

Questions and Answers
Saskatchewan Tourism Sector Support Program (STSSP)
For External Use

Contents

1. What is the Saskatchewan Tourism Sector Support Program (STSSP)?	2
2. What types of businesses are eligible?	2
3. What are the eligibility criteria?	3
4. How are payments calculated?	3
5. Why is average of annual monthly revenue for either 2018 or 2019 used to calculate the payment amount for accommodations or major events participants?	4
6. How will the Government of Saskatchewan verify eligibility?	4
7. Why are there caps for the program?	4
8. How soon can businesses apply? How soon can a business expect to receive payment?	4
9. Who is responsible for administering the program?	4
10. Are not-for-profit businesses eligible?	4
11. Are campgrounds eligible?	5
13. Is this program open to businesses that operate in Saskatchewan but are located outside the province?	5
14. How will businesses with multiple operating locations be treated?	5
15. Are franchisee or franchisors eligible for the program?	5
16. How will hotels that include accommodations (eligible) and restaurants and retail stores (ineligible) be assessed?	6
17. Is a business eligible for this program if it received payment from other provincial or federal programs, including the Saskatchewan Small Business Emergency Payment Program (SSBEP)?	6
18. Can an applicant receive benefits under more than one stream, for example, under the “accommodations” stream and the “attractions and tours” stream of the STSSP?	6
22. Are payments from this program considered taxable income?	7
23. I am in the accommodations sector and my sales revenue has dropped by more than 30%. But my annual sales revenue is less than \$33,333. (i.e.: \$20,000 annual sales revenue x 30% is less than the \$10,000 minimum payment). What amount of payment should I receive?	7
24. I have a business that only operates for part of the year. Do seasonal businesses qualify?	7
25. Why was the monthly sales revenue in June 2020 used as a basis to calculate the eligibility criteria of the minimum 30% decline in sales revenue?	7

1. What is the Saskatchewan Tourism Sector Support Program (STSSP)?

The STSSP provides financial assistance to eligible businesses within the accommodations, tourism and events sectors who have experienced a revenue decline of 30 per cent or more as a result of COVID-19.

The program provides a one-time payment to eligible businesses. The payment can be used for any purpose such as paying fixed costs, making business improvements, supporting safe re-opening, marketing to new customers, etc.

2. What types of businesses are eligible?

Businesses in the accommodations, tourism and events sector that are experiencing a significant decline in revenue (30 per cent decline from 2019) as a result of COVID-19 are considered for eligibility. Specifically:

- **Accommodation sector businesses**, including hotels, motels, bed and breakfasts, outfitters, privately-owned RV parks and campgrounds and seasonal resort businesses. Does not include residential home-sharing businesses, oil and gas mining camps, home or condo rental businesses, hostels, hospices, or businesses owned or controlled by Government of Saskatchewan entities. RV parks and campgrounds owned or operated by municipal, provincial or federal governments are not eligible.
- **Major event facilities**, including Regina Performing Arts Centre, EA Rawlinson Centre, TCU Place, Persephone Theatre, Globe Theatre, Affinity Place, Prairie Land Park, Innovation Credit Union Plex, Gallagher Centre, Mosaic Place, Evraz Place, SaskTel Centre, Dekker Centre for Performing Arts, Brandt Centre (or other similar facilities).
- **Attraction or tour sector businesses**, which include travel agents, guided tours, houseboat rentals, or attractions that normally bring more than 20% of its visitors from over 40 kilometers outside the community in which the attraction is located, but does not include halls, restaurants or retail businesses.
- **Event sector businesses** that have had to cancel their reoccurring 2020 tourism event that typically attracts more than 20% of its attendees from over 40 kilometers outside the community in which the event is located. Does not include charity fundraisers, anniversaries or reunions, Canada Day celebrations, homecomings, seminars or clinics, religious and political gatherings. Generally, events with less than 500 participants would not be considered a tourism event.

3. What are the eligibility criteria?

Applicants must meet the following criteria to be eligible:

- they are a tourism business (i.e., in the accommodation sector, attraction or tour sector, event sector, or are a major event sector business facility);
- they maintain a permanent establishment in Saskatchewan;
- they were eligible to carry on business in Saskatchewan on February 29, 2020;
- they have experienced or will experience a decline of sales revenue from 2019;
- they intend to carry on business operations; and
- they do not receive core funding from the Government of Saskatchewan.

The decline in sales revenue is considered as follows:

- For year-round **accommodation sector, major events sector businesses facility, attraction or tour sector businesses**, the applicant must attest and be able to show a 30% decline in sales revenue by comparing June 2020 sales revenue to average monthly sales revenue in 2019.
- For a **seasonal business**, the applicant would attest and be able to show that bookings or sales revenue are expected to decline 30% when compared to 2019 (for example, if a business typically operates in the Fall).
- For an **event business**, the applicant would attest that their planned event for 2020 has been cancelled.

A business must have a permanent establishment in Saskatchewan and allocate income to Saskatchewan for income tax purposes to be eligible for the STSSP.

4. How are payments calculated?

For an accommodation business or major event sector business facility, the payment is calculated by multiplying the greater of the 2018 or 2019 average monthly sales revenue by 30%. The amount of financial assistance for accommodations and major event applications is a minimum of \$10,000, up to a maximum amount of \$50,000.

For an attraction or tour sector business, the payment is calculated based on the number of full-time employees during the businesses' peak operating season in 2019 (including the owner operator):

- \$7,500 for a business with 1-4 employees;
- \$10,000 for a business with 5-10 employees; or
- \$15,000 for a business with more than 10 employees.

Full-time employees are any employee working 30 hours per week or more.

For an event sector business, the payment is calculated based on the number of attendees the event sector business has attracted to their canceled event in past years as follows:

- \$7,500 when the event has typically attracted less than 2,500 attendees;
- \$10,000 when the event has typically attracted between 2,500 and 5,000 attendees; or
- \$15,000 when the event has typically attracted more than 5,000 attendees.

Businesses that are newly owned or those that have been carrying on business for less than six months will be assessed on a case-by-case basis.

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5. Why is average of annual monthly revenue for either 2018 or 2019 used to calculate the payment amount for accommodations or major events participants?

Acknowledging that the industry sees a high level of fluctuation in revenues from year to year, this approach will assist businesses in using their best year to calculate a payment.

6. How will the Government of Saskatchewan verify eligibility?

Applicants will complete an application form and attest they have experienced a 30% loss in revenue and plan to continue to operate.

Applications may be audited following payment. Any payments that are deemed to be ineligible will be considered a debt owing to the Government of Saskatchewan and subject to collection processes.

7. Why are there caps for the program?

The maximum payment amount will ensure as many businesses in this sector as possible can be assisted within the program budget.

8. How soon can businesses apply? How soon can a business expect to receive payment?

Applications will be accepted starting Monday, August 24, 2020 at 2:00pm. Applications will be processed on a first-come first-served basis. Applications will only be processed once all required information and attachments are submitted. Providing direct deposit bank information on the application form will allow for faster payments.

The goal is to complete processing within five business days of receiving a completed application.

9. Who is responsible for administering the program?

The Ministry of Finance will process applications, field inquiries, make payments, and audit the program. The Ministry of Trade and Export Development in consultation with Tourism Saskatchewan is responsible for program development and policy.

10. Are not-for-profit businesses eligible?

If a not-for-profit business meets all of the eligibility criteria, they are eligible for the program.

11. Are campgrounds eligible?

Privately-owned RV parks and campgrounds are eligible for this program under the accommodations sector stream. RV parks or campgrounds that are owned/operated/funded by a municipal, provincial or federal government entity are not eligible for the program.

12. I think that the facility my business operations should qualify as a “major event sector business facility” under the STSSP. What factors are taken into consideration when determining if a business qualifies as a major event sector facility?

The applicant would need to demonstrate that the facility:

- operates primarily for the purpose of hosting sporting or cultural events, or concerts, live theatre, etc.,
- regularly hosts significant national or international events,
- hosts events that increase Saskatchewan’s profile as a desirable destination, and
- the extent to which the facility draws attendees from out-of-Canada, out-of-province, and from 40km outside the community.

An applicant should also identify:

- the facility’s seating capacity,
- the number of full-time staff the facility employs throughout the year (not including part-time staff) for consideration.

13. Is this program open to businesses that operate in Saskatchewan but are located outside the province?

To be eligible for the program a person, partnership, corporation, or cooperative must maintain a “permanent establishment” in Saskatchewan and carry on business in Saskatchewan on February 29, 2020. Permanent establishment is defined in *The Income Tax Act, 2000* (Saskatchewan).

14. How will businesses with multiple operating locations be treated?

Where a business has multiple locations, each fixed location may be eligible for a separate payment. The amount of the payment will be calculated based on revenue for the business by location. Where this is not available, revenue will be calculated based on the overall business revenue divided by the number of locations. A separate application must be submitted for each fixed location. However, a business may only apply under one stream.

15. Are franchisee or franchisors eligible for the program?

Franchisors would not be eligible for the program regardless of location. Franchisees that have a permanent establishment in Saskatchewan will be eligible.

16. How will hotels that include accommodations (eligible) and restaurants and retail stores (ineligible) be assessed?

All revenue will be included and considered when evaluating the decline in businesses revenue and program payment.

17. Is a business eligible for this program if it received payment from other provincial or federal programs, including the Saskatchewan Small Business Emergency Payment Program (SSBEP)?

Yes, this program is stackable with other provincial and federal programs unless otherwise noted. Payments from other programs; however, will be considered as part of overall income when the income decline is calculated.

18. Can an applicant receive benefits under more than one stream, for example, under the “accommodations” stream and the “attractions and tours” stream of the STSSP?

No, an applicant may only receive one stream of funding under this program (e.g., an applicant for the accommodation stream cannot also apply under the attractions and tours stream). Applicants that are eligible for multiple streams should apply for assistance under **only one** stream.

19. Can a business in the “event” stream of the STSSP combine the number of attendees from multiple eligible events held throughout the year?

No, an applicant for the event stream must apply using one eligible event. In the case of a single event that occurs over multiple days, the attendees from each day may be added together to determine the number of attendees for that single event.

20. I am in the “event” stream of the STSSP and our annual event was cancelled, but rescheduled. Am I eligible for the STSSP?

The annual event must be cancelled. If the event was rescheduled and held in another capacity (i.e.: virtually), the event may qualify for the STSSP. Events that were cancelled but rescheduled and hosted as originally planned are not eligible.

21. What is the threshold for considering “funding from the Government of Saskatchewan to cover core costs”?

A business that receives funding from the Government of Saskatchewan is not eligible for the STSSP if the funding received is for covering 70% or more of the business’ core costs. Funding from Sask Lotteries or Sask Culture are not considered Government of Saskatchewan funding for the purposes of this program. Core costs include business salaries, rent, equipment, utilities and communications.

22. Are payments from this program considered taxable income?

Yes, any payments that a business receives from STSSP are taxable.

23. I am in the accommodations sector and my sales revenue has dropped by more than 30%. But my annual sales revenue is less than \$33,333. (i.e.: \$20,000 annual sales revenue x 30% is less than the \$10,000 minimum payment). What amount of payment should I receive?

If you are in the accommodations or major event facilities sectors and you meet all the eligibility qualifications, you will receive a minimum payment of \$10,000.

24. I have a business that only operates for part of the year. Do seasonal businesses qualify?

Seasonal businesses may apply. The minimum 30% decline in sales revenue criteria will be calculated based on the average monthly sales revenue during the months that the seasonal business operated in 2020, compared to the average monthly sales revenue during the same time period in 2018 or 2019.

If your business is an attraction or tour sector business, the payment will be based on the business's number of full-time employees during the peak operating season in 2019. Owner/operators can be included as full time employees. Part-time or contract employees should not be included in the calculation.

25. Why was the monthly sales revenue in June 2020 used as a basis to calculate the eligibility criteria of the minimum 30% decline in sales revenue?

The Government of Saskatchewan delivered the Saskatchewan Small Business Emergency Payment program in April and May 2020. Through that process, it was determined that the tourism sector needed additional support. June was selected as the base month to set a reasonable benchmark for revenue comparison. A number of Public Health Orders were lifted between June 4 and June 30, and it is expected that many businesses still experienced a significant drop in revenue in June 2020 versus 2019 or 2018.