



U.S. Small Business  
Administration





# Today's Agenda

- 1 SBA COVID-19 Emergency Funding Options
- 2 PPP Loan Program/Funding/Forgiveness Update
- 3 Debt Relief and 7a Funding Enhancements
- 4 EIDL/Targeted EIDL Advance Program Update
- 5 Restaurant Revitalization Fund (RRF)
- 6 Questions and Answers

# SBA COVID-19 Relief Funding Options

As Authorized by Economic Aid Act & American Rescue Plan Act

## Loan Programs



\$291.45 Billion  
Paycheck Protection Program (PPP)

\$3.5 Billion Debt Relief Program and \$2 Billion Enhancement to SBA 7(a), 504 and Microloans

Economic Injury Disaster Loan (EIDL) and \$35 Billion Targeted EIDL Advance

## Grant Programs



\$28.6 Billion Restaurant Revitalization Fund (RRF) Grant

\$16.25 Billion Shuttered Venue Operators Grant (SVOG)

# PPP Activity – Nationwide and MA

As of 4/18/21

- **2021 PPP lending:** Nationwide there have been 4,733,661 approvals for \$240,161,960,611 billion with 5244 lenders participating.
- Total of all PPP loans is \$762.4 Billion Nationwide – 2020 and 2021 combined.
- **Here in MA, there have been 82,422 approvals for \$6,398,494,821 Billion. The increase for the week in MA is 4,406 approvals for \$214,631,881 million**
- [Paycheck Protection Program \(PPP\) Report: Approvals through 04/18/2021 \(sba.gov\)](#)  
(linked on the [PPP Data page](#))
- By number of approvals we are at 1.74% of the nationwide activity and by \$'s approved, we are at 2.7% of total.
- Average loan size is \$51K nationwide and \$77.6K here in the Commonwealth.

# Restaurant Revitalization Fund (RRF)

## What Is It?

- The American Rescue Plan Act (ARPA) became public law on March 11, 2021 and established the RRF
- ARPA appropriated \$28.6 billion for RRF, authorizing SBA to award funds
- The appropriations remain available until expended
- Fund must be used for eligible uses no later than March 11, 2023

# Restaurant Revitalization Fund (RRF)

## Who is eligible?

- Eligible entities are businesses that are not permanently closed and include businesses where the public or patrons assemble for the primary purpose of being served food or drink
- Includes:
  - Restaurants
  - Food stands, food trucks, food carts
  - Caterers
  - Bars, saloons, lounges, taverns
  - Snack and nonalcoholic beverage bars (e.g., coffee shops, ice cream shops)
  - Bakeries (onsite sales to the public comprise at least 33% of gross receipts)
  - Brewpubs, tasting rooms, taprooms\* (onsite sales to the public comprise at least 33% of gross receipts)
  - Breweries and/or microbreweries\* (onsite sales to the public comprise at least 33% of gross receipts)
  - Wineries and distilleries\* (onsite sales to the public comprise at least 33% of gross receipts)
  - Inns\* (onsite sales of food and beverage to the public comprise at least 33% of gross receipts)
  - Licensed facilities or premises of a beverage alcohol producer where the public may taste, sample, or purchase products
  - Other similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink

*All entities listed above that do not have an asterisk are presumed to have greater than 33% onsite in 2019 food and beverage sales*

# Restaurant Revitalization Fund (RRF)

## How Much Am I Eligible For?

- SBA may provide funding up to \$5 million per location, not to exceed \$10 million total for the applicant and any affiliated businesses
- Minimum award is \$1,000



# Restaurant Revitalization Fund (RRF)

## How Is This Program Different From Other SBA Programs?

- Applicants do **not** need to be registered in SAM.gov, and SBA will **not** require a DUNS or CAGE identifier
- Valid unexpired ITINs are acceptable
- [Individual Taxpayer Identification Number | Internal Revenue Service \(irs.gov\)](#)
- [ITIN expiration FAQs | Internal Revenue Service \(irs.gov\)](#)

# Restaurant Revitalization Fund (RRF)

## Who Is Ineligible?

- Entities are ineligible if any of the following apply:
- The Entity:
  - Is a State or local government-operated business;
  - **As of March 13, 2020, owns or operates** (together with any affiliated business) **more than 20 locations**, regardless of whether those locations do business under the same or different names or are in different industries;
  - Has a pending application for or has received a Shuttered Venue Operators Grant;
  - Is a Publicly-Traded Company;
  - Is permanently closed;
  - Is a Nonprofit organization;
  - Is not eligible for funding of at least \$1,000;

# Restaurant Revitalization Fund (RRF)

## Who Is Eligible? – Form Of Organization

- Eligible Applicants must be one of the following forms of organization:
  - C-Corporations\*
  - S-Corporations\*
  - Partnerships
  - Limited Liability Companies
  - Sole Proprietors
  - Self-Employed Individuals\*
  - Independent Contractors
  - Tribal Businesses
  - LLC taxed as S-Corporations, or Sole Proprietors

\*B-Corporations are eligible, but they will select either C-Corp or S-Corp on the application, depending on how they are taxed

\* Refer to your tax return to see self-employed vs. sole proprietor distinction

# Restaurant Revitalization Fund (RRF)

## Who Is Eligible? – Franchises

- Any business concern operating as a franchise and meeting all other program requirements is eligible. The franchise must be listed on the SBA Franchise Directory.
- In the application portal, Applicants will be able to look up their entity on the SBA Franchise Directory.

For brands not listed on the Directory (including brands that have previously been denied listing on the Directory because of affiliation issues), the franchisor must submit the Franchise Disclosure Document (or other agreement) and all other documents a franchisee is required to sign to [franchise@sba.gov](mailto:franchise@sba.gov) for review of SBA's other eligibility criteria (e.g., 13 CFR § 120.110).

# Restaurant Revitalization Fund (RRF)

## Who Is Eligible? – Bankruptcy

### Bankruptcy

- Applicants that are operating under an approved plan of reorganization, under either a Chapter 11, Chapter 12 or Chapter 13 bankruptcy and meet all program requirements are eligible for funding
- An Applicant is not eligible if it has:
  - Permanently closed;
  - Filed a Chapter 7 liquidation bankruptcy; or
  - Filed for either a Chapter 7 or Chapter 11, 12, and 13 bankruptcy but is not under an approved plan of reorganization.
- Permanently closed does not include businesses who temporarily closed their doors due to state or local restrictions or other pandemic causes but are still in operation or have reopened

# Restaurant Revitalization Fund (RRF)

## How Do Other SBA Relief Programs Impact RRF?

### Paycheck Protection Program (PPP) loan

- Any funds already received through the Paycheck Protection Program will be subtracted from the Applicant's final funding amount – Applicant is verified using the EIN, ITIN, or SSN associated with its PPP loans
- If the Applicant received a PPP loan, the Applicant must use the same EIN number for its RRF application as it used in its PPP application.
- If an Applicant applied for a First Draw PPP loan for multiple locations under one EIN and subsequently applied for Second Draw PPP loans under different EINS, the Applicant must provide the EINs for each entities that received Second Draw PPP loans.
- Upon applying for RRF, Applicant must withdraw any outstanding PPP application

The Applicant must not have a pending application for or have received a Shuttered Venue Operator grant from SBA.

# **Restaurant Revitalization Fund (RRF)**

## **Other Attestations By The Applicant**

**All applicants must certify that current economic uncertainty makes the funding request necessary to support ongoing or anticipated operations.**

# Restaurant Revitalization Fund (RRF)

## What Are The Eligible Uses Of Funds?

### Business Expenses

- Business payroll costs (including sick leave)
- Business utility payments
- Business maintenance expenses
- Business supplies (including protective equipment and cleaning materials)
- Business food and beverage expenses (including raw materials)
- Covered supplier costs
- Business operating expenses (insurance, marketing, fees, licenses, legal, POS equipment, etc.)

### Construction Expenses

- Construction of outdoor seating
- Expansion costs are **ineligible**

### Business Debt

- Payments on any business mortgage obligation (both principal and interest)
  - This does not include any prepayment of principal or interest
- Business debt service (both principal and interest)
  - This does not include any prepayment of principal or interest



# Restaurant Revitalization Fund (RRF)

## When Do I Have To Use The Funds?

- The funds must be spent on expenses that were/are incurred between February 15, 2020 and March 11, 2023.
- If the business permanently closes after receiving funds, the covered period will end when the business permanently closes or on March 11, 2023, whichever occurs sooner.
- Any funds not spent on eligible expenses by the time the covered period ends must be returned to the government.

# Restaurant Revitalization Fund (RRF)

## When Do I Have To Use The Funds? – Continued

- **Use of Funds Assessment** - After the total awarded funds have been exhausted, entities must provide a **detailed expenditure report and certification** for the required period.
- **Until Applicant completes the Use of Funds Assessment**, beginning December 2021 Applicants are required to **provide self-reported unaudited data detailing use of distributed funds each year** through 2023.
- SBA will provide additional guidance that outlines the detailed reporting requirements and procedures in the coming weeks.

# Restaurant Revitalization Fund (RRF)

## How Do I Calculate My Potential Fund Amount?

**Calculation 1:** Applicants in operation prior to or on January 1, 2019

2019 Gross Receipts minus 2020 gross receipts minus PPP loan amounts

# Restaurant Revitalization Fund (RRF)

## How Do I Calculate My Potential Fund Amount? – Continued

**Calculation 2:** Applicants that began operations partially through 2019\*

Average 2019 monthly gross receipts x 12 minus 2020 gross receipts minus PPP loan amounts

\*Applicants that began operations partially in 2019 may choose to use calculation 2 OR calculation 3. However, calculation 3 could require longer processing times

# Restaurant Revitalization Fund (RRF)

## How Do I Calculate My Potential Fund Amount? – Continued 2

**Calculation 3:** Applicants that began operations on or between January 1, 2020 and March 10, 2021 and Applicants not yet opened but have incurred eligible expenses as of March 11, 2021\*

Total amount spent on eligible expenses between February 15, 2020 and March 11, 2021 minus 2020 and 2021 gross receipts minus PPP loan amounts.

\*Applicants that began operations partially in 2019 may choose to use calculation 2 OR calculation 3. However, calculation 3 could require longer processing times

# Restaurant Revitalization Fund (RRF)

## What Can I Exclude From 2020 Gross Receipts?

Do not include any of the following in 2020 gross receipts:

- Paycheck Protection Program (PPP) loan
  - First Draw PPP Loan or Second Draw PPP Loan received in 2020 and/or 2021
- SBA Section 1112 payments;
- SBA Economic Injury Disaster Loan (EIDL) loan, EIDL Advance, Targeted EIDL Advance or any other grant funds received via CARES Act;
- Any state and local business grants;
- Randolph-Sheppard Act Financial Relief and Restoration Payments (FRRP) Appropriation

# Restaurant Revitalization Fund (RRF)

## How Do I Apply?

- Directly through the SBA Platform at **restaurants.sba.gov**
- Through a Point-of-Sale Vendor
  - SBA is actively looking to partner with more POS providers
- Through the telephone at **(844) 279-8898**
  - Telephonic applications will have longer processing times

# Restaurant Revitalization Fund (RRF)

## What Documents Do I Need In Order To Apply?

- **Application:** SBA Form 3172, completed, initialed, and signed. Completion of this form digitally on the SBA Grant Platform will satisfy this requirement.
- **Verification for Tax Information:** IRS Form 4506-T, completed and signed by Applicant. Completion of this form digitally on the SBA Grant Platform will satisfy this requirement.
- **Gross Receipts Documentation:** Any of the following documents demonstrating gross receipts and, if applicable, eligible expenses:
  - Business tax returns (IRS Form 1120 or IRS Form 1120-S);
  - IRS Form 1040 Schedule C; IRS Form 1040 Schedule F;
  - For a partnership: partnership's IRS Form 1065 (including K-1s);
  - Bank statements;
  - Externally or internally prepared financial statements such as Income Statements or Profit and Loss Statements;
  - Point of sale report(s), including IRS Form 1099-K.



# Restaurant Revitalization Fund (RRF)

## What Documents Do I Need In Order To Apply? – Continued 2

### Calculation 1 & 2

- **Required:**

- Application - SBA Form 3172
- Tax Verification - IRS Form 4506-T
- 2019 Gross Receipts - Tax Returns
- 3 months of bank statements
- 2020 Gross Receipts (at least 1)
  - Preferred:
    - Federal Tax Returns filed
    - Point of Sale report
  - Accepted (may delay review past 14 days):
    - Externally or internally prepared financial statements such as Income Statements or Profit and Loss Statements, signed, dated & certified as to accuracy by Applicant

# Restaurant Revitalization Fund (RRF)

## What Documents Do I Need In Order To Apply? – Continued 3

### Calculation 3

- **Required:**

- Application - SBA Form 3172
- Tax Verification - IRS Form 4506-T
- 3 months of bank statements – Supporting Account Linkage Validation
- 2020 & 2021 Gross Receipts: (at least 1 for each year)
  - Preferred:
    - 2020 Federal Tax Returns filed or 2020 Federal Tax Returns (Prepared but not yet file)
    - 2020 Point of Sales Reports
    - 2021 Point of Sales Reports
- Eligible Expense Documentation (at least 1, and required appropriate supporting documentation for specific eligible expense type)
  - Preferred:
    - CPA Comfort Letter (provides fastest SBA Review)
    - If applicant submits expense related to the following categories, appropriate documentation:
      - Payroll Documents (941s)
      - Outdoor Seating Expenditures (Invoices / Payments)
      - Business Debt (lender loan statements)
  - Accepted (may delay review past 14 days):
    - Externally or internally prepared financial statements such as Income Statements or Profit and Loss Statements, signed, dated & certified as to accuracy by Applicant
    - If applicant submits expenses related to the following categories, appropriate documentation:
      - Payroll Documents (941s)
      - Outdoor Seating Expenditures (Invoices / Payments)
      - Business Debt (lender loan statements)

# Restaurant Revitalization Fund (RRF)

## What Documents Do I Need In Order To Apply? – Continued 4

- In addition to the documents on the prior slide:
  - For Applicants that are a brewpub, tasting room, taproom, brewery, winery, distillery, or bakery
    - Documents evidencing that onsite sales to the public comprise at least 33% of gross receipts for 2019, which may include Tax and Trade Bureau forms, state or local forms filed, or internally created reports from inventory management, sales reporting, or accounting software . For businesses that opened in 2020, the Applicant’s original business model should have contemplated at least 33% of gross receipts in onsite sales to the public.
  - For Applicants that are an Inn
    - Documents evidencing that onsite sales of food and beverage to the public comprise at least 33% of gross receipts for 2019. For businesses that opened in 2020, the Applicant’s original business model should have contemplated at least 33% of gross receipts in onsite sales of food and beverage to the public.

# Restaurant Revitalization Fund (RRF)

## How Do I Get Help Applying?

- Call center hotline **1-844-279-8898**
- Local SBA District Office ([www.sba.gov/local-assistance](http://www.sba.gov/local-assistance))
- Help available in multiple languages
- [Restaurant Revitalization Fund \(sba.gov\)](http://sba.gov)
- [Restaurant Revitalization Funding Application Sample \(sba.gov\)](http://sba.gov)
- [Restaurant Revitalization Funding Program: Program Guide as of April 20th, 2021 \(sba.gov\)](http://sba.gov)

# Restaurant Revitalization Fund (RRF)

## Best Practices

- 1. Provide complete documentation** - Applications with incomplete documentation will be rejected. The review process will restart when complete documentation is provided. Delays could jeopardize the Applicant receiving the award.
- 2. Leverage your resources** - While not required, the use of CPAs and other accounting professionals may help ensure a complete and well documented application.
- 3. Application corrections** - SBA is not able to make corrections on behalf of Applicants. Applicants who require corrections will need to contact the call center hotline at (844) 279-8898.
- 4. Applicants who still intend to apply for PPP** - RRF applicants are advised to complete their PPP application in advance of the RRF application

# Restaurant Revitalization Fund (RRF)

## When Can I Apply?

- **Pilot Period:** Pilot Period participants will be randomly selected from existing PPP borrowers who self identified as members of RRF priority groups. Pilot participants will not receive funds until RRF is open to the public at application launch.
- **Priority Period: Days 1-21** - During the initial 21-day Priority Period, SBA will accept applications from all eligible Applicants. Only applications from small businesses owned by women, veterans, and socially and economically disadvantaged Applicants will be funded during this period.
- **Day 22:** All eligible applications will be processed and funded until program funds are exhausted.

# Restaurant Revitalization Fund (RRF)

## What Are The Priority Groups?

- A small business concern that is at least **51 percent owned and the management and daily business operations of the applicant are controlled** by one or more individuals who are:
  - **Women**
  - **Veterans**
  - **Socially and Economically Disadvantaged**
- Applicants must **self-certify** on the application that they meet eligibility requirements
- For example: An applicant has five owners who each own 20 percent of the applicant. Two owners are veterans, and one owner is a socially and economically disadvantaged individual. SBA will consider this applicant to meet the requirement that at least 51 percent of the applicant is owned by a priority group.

# Restaurant Revitalization Fund (RRF)

## Priority Group Definitions

- **Socially disadvantaged individuals** are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.
  - Individuals who are members of the following groups are presumed to be socially disadvantaged: Black Americans; Hispanic Americans; Native Americans (including Alaska Natives and Native Hawaiians); Asian Pacific Americans; or Subcontinent Asian Americans.
- **Economically disadvantaged individuals** are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.



# Restaurant Revitalization Fund (RRF) Eligibility As A Priority Group Applicant

**Entity re-organization for purposes of qualification for the priority period** will result in **automatic disqualification** of the award.

# Restaurant Revitalization Fund (RRF)

## Funding Set Asides

1. \$5 billion is set aside for Applicants with 2019 gross receipts of not more than \$500,000
2. An additional \$4 billion is set-aside for Applicants with 2019 gross receipts from \$500,001 to \$1,500,000
3. An additional \$500 million is set-aside for Applicants with 2019 gross receipts of not more than \$50,000

SBA reserves the right to reallocate these funds at the discretion of the Administrator.

**Thank you**

**Q&A**