



Restaurant Revitalization Fund: By the numbers...

Dollars

\$23.6 billion—available for the SBA to award in an equitable manner to businesses of different sizes based on annual gross receipts.

\$5 billion—available to businesses with gross receipts of \$500,000 or less during 2019

Maximum—The total grant amount for an eligible business and any affiliated businesses is capped at \$10 million and is limited to \$5 million per physical location of the business.

Estimated Date (Per NRA)

April 2021—SBA releases rules and applications

May/June—21-day priority period for women, veteran, and disadvantaged/minority-owned businesses

May/June—RRF open for all eligible restaurants

** If the RRF funds have not been exhausted after 60 days, the SBA will have discretion to administer grants to eligible businesses without regard to annual gross receipts.*

Restaurant Revitalization Fund

What You Need to Know!

The American Rescue Plan Act of 2021, the \$1.9 trillion COVID relief package signed into law by President Joe Biden on March 11, 2021, establishes the Restaurant Revitalization Fund (RRF) and provides for several additional benefits for restaurants listed below.

The Small Business Association (SBA) will be responsible for administering the RRF, and was created to provide relief to various types of food establishments.

Eligibility Criteria

To be eligible, the applicant must not own or operate more than 20 locations in total as of March 13, 2020, including any affiliated business, regardless of ownership type of the locations and whether those locations do business under the same or multiple names. By definition, an affiliated business is one that has a right to a profit distribution or an equity interest of 50% or more, or contractual authority to control the direction of the business in existence as of March 13, 2020.

Eligible entities include:

- Restaurants; food stands; food trucks; food carts; caterers; saloons; inns; taverns; bars; lounges; brewpubs; tasting rooms; taprooms; licensed facilities or premises of a beverage alcohol producer where the public may taste; sample or purchase products; or other similar places of business where patrons go for the primary purpose of being served food or drink.

Entities that are not eligible include:

- Publicly traded companies, state or local government-operated businesses, entities that have more than 20 locations (as described above) and restaurants that have a pending application for, or that have received a grant under the shuttered venue operator grant program are not eligible for RRF grant.

Eligible Expenses

A qualifying RRF grant recipient may use the funds for specified expenses, including:

- Payroll (not including wages used for the Employee Retention Credit (ERC))
- Principal or interest on mortgage obligations
- Rent
- Utilities
- Maintenance, including construction to accommodate outdoor seating
- Personal protective equipment, supplies and cleaning materials
- Normal food and beverage inventory
- Certain covered operational expenses
- Paid sick leave
- Any other expenses the SBA determines to be essential to maintaining operations incurred from February 12, 2020 to December 31, 2021 are eligible

Grant Calculation

An eligible business can receive a grant equal to its pandemic-related revenue loss. The pandemic-related revenue loss is the difference between the business's 2020 gross receipts and 2019 gross receipts, reduced by any amounts received from PPP loans.

Eligible businesses that began operations in 2019 will need to annualize their average monthly gross receipts for 2019 and compare them to their annualized monthly gross receipts for 2020.

Eligible businesses that began in 2020 will calculate their grant amount by taking the difference between qualified grant expense and their 2020 gross receipts.

If an eligible business is not yet in operation as of the application date but has incurred eligible expenses, then its grant will be equal to those expenses.

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How to Prepare and Apply for the Restaurant Revitalization Fund Grant (RRF)

Best Practices for Preparing for the RRF:

- 1) Determine your eligibility (see page 1)
- 2) If eligible, prepare as soon as possible to get a head start on the process—Registration takes some time to process so prepare early so that when the grants become available, you will be ready to apply.

Pandemic Assistance Glossary:

RRF = Restaurant Revitalization Fund Grants

SVOG = Shuttered Venue Operators Grant

PPP (1&2) = Paycheck Protection Program

EIDL = Economic Injury Disaster Loan

Restaurant Revitalization Fund Grants (RRF)

All restaurant owners that want to apply for RRF grants should immediately register with the government using the **System of Award Management (SAM)**.

⇒ Since this grant funding is coming directly from the federal government (different from PPP Loans), the business owner will need to go through a different registration process so the government can validate the business prior to disbursement of funds.

To become active on the SAM system, you need to follow these steps:

- First, create a <https://secure.login.gov/>
- Sign up for a **DUNS number** (this typically takes 1-2 days to process).
- Using your login.gov, DUNS number, and standard business info such as your Tax ID Number, **register with SAM** (it can take up to 2 weeks to get the SAM number).

For assistance with the registration process - see the link on SAM.gov Entity Registration Training <https://www.youtube.com/watch?v=y2t5queourQ>

Gather relevant paperwork that clearly shows

- **Gross revenue loss in 2020 as compared to 2019**
- Pandemic-related revenue losses for business are reduced by any amounts received from Paycheck Protection Program (PPP) First Draw and Second Draw loans in 2020 and/or 2021.

RRF Grant Application Process

- Please note, the SBA is still developing the regulations and forms to implement the RRF Grant program. It is expected that Eligible Entities will be able to apply for RRF Grants via the SBA website (See estimated timeline on page 1).

Also, check out the video from the US Chamber that provides lots of helpful information on RRF grants, PPP, EDIL, ERTC, Shuttered Venue Operators grant program, etc.

<https://www.uschamber.com/co/events/small-business-update-town-hall/small-business-update-american-rescue-plan-act>

Additional Benefits to the Restaurant Industry in the American Rescue Plan

- The ERC has been extended through December 2021
- The ERC has also been extended to new businesses that started after February 15, 2020 with average annual receipts of under \$1 million. For those businesses, the credit cannot exceed \$50,000 per quarter.
- The Families First Coronavirus Response Act Paid Sick and Family Leave tax credit is extended beginning April 2021 through September 30, 2021.

Visit our website at www.newburg.com to learn more about us or to request a no charge consultation.

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