



U.S. Small Business
Administration

Restaurant Revitalization Fund (RRF)

How Do I Apply?

- Directly through the SBA Platform at **restaurants.sba.gov**
- Through a Point-of-Sale Vendor
 - Square or Toast
- Through the telephone at **(844) 279-8898**
 - Telephonic applications will have longer processing times
- Call Center: **(844) 279-8898**

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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

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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;

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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

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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

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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

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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.

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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.

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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

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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

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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 (through March 11, 2021) 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

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How Do I Calculate My Potential Fund Amount? – Continued 3

Calculation 4: For Applicants that operate multiple locations using different Calculations

Applicants that operate multiple locations may calculate funding amounts for their locations using separate Calculation methods and then aggregate the amounts together. The aggregated funding amount is limited to \$5 million per location and \$10 million for the Applicant and its Affiliates.

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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

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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
 - Most recent 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

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

Calculation 3

- **Required:**

- Application - SBA Form 3172
- Tax Verification - IRS Form 4506-T
- Most recent 3 months of bank statements
- 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
 - Accepted:
 - Externally or Internally prepared financial statements such as Income Statements or Profit and Loss Statements, signed, dated, & certified as to accuracy by Applicant
- Eligible Expense Documentation for expenses between 2/15/20 and 3/11/21 (at least 1)
 - Preferred:
 - Qualified Third party Accountant, Bookkeeper or CPA Comfort Letter with associated Profit and Loss Statements and Balance Sheet documentation (provides fastest SBA Review)
 - 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
 - All expense documentation, for example: Payroll documents (941s), Outdoor seating expenditures (invoices/payments), Business Debt (Lender Loan Statements)

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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.

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When Can I Apply?

- **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.

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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.

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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.

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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