{GST turnover in Benchmark Period})] \times 100$ <i>Note. If the reduction in turnover (as calculated using the formula above) is less than 70 per cent, then the business is not eligible for a grant from the Small Business COVID Hardship Fund program</i>		[insert decline in turnover %]

In accordance with the Small Business COVID Hardship Fund [program guidelines](#) the applicant listed above satisfies the **70 per cent reduction** in turnover requirement for the period based on the information the applicant has provided to me.

The business has informed me that the financial information they have provided for this reduction in turnover calculation is consistent with normal business practice and has not been manipulated for the purpose of receiving a grant from the Small Business COVID Hardship Fund.

I have not conducted an audit or assurance engagement to verify the reliability, accuracy or completeness of the information the applicant has provided to me and do not express an audit opinion or a review conclusion on the applicant's turnover.

Reduction in Turnover

Impacted Period is **27 May 2021 to 10 September 2021**

Benchmark Period is;

- For businesses that were actively trading in 2019: **27 May 2019 to 10 September 2019**, or
- For businesses that were not actively trading in 2019: **1 February 2021 to 28 July 2021**

Reduction in turnover % = $[1 - (\text{GST turnover in Period A} / \text{GST turnover in Period B})] \times 100$.

$[1 - (\$100,000 \text{ period in } \mathbf{2021} / \$500,000 \text{ period in } \mathbf{2019})] \times 100 = \mathbf{80\% \text{ reduction}}$

Impact Period – Benchmark Period

To calculate whether the applicant satisfies the 70 per cent reduction in turnover test the following steps are required:

- A.** Select a minimum consecutive two-week trading period within the Impacted Period where the business turnover was most impacted by COVID-19 restrictions.
- B.** Select a minimum consecutive two-week trading period as a **comparison point** within the Benchmark Period.
- C.** Calculate the reduction in turnover using the following formula,

$$\text{Reduction in turnover \%} = [1 - (\text{GST turnover in Period A} / \text{GST turnover in Period B})] \times 100$$

If the reduction in turnover (as calculated using this formula) is less than 70 per cent, then the business is not eligible for this program.

Reduction in Turnover

- The **comparison point** for businesses:
 - actively trading in 2019, should generally be the similar time of the year unless there are exceptional reasons as to why a different time is chosen, noting that slight adjustments for trading days are acceptable; or
 - not actively trading in 2019, should reflect a normal level of trading activity for your business between 1 February 2021 to 28 July 2021.

When does my business need to have lost revenue in order to be eligible?

Eligible businesses must demonstrate a reduction in turnover of at least 70% for a minimum consecutive two-week period since 27 May 2021 as a direct consequence of COVID-19 restrictions, comparable to a benchmark period in 2019.

Businesses should compare their best consecutive two-week trading period between 27 May and 10 September 2019, with their worst consecutive two-week trading period between 27 May and 10 September 2021.

Alternative arrangements are available for [businesses who do not have a trading history in 2019](#).

Apply online

<https://business.vic.gov.au/grants-and-programs>

Small Business COVID Hardship Fund

● Open

Who is this for

Providing \$10,000 grants for eligible small and medium businesses that have experienced a reduction in turnover of at least 70%.

What you get

Grants of \$10,000.

Closing date

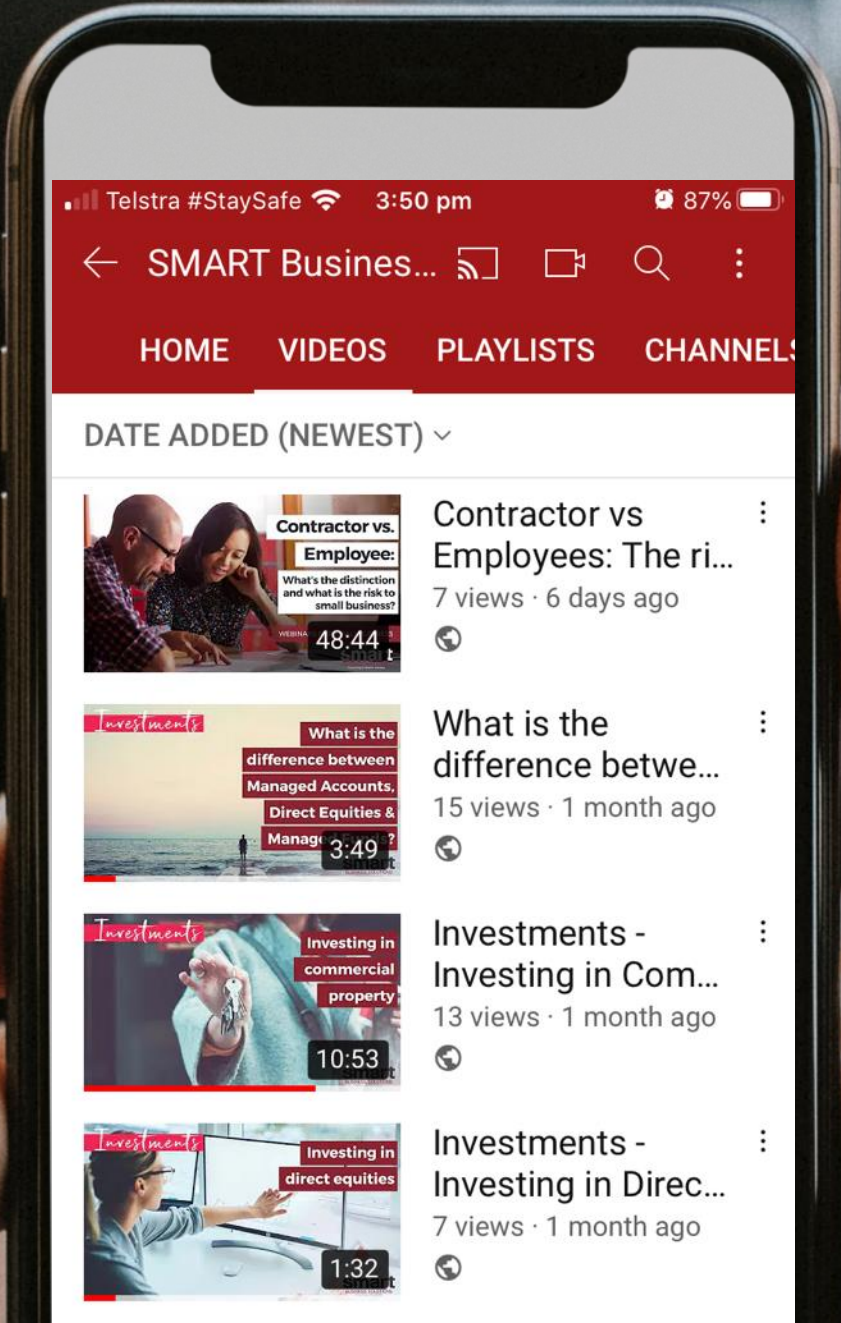
Closing on 10 Sep 2021

Next steps - how we can help you

- DIY – Apply online with option 3 “invitation to apply”, 25 day turnaround – Cost **FREE!**
- Accountant Letter – it isn’t just “signing the letter” as tax agents we are required to prepare source documents workpapers and calculate the difference. Analysis of the profit & loss for the selected period and the accountant's letter \$250+GST
- Need assistance lodging? We can analyze and prepare the accountants letter and lodge your application. This will be charged based on the time incurred.



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Our Leadership Team



Shannon Smit
Managing Director

Shannon Smit is a CEO and founding director who thrives on breaking the mold of the standard. She's lived in 4 different countries and 6 different cities. she talks a mile a minute, has ideas faster than a speeding bullet and has nailed the art of multitasking. Likes travelling the world. Loves being a soccer mum to her two boys.

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Paul Cunningham
Associate

Paul Cunningham is a chartered accountant with a slight obsession with cricket. President of his local club, he's played there since his teenage years, perfecting his skills as the ultimate batsman. Is a highly competitive pop quiz and trivia participant. When not on the pitch he's playing doting dad to his young daughter.

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Daniel McCulloch
Associate

Daniel McCulloch is a chartered accountant who gets a kick out of saving his clients money. Likes German Shepherds. Loves hanging with his daughter. Spends his free time playing golf or indulging his passion for anything fast on two wheels. Not known for his ability to do the two of these together.

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