

**THIS FACT SHEET WILL BE UPDATED AS ADDITIONAL INFORMATION IS AVAILABLE.**

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The Restaurant Revitalization Fund (RRF) is a new grant program for the hospitality industry. Congress provided \$28.6 billion for the creation of this program, and now the SBA is preparing to launch the RRF and to begin reviewing applications. Food service and drinking establishments – including restaurants, caterers, brewpubs, food stands, food trucks, taprooms, and distilleries with tasting rooms that depend on in-person sales – that are not part of an affiliated group with more than 20 locations are eligible to receive a grant through this program.

The program opens for applications on Monday, May 3 at 12pm ET.

## WHAT'S ON THE TABLE

### **Grant Amount Calculation**

- Established Hospitality Industry Businesses – 2019 revenue minus 2020 revenue minus PPP loans
- Hospitality Industry Businesses Opened in 2019 – Average of 2019 monthly revenues times 12 minus 2020 revenues minus PPP loans
- Hospitality Industry Businesses Opened in 2020 – Eligible to receive funding equal to eligible expenses incurred minus 2020 revenue

### **Grant Eligibility**

Distilleries with tasting rooms must demonstrate that on-site sales to the public generated at least 33% of gross receipts in 2019. For businesses who opened in 2020 or that have not yet opened, the Applicant's original business model should have contemplated at least 33% of gross receipts in on-site sales to the public. On-site sales include sales of food and/or beverage that were consumed on the applicant's premise, were purchased at the applicant's premise to-go, were purchased online and picked up from the applicant's premise or were delivered directly to a consumer for use. These sales must be only to consumers and no wholesale sales may be counted towards the 33% revenue number.

**Grant Maximum** – \$10 million per group, \$5 million per individual business location

**Eligible expenses** – Payroll and benefits (not including employee compensation exceeding \$100,000/year), mortgage (no prepayment), rent (no prepayment), utilities, maintenance, supplies (including protective equipment and cleaning materials), food, operational expenses, covered supplier costs as defined by the SBA under the PPP program, sick leave, and any other expenses deemed essential by the Administrator.

**Covered Period** – Grants can be spent on eligible expenses from 2/15/20 through 3/11/23.

### **Certification**

Recipients must certify that (1) current economic conditions make the grant request necessary, (2) the funds will be used to retain workers, maintain payroll, and make other payments (as specified above), and (3) the recipient is only applying for and would only receive one grant.

### **Set Asides**

- \$5 billion of the initial RRF funding is reserved for applicants with less than \$500,000 in gross receipts in 2019 for the first 60 days of the program.
- \$4 billion for applicants with 2019 gross receipts from \$500,001 to \$1,500,000
- \$500 million for applicants with 2019 gross receipts of not more than \$50,000

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

During the initial 21-day period, the administrator will prioritize awarding grants to eligible entities that are owned or controlled by women or Veterans or are socially and economically disadvantaged businesses, as defined by existing SBA codes.

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## **FAQ**

### ***Who is eligible to receive a grant through this program?***

Food service or drinking establishments, including restaurants, caterers, brewpubs, food stands, food trucks, taprooms, distilleries with tasting rooms that depend on in-person sales, and similar establishments that are not part of an affiliated group with more than 20 locations.

### ***How can I prepare to apply?***

Filing your 2020 taxes as soon as possible is the best way to prepare to apply.

### ***Who is NOT eligible?***

Per above, you are not eligible if you are part of an affiliated group with more than 20 locations, regardless of whether those locations do business under the same or multiple names. You also cannot be publicly traded. You cannot have a pending application under the Save our Stages program and there are limits on the participation of private equity funds. State or local government-operated businesses are not eligible.

### ***How do I calculate the amount of grant funding I can expect to receive from the SBA?***

- For businesses in operation before 2019: You take your 2019 gross revenue minus 2020 gross revenue and subtract the total amount of your PPP loans (First and Second, if applicable) you received.
- For businesses that opened in 2019: Take the average of your 2019 monthly gross revenues and multiple that average by 12. Subtract your 2020 revenues from that total, and then subtract the total amount of your PPP loans (First and Second, if applicable) you received.
- For businesses that opened in 2020: You are eligible to receive funding equal to eligible expenses incurred in 2020 minus 2020 revenue.

### ***In determining our maximum grant, are we calculating the revenue difference from 2020 and 2019 using gross or net revenue?***

You will be using gross revenue within your calculation.

### ***Does my Employee Retention Tax Credit (ERTC) or EIDL Loan get deducted from the total amount of the grant?***

No, only PPP funds are deducted from the total.

***Can I use the ERTC and/or EIDL program with this grant program?***

Yes, you can use both ERTC and EIDL. Neither are deducted from your maximum total grant.

***What is the maximum grant amount?***

The maximum grant amount is \$5 million per individual business location and \$10 million per group.

***Are the grants treated as taxable income by the IRS?***

No.

***What are the expenses that are eligible for the grant?***

Payroll and benefits (not including employee compensation exceeding \$100,000/year), mortgage (no prepayment), rent (no prepayment), utilities, maintenance, supplies (including protective equipment and cleaning materials), food, operational expenses, covered supplier costs as defined by the SBA under the PPP program, sick leave, and any other expenses deemed essential by the Administrator.

***When does the grant program expire?***

The covered period ends March 11, 2023.

***What if I cannot use my full grant on eligible expenses?***

Any funds not used (or not used on eligible expenses) must be returned to the government.

***When the SBA starts accepting applications, how do they determine who gets a grant?***

\$5 billion of the fund is reserved for applicants with less than \$500,000 in gross receipts in 2019 for the first 60 days of the program. The SBA Administrator can create other tiers and has set aside an additional \$4 billion for applicants with 2019 gross receipts from \$500,001 to \$1,500,000 and an additional \$500 million for applicants with 2019 gross receipts of not more than \$50,000. The SBA reserves the right to reallocate these funds at the discretion of the Administrator. The first 21 days of funds will only be made available to restaurants women or veteran-owned, or socially and economically disadvantaged businesses.

***Additional FAQ available in [the Restaurant Revitalization Fund Knowledge Base](#).***