



Restaurant Revitalization Fund (RRF)

Morgan Allen

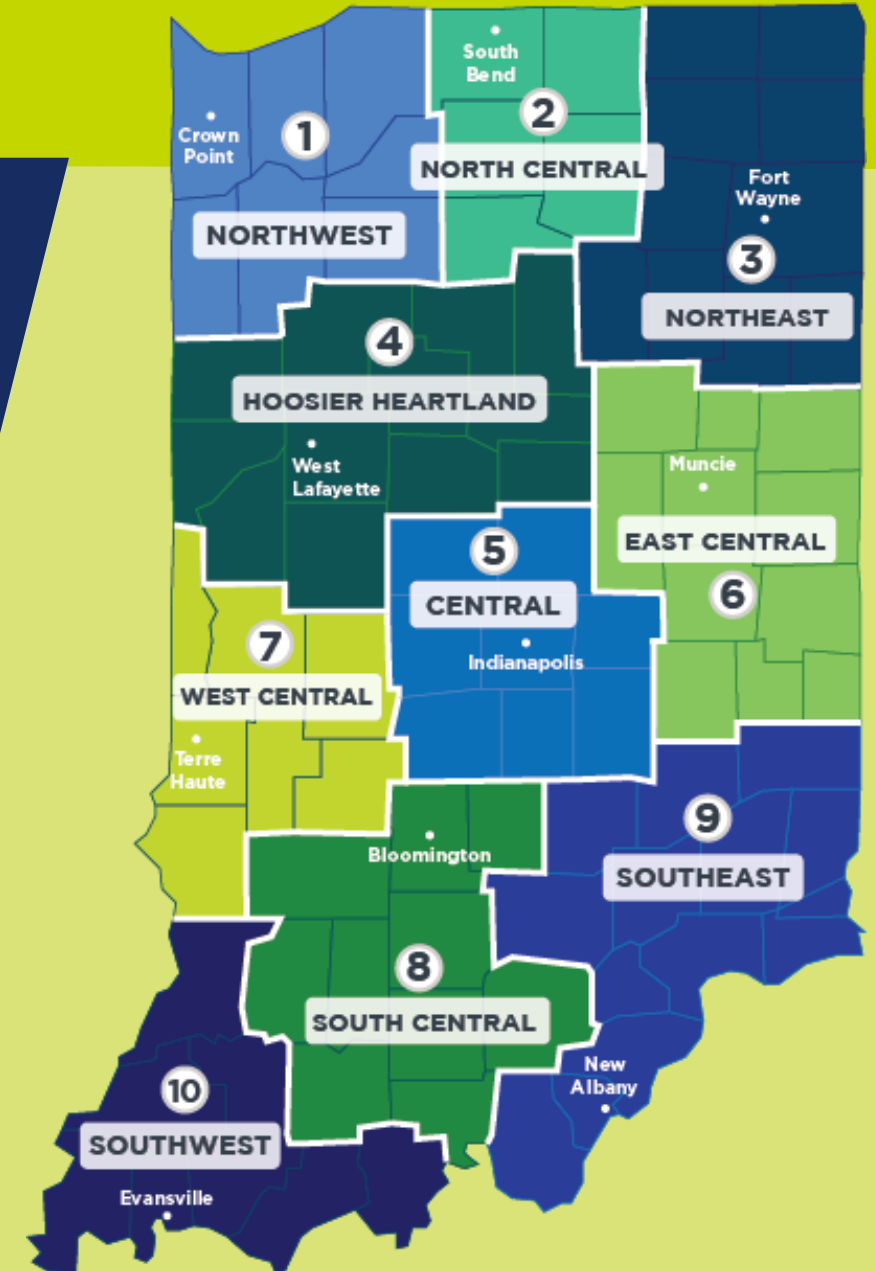
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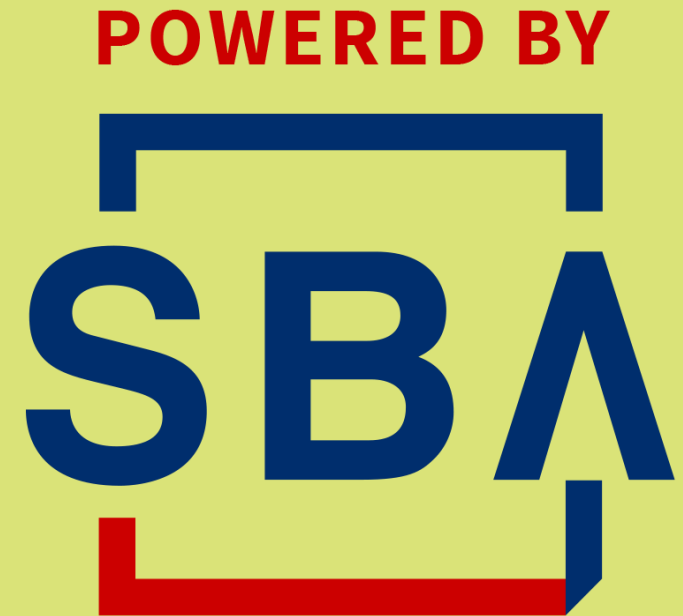
Indiana Small Business Development Center (SBDC)

- Program of the U.S. Small Business Administration and Indiana Economic Development Corporation
- 10 regional offices with 70 team members
- Provides no-cost, confidential business advising and training to Hoosier small businesses and entrepreneurs
 - Business planning
 - Capital access
 - Market research
 - And more!



What is the Restaurant Revitalization Fund (RRF)?

- \$28.6B financial assistance program available to support recovery COVID-19 impacted restaurants
- Passed in the American Rescue Plan
- Administered by the U.S. Small Business Administration (SBA)



U.S. Small Business
Administration

Eligible Entities

- 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

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 for review of SBA's other eligibility criteria (e.g., 13 CFR § 120.110).

Ineligible Entities

- Entities are ineligible if 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.

Funding Amount

- 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
- PPP loan amounts are deducted
- Funding calculations vary by business operation date

Funding Amount

| Businesses in operation prior to or on January 1, 2019 | Applicants that began operations partially through 2019 | 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 |
|--|---|---|
| 2019 gross receipts minus 2020 gross receipts minus PPP loan amounts | Average 2019 monthly gross receipts x 12 minus 2020 gross receipts minus PPP loan amounts | Total amount spent on eligible expenses between February 15, 2020 and March 11, 2021 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.

Gross Receipts Calculation

Do not include 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

Eligible Uses of Funds

| Business Expenses | Construction Expenses | Business Debt |
|---|--|---|
| <ul style="list-style-type: none"> • 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.) | <ul style="list-style-type: none"> • Construction of outdoor seating • Expansion costs are ineligible | <ul style="list-style-type: none"> • Payments on any business mortgage obligation (both principal and interest) <ul style="list-style-type: none"> • This does not include any prepayment of principal or interest • Business debt service (both principal and interest) <ul style="list-style-type: none"> • This does not include any prepayment of principal or interest |

Documents 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.

Documents to Apply

- 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.

Priority Period

- Applications from Priority Groups will be funded for the first 21 days
 - At least 51% women, veterans, minority, socially & economically disadvantaged business ownership
 - Self certification
- Entity re-organization for purposes of qualification for the priority period will result in automatic disqualification of the award.
- All eligible applicants are welcome to apply during the priority period

How to Apply

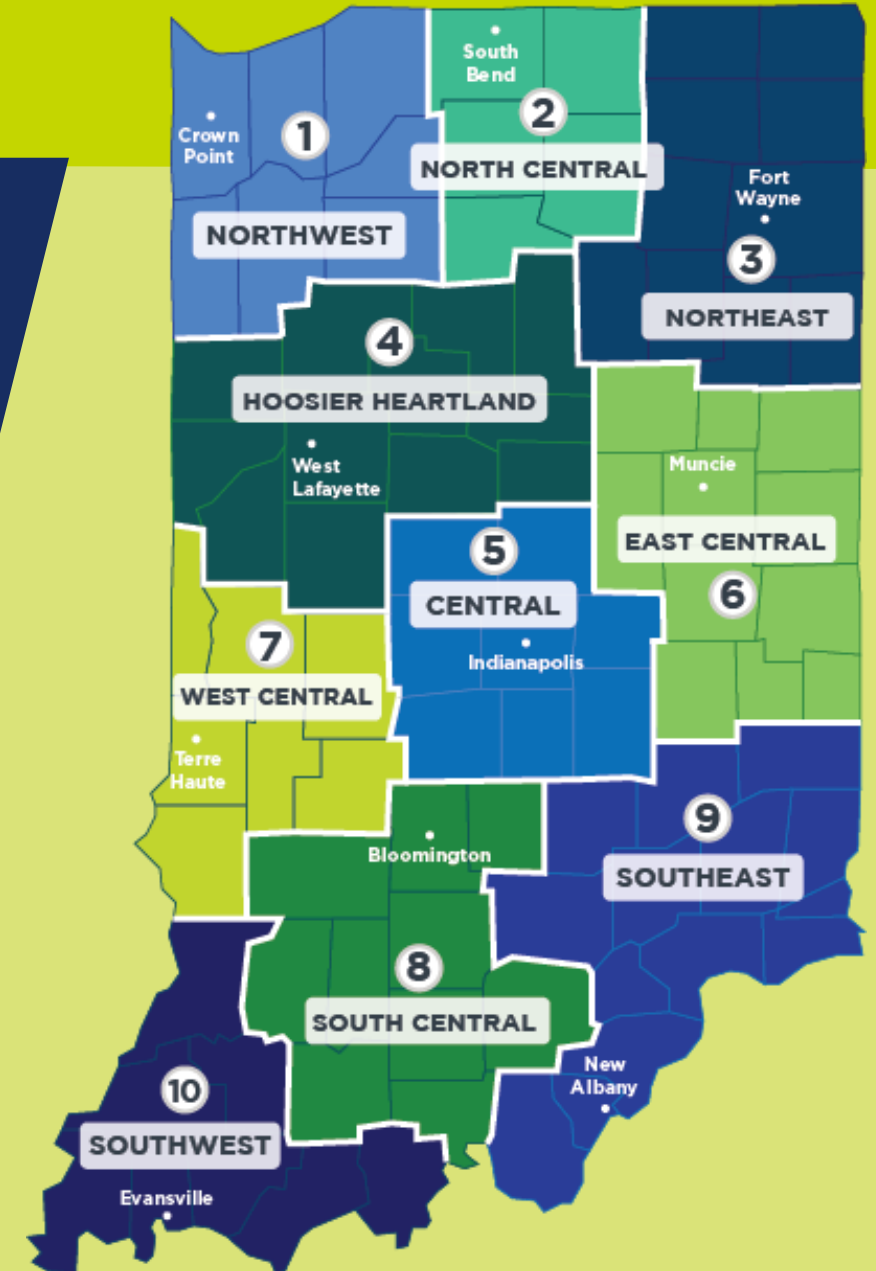
- Directly through the SBA Platform at restaurants.sba.gov
 - Opens Friday, April 30 9 EST to register
 - Opens Monday, May 3 12 EST to apply
- Through a Point-of-Sale Vendor
 - Square
 - Toast
 - Clover & Aloha will not accept applications, but will provide documentation to apply through SBA
- Through the telephone at (844) 279-8898
 - Telephonic applications will have longer processing times

Best Practices

1. Register your account prior to application launch
 - SBA.GOV/RESTAURANTS
2. Collect required documentation prior to launch and have digital copies ready for upload
3. Apply as soon as you can upon the application opening (Monday 12 pm EST)
4. Provide complete documentation. Applications with incomplete documentation will be rejected. The review process will not start until complete documentation is provided.
5. Track your spending!

How We Can Help

- Restaurant Preparedness Initiative
 - Launching Friday
 - Webinars and office hours to determine eligibility and help businesses apply
- No-cost advising
 - Contact the regional office nearest to you at 888.472.3244 or visit isbdc.org





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Eligible Organization Types

- 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

Use of Funds

- 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.

Use of 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.

Documents to Apply

| Calculation 1 & 2 | Calculation 3 |
|---|---|
| <p>Required: Application - SBA Form 3172 Tax Verification - IRS Form 4506-T 2019 Gross Receipts - Tax Returns 3 months of bank statements</p> <p>Preferred: 2020 Federal Tax Returns filed 2020 Gross Receipts – SBA Restaurant Partner validated Point of Sale report</p> <p>Accepted: 2020 Gross Receipts - Point of sale report Externally or internally prepared financial statements such as Income Statements or Profit and Loss Statements, signed, dated & certified as to accuracy by Applicant</p> | <p>Required: Application - SBA Form 3172 Tax Verification - IRS Form 4506-T 3 months of bank statements</p> <p>Preferred: Eligible Expenses – with a CPA Comfort Letter Eligible Expenses - Externally or internally prepared financial statements such as Income Statements or Profit and Loss Statements 2020 Gross Receipts – Tax Returns 2020 Gross Receipts – SBA Restaurant Partner validated Point of Sale report</p> <p>Accepted: 2020 Gross Receipts - Point of sale report Externally or internally prepared financial statements such as Income Statements or Profit and Loss Statements, signed, dated & certified as to accuracy by Applicant</p> |

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.