



FREQUENTLY ASKED QUESTIONS ABOUT THE INDEPENDENT RESTAURANT AND BAR GRANT PROGRAM

When do you think the grant program will begin accepting applications?

We expect the application portal will be available in mid-to-late April.

Which businesses are eligible to receive a grant through this program?

All food service or drinking establishments, including restaurants, caterers, cafes, brewpubs, food stands, food trucks, taprooms, taverns and tasting rooms, that are not part of an affiliated group with more than 20 locations.

Which businesses are NOT eligible?

- Businesses part of an affiliated group over 20 locations are not eligible, even if some businesses have different names.
- Businesses that have pending applications under the Save our Stages program are not eligible.
- Businesses that are publicly traded are not eligible
- State or local government-operated businesses are not eligible.

How do businesses calculate the amount of grant funding they can expect to receive from the SBA?

For businesses in operation before 2019: Take your 2019 gross revenue minus 2020 gross revenue and subtract the total amount of all PPP loans you received.

For business that opened in 2019: Take the average of your 2019 monthly gross revenue and multiply that average by 12, then subtract your 2020 actual revenue and any PPP loans you received.

For businesses that opened in 2020 or in 2021 prior to March 11: You are eligible to receive funding equal to the eligible expenses incurred in 2020 minus gross revenue and any PPP funding you received.



How do breweries, bakeries, distilleries and other “hybrid” businesses calculate their loan amount?

According to the SBA, a hybrid business operates both as a wholesale and retail business under one EIN. An example of a hybrid business is a bakery or brewery that sells product from a retail location where patrons gather and to wholesale customers.

In order to qualify for a hybrid business to qualify for a grant, the business must operate under the same EIN, and at least 33 percent of revenue in 2019 must come from food and beverage sales to customers who eat in or carry out. If your business qualifies, use the grant calculation specified above.

Do businesses use gross or net revenue to calculator grant amounts?

Businesses use gross revenue.

Do my Employee Retention Tax Credit (ERTC) or EIDL Loan affect total grant amounts?

No, only PPP funds are deducted from the total. Using EIDL loans and ERTC proceeds do not disqualify businesses from participating in the program.

What is the maximum grant amount?

The maximum grant amount is \$5 million per individual restaurant and \$10 million per restaurant 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), construction for outdoor eating space, food and beverage expenses, operational expenses (such as delivery vehicles and insurance), covered supplier costs as defined by the SBA under the Second Draw PPP program, sick leave, debt service and any other expenses deemed essential by the Administrator.



How long does the coverage period last for this program?

Grants can be spent on eligible expenses incurred between 2/15/20 and 3/11/2023.

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.

What happens if the \$28.6 Billion runs out?

It is our hope that Congress will refill the grant pool when it is empty but there is no guarantee that they will.

Which businesses will receive priority from the SBA?

\$5 billion of the \$28.6 billion total is reserved for restaurants with less than \$500,000 in gross receipts in 2019 for the first 60 days of the program. The first 21 days of funds will prioritize women or veteran-owned restaurants, and socially and economically disadvantaged businesses.

Should I take the Second Draw PPP or wait for the restaurant relief grant?

Due to demand, there is no guarantee that you will be able to receive a RESTAURANTS grant, so it is our recommendation that you exhaust all federal programs that are available to restaurants while you are eligible.

What should I be doing to prepare before the SBA releases the application?

We believe the SBA will require you to provide your 2019 federal tax returns for the business submitting the application in order to determine your baseline revenue for 2019. We are expecting the SBA to provide guidance by early to mid April. This forthcoming guidance will provide clarity on how you will demonstrate your 2020 revenues but getting an understanding of how you can provide those figures is a good idea. We also recommend that you inventory the expenses that you asked for PPP forgiveness as you cannot use the restaurant grant funding for the same expenses in which you used PPP funds.



My restaurant is owned equally between a male and female partner. Would I be able to qualify as a women-owned business?

The SBA recognizes that there are many different ownership and equity structures in the restaurant industry. They will have specific guidance on the application form on determining your eligibility as a woman- or veteran-owned or socially- or economically-disadvantaged business, but they have told us that if you look at the whole of your ownership group and at least 51% of those owners fit into one of the qualifying categories, you will be eligible. For example if you have 5 owners, 2 of whom are white males, 2 of whom are female and 1 of whom is a veteran, you would be able to qualify. A 50/50 male/female partnership does not qualify.

Can I pay my EIDL or PPP with RRF funds?

Yes, businesses can use RRF funds to service debt, including EDIL and PPP. However, businesses cannot prepay debt service obligations.

What documents do I need to prove that I'm eligible for grant prioritization?

The application will be a self-certification process, and will require you to certify the information provided within the application is accurate. Specific documentation is not required, but severe penalties will come to those applications submitted with knowingly false information.

Can owners pay themselves and are there limits?

Yes. However, the same \$100,000 annualized cap on payroll applies.

I have two businesses under one EIN, how do I calculate my grant amount?

The portal will have the capability to facilitate applications for those who have more than one restaurant or bar location that operates under one EIN. The portal will provide these operators the opportunity to apply under the one EIN and identify each location's grant calculations based on each location's revenue.