



FREQUENTLY ASKED QUESTIONS ABOUT THE INDEPENDENT RESTAURANT AND BAR GRANT PROGRAM

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

We believe it will take some time for the SBA to develop the necessary guidance to applicants and the actual application for restaurant owners to apply for a grant.

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

All food service or drinking establishments, including restaurants, caterers, brewpubs, food stands, food trucks, taprooms, 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.
- 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?

When did my business open?	What is my business eligible to receive?
Prior to 2019	= (2019 revenue) – (2020 revenue + PPP loans)
During 2019	= (12 × 2019 revenue ÷ months open in 2019) – (2020 revenue + PPP loans)
During 2020	= eligible expenses incurred

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 and ERTC loans 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), food, operational expenses, covered supplier costs as defined by the SBA under the Second Draw PPP program, sick leave, 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 from 2/15/20 through 12/31/21 and the Administrator may extend the period through two years from enactment if conditions warrant.

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 refund 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 only be made available to restaurants women or veteran-owned, or socially and economically disadvantaged businesses.



Should I take the Second Draw PPP or wait for the RESTAURANTS 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.