

# **Restaurant Revitalization Funding Program**

Program Guide as of April 28, 2021

# Restaurant Revitalization Fund (RRF) Program Guide

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# Restaurant Revitalization Fund (RRF) Program Guide

## **Introduction**

The U.S. Small Business Administration (SBA) is awarding funding through the Restaurant Revitalization Program to restaurants, bars, and other similar places of business that serve food or drink. The purpose of this funding is to provide support to eligible entities that suffered revenue losses related to the COVID-19 pandemic.

On March 11, 2021, the American Rescue Plan Act (ARPA) became public law ([P.L. 117-2](#)). [Section 5003](#) established the Restaurant Revitalization Fund (RRF), and appropriated \$28.6 billion for SBA to award funds. These appropriations remain available until expended. SBA will continue accepting applications subject to availability of funds.

Fund must be used for [eligible uses](#) no later than March 11, 2023.

Access SBA's webpage on the Restaurant Revitalization program [here](#).

More information on post award guidelines will follow this guide.

## **Eligibility**

### **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 including:

- Restaurants
  - Food stands, food trucks, food carts
  - Caterers
  - Bars, saloons, lounges, taverns
  - 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
  - Snack and nonalcoholic beverage bars
  - \*Bakeries
  - \*Brewpubs, tasting rooms, taprooms
  - \*Breweries and/or microbreweries
  - \*Wineries and distilleries
  - \*\*Inns

\* Bakeries, brewpubs, tasting rooms, taprooms, breweries, microbreweries, wineries and distilleries: In order to be eligible, these businesses must provide documentation with their application that [on-site sales](#) to the public comprised 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.

\*\* Inns: To be eligible, these businesses must provide documentation with their application that on-site sales of food and beverage to the public comprised 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

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model should have contemplated at least 33% of gross receipts in on-site food and beverage sales to the public.

Note: To satisfy the statutory requirement for “place of business in which the public or patrons assemble for the primary purpose of being served food or drink,” an eligible entity must have at least 33% in 2019 on-site sales to the public. The original business model of eligible entities that opened in 2020 or that have not yet opened should have contemplated at least 33% of gross receipts in on-site sales to the public. Those entities without additional documentation requirements, such as restaurants and bars, are presumed to have on-site sales to the public comprising at least 33% of gross receipts in 2019. All applicants must attest in the application to the following “The Applicant is eligible to receive funding under the rules in effect at the time this application is submitted.”

Eligible entities include any of the above entities located in an airport terminal or that operate independently (i.e. has its own tax identification number) inside another business (e.g. a restaurant that operates independently inside a hotel or conference center) or that are a [Tribally-owned concern](#).

Category	Eligible	Ineligible
Form of Organization	<ul style="list-style-type: none"> <li>• C Corporations**</li> <li>• S-Corporations**</li> <li>• Partnerships</li> <li>• Limited Liability Companies</li> <li>• Sole proprietors</li> <li>• Self-employed individuals</li> <li>• Independent contractors</li> <li>• Tribal businesses</li> </ul>	<ul style="list-style-type: none"> <li>• All other forms of organization</li> </ul>
Business Tax Identification Number	<ul style="list-style-type: none"> <li>• Valid EIN</li> <li>• Valid SSN</li> <li>• Valid ITIN</li> </ul>	<ul style="list-style-type: none"> <li>• Expired EIN</li> <li>• Expired SSN</li> <li>• Expired ITIN</li> </ul>
State or local government-operated businesses	NA	<ul style="list-style-type: none"> <li>• Any state or local government-operated businesses</li> </ul>
Operating status	<ul style="list-style-type: none"> <li>• Open</li> <li>• Temporarily closed</li> <li>• Opening soon, with expenses incurred as of March 11, 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Permanently closed</li> </ul>
Bankruptcy Status	<ul style="list-style-type: none"> <li>• Have not filed for bankruptcy</li> <li>• Operating under an approved (confirmed) plan of reorganization under a</li> </ul>	<ul style="list-style-type: none"> <li>• Permanently closed</li> <li>• Filed a Chapter 7 bankruptcy</li> <li>• Filed a Chapter 11, 12, 13 bankruptcy but is not operating under an approved</li> </ul>

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	Chapter 11, Chapter 12, or Chapter 13 bankruptcy	(confirmed) plan of reorganization
Registration in SAM.gov and DUNS number	<ul style="list-style-type: none"> <li>Not required</li> </ul>	N/A
Number of locations	<ul style="list-style-type: none"> <li>As of March 13, 2020, own or operate (together with any <a href="#">Affiliated Business</a>) 20 or fewer locations, regardless of name or type of business at those locations</li> </ul>	<ul style="list-style-type: none"> <li>As of March 13, 2020, own or operate (together with any <a href="#">Affiliated Business</a>) more than 20 locations, regardless of name or type of business at those locations</li> </ul>
Paycheck Protection Program Applicants	<ul style="list-style-type: none"> <li>Did not apply for PPP</li> <li>Already received a PPP loan</li> <li>Have a pending application for a PPP loan (note: upon applying for Restaurant Revitalization funding, Applicant should withdraw any outstanding PPP application; Applicant is verified using EIN/ITIN/SSN)</li> </ul>	N/A
Shuttered Venues Applicants	<ul style="list-style-type: none"> <li>Did not apply</li> <li>Denied a Shuttered Venues Operators Grant</li> </ul>	<ul style="list-style-type: none"> <li>Received a Shuttered Venues Operators Grant</li> <li>Have a pending application for a Shuttered Venues Operators Grant</li> </ul>
EIDL, EIDL Advance, Targeted EIDL Advance	<ul style="list-style-type: none"> <li>Did not apply</li> <li>Applicant has received an Economic Injury Disaster Loan (EIDL), EIDL Advance, or Targeted EIDL Advance</li> </ul>	NA
Non-profit Organizations	NA	<ul style="list-style-type: none"> <li>All non-profit organizations</li> </ul>
Publicly Traded Companies	NA	<ul style="list-style-type: none"> <li>All Publicly Traded Companies</li> </ul>
Franchises	<ul style="list-style-type: none"> <li>If the Applicant is operating under a franchise or similar</li> </ul>	NA

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	<p>agreement that meets the Federal Trade Commission definition of a franchise in <a href="#">16 CFR 436</a>. The franchise must be listed on the SBA Franchise Directory* with a franchise identifier code to ensure the franchise is eligible under SBA’s other eligibility criteria (e.g., <a href="#">13 CFR § 120.110</a>)</p>	
Funding Request Size	<ul style="list-style-type: none"> <li>Funding requests greater than or equal to \$1,000</li> </ul>	<ul style="list-style-type: none"> <li>Funding requests under \$1000</li> <li>Funding requests over \$5 million per location (not to exceed \$10,000,000 total for the Applicant and any <a href="#">Affiliated Businesses</a>)</li> </ul>
Other Ineligible Businesses		<ul style="list-style-type: none"> <li>Businesses are ineligible if any of the provisions in <a href="#">13 CFR 120.110</a> applies</li> </ul>

*\*Franchises: 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](mailto:franchise@sba.gov) for review of SBA’s other eligibility criteria (e.g., 13 CFR § 120.110).*

*\*\*B-Corporations may select S-Corporation or C-Corporation depending on how they are taxed.*

### **Applicant Good Faith Certification**

The Applicant must make a good faith certification on SBA Form 3172 that:

- Current economic uncertainty makes this funding request necessary to support the ongoing or anticipated operations of the Applicant.
- The Applicant does not have a pending application for and has not received a Shuttered Venue Operator grant from SBA.

### **Calculation of Funding Amount**

SBA may provide funding of up to \$5,000,000 per location (not to exceed \$10,000,000 total for the Applicant and any [Affiliated Businesses](#)) for Applicants who meet eligibility requirements.

The minimum funding amount will be \$1,000; therefore, applications requesting less than \$1,000 (net required reductions) in funding will not be accepted or approved. For example, if Applicant

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X has a reduction in revenue of \$2,000 but has a PPP loan for \$1,500, the Applicant's application will not be approved for processing and funding because the net funding calculation is less than \$1,000.

SBA believes that any award amount under \$1,000 would be de minimis and therefore that this minimum threshold is consistent with Congress's mandate that eligible entities use the funds to "support the ongoing operations.", ARPA § (5003)(c)(2)(i)).

For purposes of calculating funding amount, "in operation" means the day the entity started making sales. This does not mean the day the Applicant registered with the Secretary of State to establish the Applicant's legal entity (for example: if the Applicant formed the LLC on August 15, 2015 but didn't make the first sale to a customer until January 1, 2016, the Applicant's in operation date is January 1, 2016).

Additionally, for those entities who began operations partially through 2019, you may elect (at your own discretion) to use either calculation 2 or calculation 3 from the funding calculations below.

Corrections following submission and pre-award funding will require Applicant to re-visit the application portal or call the support hotline to submit the correction, new documentation, and initiate a restart of the timeline for review and payment. Please note, if an applicant initiates a restart it may take upwards of 14 days from the time of resubmission for SBA to finalize review of the application.

The SBA will NOT allow corrections to awards that have been paid to awardees.

### **Calculation 1 (Table 1 from Application): Applicants that were in operation (making sales) prior to or on January 1, 2019:**

**Step 1:** Begin with [gross receipts](#) as reported on the eligible entity's 2019 Federal tax return.

**Step 2:** Subtract 2020 gross receipts as reported or to be reported on the eligible entity's 2020 Federal tax return or, if applying through a designated SBA point-of-sale restaurant partner, the gross receipts that are recorded with the point-of-sale partner. Do not include any amounts received from any Paycheck Protection Program (PPP) loan (First Draw PPP Loan or Second Draw PPP Loan), SBA Section 1112 payments, or from any SBA Economic Injury Disaster Loan (EIDL) loan, EIDL Advance, Targeted EIDL Advance, Randolph-Sheppard Act Financial Relief and Restoration Payments (FRRP) Appropriation, or any state and local small business grants (via CARES Act or otherwise).

**Step 3:** Subtract the aggregate original disbursement amount(s) of any PPP loan (First Draw PPP Loan and Second Draw PPP Loan) received, regardless of whether received in 2020 or 2021. Do not include any amount that you repaid on or before May 18, 2020, in accordance with PPP safe harbor rules.

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**Step 4:** If the total is more than \$5 million per [physical location](#), reduce the amount to \$5 million per physical location. Your funding amount, together with your [Affiliates](#), may not exceed \$10 million. If the total is less than \$1,000, you are not eligible.

### Applicants that began operations (making sales) partially through 2019

For those entities who began operations partially through 2019, you may elect (at your own discretion) to use either calculation 2 or calculation 3 from the funding calculations below.

Calculation 2 (Table 2 from Application):

**Step 1:** Calculate your annualized 2019 gross receipts:

- Step 1(a): Begin with [gross receipts](#) as reported on the eligible entity's 2019 Federal tax return.
- Step 1(b): Calculate your 2019 average monthly gross receipts.  
For example, if you opened your doors on October 15, 2019 (were in operation for 2.5 months) and your total 2019 gross receipts were \$25,000: Divide \$25,000 by 2.5 for a 2019 average monthly gross receipts calculation of \$10,000.
- Step 1(c) Multiply your 2019 average monthly gross receipts (the amount from Step 1(b)) by 12.  
For example, if your 2019 average monthly gross receipts was \$10,000, multiply \$10,000 by 12 to result in \$120,000.

**Step 2:** Subtract 2020 gross receipts as reported or to be reported on the eligible entity's 2020 Federal tax return or, if applying through a designated SBA point-of-sale restaurant partner, the gross receipts that are recorded with the point-of-sale partner. Do not include any amounts received from any Paycheck Protection Program (PPP) loan (First Draw PPP Loan or Second Draw PPP Loan), SBA Section 1112 payments, or from any SBA Economic Injury Disaster Loan (EIDL) loan, EIDL Advance, Targeted EIDL Advance, Randolph-Sheppard Act Financial Relief and Restoration Payments (FRRP) Appropriation or any state and local small business grants (via CARES Act or otherwise).

**Step 3:** Subtract the aggregate original disbursement amount(s) of any Paycheck Protection Program (PPP) loan (First Draw PPP Loan or Second Draw PPP Loan) received, regardless of whether received in 2020 or 2021. Do not include any amount that you repaid on or before May 18, 2020 in accordance with PPP safe harbor rules.

**Step 4:** If the total is more than \$5 million per [physical location](#), reduce the amount to \$5 million per physical location. Your funding amount, together with your [Affiliates](#), may not exceed \$10 million. If the total is less than \$1,000, you are not eligible.

### Calculation 3 (Table 3 from Application): Applicants that began operations (making sales) on or between January 1, 2020 and March 10, 2021; and



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### **Applicants that have not yet opened for sales but as of March 11, 2021, have incurred eligible expenses:**

**Step 1:** Start with the total amount you spent on eligible expenses incurred on and between February 15, 2020 and March 11, 2021. Eligible expenses have the same definition as “[Eligible Uses of Funds](#),” below.

**Step 2:** Subtract [gross receipts](#) earned on and between January 1, 2020 and March 11, 2021 as reported or to be reported on the eligible entity’s Federal tax return or, if applying through a designated SBA point-of-sale restaurant partner, the gross receipts that are recorded with the point-of-sale partner. Do not include any amounts received from any Paycheck Protection Program (PPP) loan (First Draw PPP Loan or Second Draw PPP Loan), SBA Section 1112 payments, or from any SBA Economic Injury Disaster Loan (EIDL) loan, EIDL Advance, Targeted EIDL Advance, Randolph-Sheppard Act Financial Relief and Restoration Payments (FRRP) Appropriation, or state and local small business grants (via CARES Act or otherwise).

**Step 3:** Subtract the aggregate original disbursement amount(s) of any Paycheck Protection Program (PPP) loan (First Draw PPP Loan or Second Draw PPP Loan) received, regardless of whether received in 2020 or 2021. Do not include any amount that you repaid on or before May 18, 2020 in accordance with PPP safe harbor rules.

**Step 4:** If the total is more than \$5 million per [physical location](#), reduce the amount to \$5 million per physical location. Your funding amount, together with your [Affiliates](#), may not exceed \$10 million. If the total is less than \$1,000, you are not eligible.

### **Calculation 4 (Table 4 from Application): 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.

Example 1: An Applicant owns a restaurant that has been open since 2015 and another restaurant that has been open since 2020. The Applicant may use Calculation 1 (Table 1) for the first restaurant and Calculation 3 (Table 3) for the second restaurant. List the aggregated funding amount in Table 4 of the application and indicate how many locations are used in the calculation.

Example 2: A food truck operator has 5 food trucks. Three food trucks have been in operation since 2015, one began operating in 2020, and one has been purchased but is still in the process of being made ready for use. A food truck operator has only 1 location (the business headquarters), so the food truck operator would use Calculation 1 (Table 1) for the calculation because the business first began making sales in 2015.

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### **Eligible Uses of Funds**

You may use funds for the following expenses during your [covered period](#):

1. Business [payroll costs](#), including sick leave and costs related to the continuation of group health care, life, disability, vision, or dental benefits during periods of paid sick, medical, or family leave, and group health care, life, disability, vision, or dental insurance premiums;
2. Payments on any business mortgage obligation (both principal and interest; note: this does not include any prepayment of principal on a mortgage obligation);
3. Business rent payments, including rent under a lease agreement (note: this does not include any prepayment of rent);
4. Business debt service (both principal and interest; note: this does not include any prepayment of principal or interest);
5. Business utility payments for the distribution of electricity, gas, water, telephone, or internet access, or any other utility that is used in the ordinary course of business for which service began before March 11, 2021.
6. Business maintenance expenses including maintenance on walls, floors, deck surfaces, furniture, fixtures, and equipment;
7. Construction of outdoor seating;
8. Business supplies, including protective equipment and cleaning materials;
9. Business food and beverage expenses, including raw materials for beer, wine, or spirits;
10. Covered supplier costs, which is an expenditure made by the eligible entity to a supplier of goods for the supply of goods that:
  - Are essential to the operations of the entity at the time at which the expenditure is made; and
  - Is made pursuant to a contract, order, or purchase order in effect at any time before the receipt of Restaurant Revitalization funds; or
  - With respect to perishable goods, a contract, order, or purchase order in effect before or at any time during the [covered period](#);
11. Business operating expenses, which is defined as business expenses incurred through normal business operations that are necessary and mandatory for the business (e.g. rent, equipment, supplies, inventory, accounting, training, legal, marketing, insurance, licenses, fees). Business operating expenses do not include expenses that occur outside of a company's day-to-day activities.

Note: Past-due expenses are eligible if they were incurred beginning on February 15, 2020 and ending on March 11, 2023.

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### **Timeframe for Using Funds**

Awardees must use all Restaurant Revitalization funds by March 11, 2023 on eligible expenses incurred beginning on February 15, 2020 and ending on March 11, 2023. If the business permanently closes, the covered period will end when the business permanently closes or on March 11, 2023, whichever occurs sooner.

Awardees that are unable to use all Restaurant Revitalization funds on eligible expenses by the end of the covered period must return any unused funds to the government (post award guidance to follow this guide).

### **Use of Funds Validation**

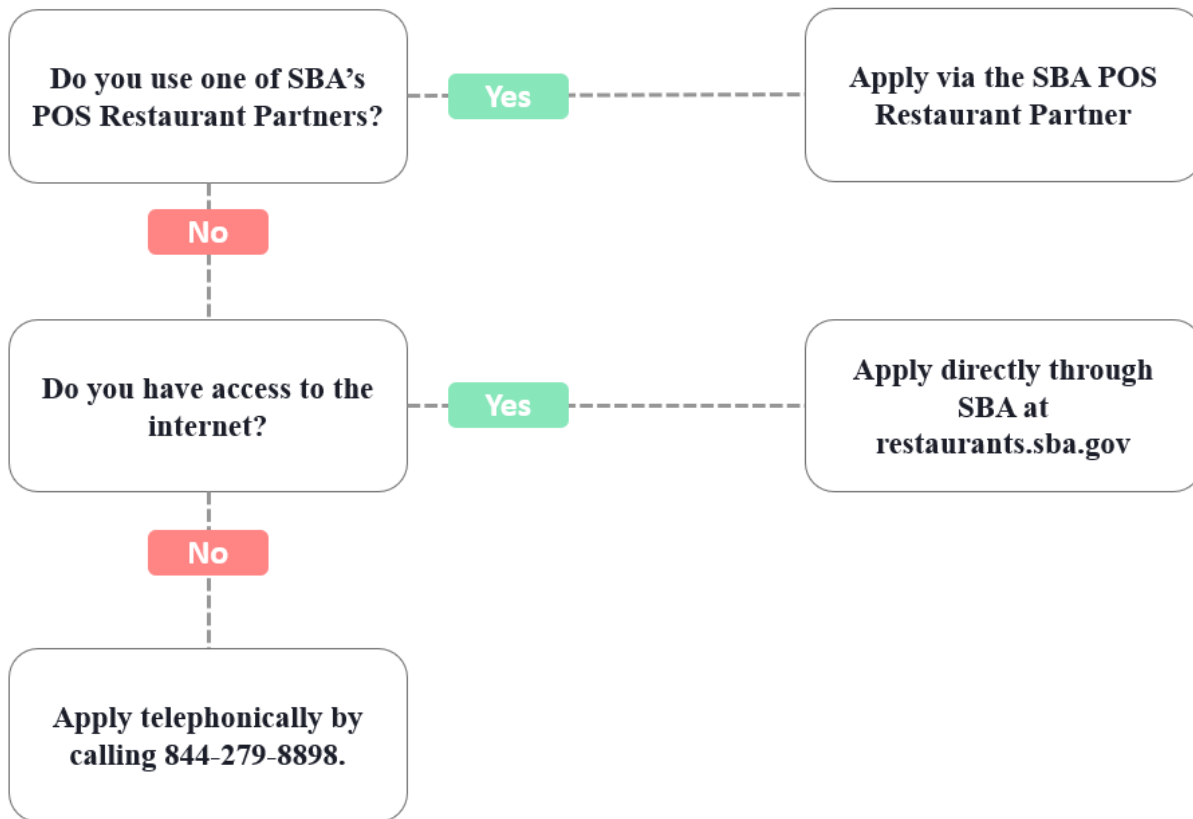
All Applicants have until March 11, 2023 to use award funds. Not later than December 31, 2021 all Applicants are required to report through the application portal how much of their award has been used against each eligible use category. If the Applicant fully expends their funds prior to December 31, 2021, they will be asked to certify in the application portal that proceeds have been used on eligible expenses. All Applicants that do not fully expend award funds prior to December 31, 2021 will be required to complete annual reporting submissions until they fully expend the award funding or the period of performance expires. SBA reserves the right to request supplemental documentation needed to validate the certification.

### **How to Apply**

There are three ways to apply for the Restaurant Revitalization fund.

1. Through a recognized SBA Restaurant Partner
2. Through SBA directly at [restaurants.sba.gov](https://restaurants.sba.gov)
3. Telephonically at (844) 279-8898

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### Apply through SBA Restaurant Partners

The SBA developed partnerships with multiple recognized technology companies that provide software, hardware & payments services to the restaurant industry to help ensure wide and equitable distribution of relief. These partners are referred to as SBA's Restaurant Partners or SBA's Point-of-Sale (POS) Restaurant Partners.

If you currently use one of the SBA's Restaurant Partners, you can apply for funding through their website or secure portal. These partners developed capabilities to make it easier for applicants to calculate, validate, and submit applications to the SBA. The SBA encourages applicants who are using our partners to apply through their customized process – this will save time in preparing and processing the application.

Each Restaurant Partner may have unique processes or supporting materials Applicants can use. SBA is actively working to add additional partnerships in the coming weeks. Please monitor [sba.gov/restaurants](https://sba.gov/restaurants) for additional updates from the SBA on official partners and upon announcement, visit your partner of choice's website to learn more information about their ability to support you in your application.

### Apply Directly through SBA

1. Gather documentation outlined in this document

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2. If you have access to the internet and will not apply through one of SBA's Restaurant Partners, visit [restaurants.sba.gov](https://restaurants.sba.gov) to access the application platform
3. Create an account
4. Complete the application questionnaire and attestations
5. Upload necessary documentation
6. Upon application completion, a DocuSign package will be sent to the email entered in the application portal
7. Execute DocuSign package immediately in order to trigger SBA review process
8. SBA will begin review of your application. Review will take approximately 14 days to complete provided complete and validated documentation. Applicants may check the status of their application on the application portal.
9. Application decision information or request for further documentation will be sent to the email associated with the Applicant account
10. If approved, funds will automatically be deposited to the bank account entered into the application

### **Apply Telephonically Directly through SBA**

1. Gather documentation outlined in this document
2. Call (844) 279-8898
3. Complete the application questionnaire and attestations with support agent
4. Completed application and signature documents mailed to Applicant
5. Applicant must mail fully executed and notarized application back to SBA (return address instructions included in mailed application)
6. SBA will begin review of your application. Review will take approximately 14 days to complete provided complete and validated documentation.
7. Application decision information or request for further documentation will be sent to the email associated with the Applicant account or mailed if no email available
8. If approved, funds will automatically be deposited to the bank account entered into the application

### **Receiving Funds**

As part of the Restaurant Revitalization Fund, the SBA will directly disburse proceeds to the applicant's operating account.

- For your protection, the SBA requires disbursement to be placed into the Applicant's commercial business account. Using the SBA automatic linking service will expedite this process.
- In cases of sole proprietors operating without a commercial account, the SBA will require supporting documentation to demonstrate this account is utilized for restaurant operations, and it is owned by the sole proprietor. SBA will not allow funding accounts with limited (less than 3 months) history or unrelated ownership to the Applicant. The SBA platform will reinforce these controls as part of your application process.
- Failure to align these payment rules will delay applicant funding.

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### Get Help Filing a Restaurant Revitalization Application

To help support Applicants throughout the process, SBA will offer support through a call center hotline. Additionally, Applicants who need assistance or have limited access to the digital application will be able to apply telephonically.

- Call center hotline (844-279-8898)
- Applicants can call this number for multi-lingual application or program support

### Application Information

**Applicant:** The Applicant is the entity applying for Restaurant Revitalization funding.

A restaurant with multiple locations under the same EIN must apply for all locations in one single application. Applicants may not apply on behalf of other entities such as Affiliates or subsidiaries.

Example 1: ABC Company owns three restaurants that each have their own EIN and each file their own Federal income tax returns. Each of ABC's restaurants must file their own separate Restaurant Revitalization funding application unless they received Paycheck Protection Program (PPP) loans under ABC Company.

Example 2: XYZ Company owns three restaurants. None of the three restaurants operate separately under its own EIN, and XYZ Company files Federal income tax returns that include gross receipts and expenses from all three restaurants. XYZ Company must file one application that includes funding for all three restaurants. None of the restaurants may file its own application separately from XYZ Company.

Example 3: HIJ Company owns three restaurants under the same EIN. HIJ opened location 1 in 2015, location 2 in July 2019, and location 3 in June 2020. The application will allow HIJ Company to calculate the potential fund amount for each location using the different calculations and roll that amount up to a total potential funding amount.

**Tax Identification Number (TIN):** The Applicant must provide the (TIN) for the Applicant business and all equity owners of 20% or more. TINs may be Employer Identification Numbers, Social Security Numbers, or Individual Taxpayer Identification Numbers assigned by the Internal Revenue Service. The total equity reported across the 20% or more owners does not have to add up to 100% of all equity outstanding, as long as all 20% or more owners are listed in the application. If no owner has at least 20% ownership of the Applicant, you must list enough owners whose combined equity represents at least 20% of the ownership of the Applicant.

All parties listed below are considered owners of the Applicant:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners
- For a corporation, all owners of the corporation;
- For limited liability companies, all members owning the company; and

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- Any Trustor (if the Applicant is owned by a trust). If the applicant is a sole proprietor without employees, the applicant must apply using the owner's Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) assigned to the individual by the IRS or an entity Employer Identification Number (EIN) assigned to the entity by the IRS. All other applicants, including sole proprietors with employees, must use the entity's EIN assigned to the entity by the IRS. If a sole proprietor without employees does not have an SSN, ITIN, or EIN, or if any other entity does not have an EIN, the applicant is not eligible. Note: The IRS [requires](#) all employers, including self-employed individuals with employees, to have an EIN. The IRS [website](#) states that you can [apply online](#) for an EIN and "This is a free service offered by the Internal Revenue Service and you can get your EIN immediately."

**Owners:** Applicants must list all owners of 20% or more of the business on the application. The listing for each owner must include the owner's Employer Identification Number (EIN), Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN). If an owner of 20% or more of the business does not have a SSN or ITIN, the business is not eligible.

### Set-Asides

To ensure that the smallest businesses and those in underserved communities receive funding awards, SBA has set-aside funds that are available only for certain applicants.

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.

### Priority in Awarding Funds

SBA will prioritize awarding funds to small businesses at least 51 percent owned and controlled by individuals who are women, veterans, and/or socially and economically disadvantaged individuals. Applicants in one of these categories that are operating under an approved plan of reorganization under either a Chapter 11, 12, or 13 bankruptcy and do *not* have a trustee exercising day-to-day control are eligible for funding under this program.

SBA will consider an applicant to be eligible for priority in awarding funds if the Applicant is a small business concern that is at least 51 percent owned by one or more individuals who are women, veterans, or socially and economically disadvantaged and if the management and daily business operations of the applicant are controlled by one or more women, veterans, or socially and economically disadvantaged individual. Applicants must self-certify on the application that they meet these requirements.

For example: An Applicant has five owners who each own 20 percent. 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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If an individual meets the requirements of more than one priority group category, that individual is only counted once.

For example: An Applicant has five owners who each own 20 percent. One of the owners is a woman veteran who is a socially and economically disadvantaged individual; however, none of the remaining four owners are a woman, veteran, or socially and economically disadvantaged individual. This Applicant is not eligible to file an application as a priority group applicant. However, this Applicant may still apply as a non-priority Applicant.

### Priority in Awarding Funds Schedule

**Days 1 - 21:** SBA will accept applications from all eligible Applicants. During this period, SBA will distribute funds only for approved applications where the Applicant has self-certified that it meets the eligibility requirements for a small business concern at least 51 percent owned and controlled by women, veterans, or socially and economically disadvantaged individuals.

**Days 22 – End of program:** SBA will accept applications from all eligible Applicants and distribute funds in the order in which applications are approved by SBA.

### Documentation Required

Applicants that were in operation prior to or on January 1, 2019, must supply at the time of application documentation of gross receipts for 2019 and 2020;

Applicants that began operations partially through 2019 and use calculation 2 must supply at the time of application documentation of gross receipts for 2019 and 2020. Applicants that began operations partially through 2019 and use calculation 3 must supply at the time of application documentation of gross receipts for 2020.

Applicants that began operations on or between January 1, 2020 and ending on March 10, 2021 and Applicants that have not yet opened as of March 11, 2021, but have incurred eligible expenses, must supply at the time of application documentation of gross receipts and eligible expenses for the length of time in operations.

#### **(1) For all Applicants, the following documentation is required:**

- The application: SBA Form 3172, completed, initialed, and signed. Completion of this form digitally on the SBA 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 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;



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- For a partnership: partnerships 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.

**(2) For Applicants that are a brewpub, tasting room, taproom, brewery, winery, distillery, or bakery:** In addition to the documents in (1) above, documents evidencing that onsite sales to the public comprise at least 33% of gross receipts for 2019. These may include 2019 Tax and Trade Bureau (TTB) Forms filed, state or local government forms filed, or internally created reports from inventory management, sales reporting, or accounting software.

**(3) For Applicants that are an Inn:** In addition to the documents in (1) above, documents evidencing that onsite sales of food and beverage to the public comprise at least 33% of gross receipts for 2019. These may include internally created revenue reports or accounting reports.

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### **Appendix: Acronyms and Abbreviations**

**ARPA:** American Rescue Plan Act

**Fund:** Restaurant Revitalization Fund

**EIN:** Employer Identification Numbers: [Information](#); [Apply for free](#)

**IRS:** Internal Revenue Service

**ITIN:** Individual Taxpayer Identification Number

**POS:** Point-of-Sale Vendors, SBA's Restaurant Partners

**RRF:** Restaurant Revitalization Fund

**SBA:** U.S. Small Business Administration

**SSN:** Social Security Number

**TIN:** Tax Identification Number

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### **Appendix: Definitions**

**Affiliate:** Has the same definition as “Affiliated Business”

**Affiliated Business:** An Affiliated Business or affiliate is a business in which an eligible entity has an equity interest or right to profit distributions of not less than 50 percent, or in which an eligible entity has the contractual authority to control the direction of the business, provided that such affiliation shall be determined as of any arrangements or agreements in existence as of March 13, 2020

Sole proprietors (and self-employed individuals) must count as affiliates all businesses reported on IRS Form 1040, Schedule C.

A holding company (which is a company that owns real estate for the benefit of an operating business) whose sole purpose is to hold the real estate for the eligible Applicant business should not be counted as a location or affiliate.

When you are filing out your RRF application, you will be asked if the Applicant has affiliates.

- You must select “yes,” if the RRF eligible applicant entity has an equity interest or right to profit distributions of 50% or greater of one (or more) other business entity; and/or
- You must select “yes,” if any owner of 20% or greater equity interest of the RRF eligible applicant entity has an equity interest or right to profit distributions of 50% or greater of one (or more) other business entity; and/or
- You must select “yes,” if the Applicant business is a holding company or management company that owns or manages a business other than the Applicant business, or if the Applicant business is held or managed by a company that owns or manages other businesses you must count these entities as separate affiliates and locations.

**Covered Period:** The period beginning on February 15, 2020 and ending on March 11, 2023. If the business permanently closes, the covered period will end when the business permanently closes or on March 11, 2023, whichever occurs sooner. Recipients that are unable to use all of the funds received on eligible expenses by the end of the covered period must return any unused funds to Treasury.

#### **Gross receipts:**

The amounts required to calculate gross receipts varies by the entity tax return type:

- For self-employed individuals (IRS Form 1040 Schedule C): line 3 (If you file multiple Schedule C forms on the same Form 1040, you must sum across all of them)
- For partnerships (IRS Form 1065): line 1c
- For S-Corporations (IRS Form 1120-S): line 1c
- For C-Corporations (IRS Form 1120): line 1c
- LLCs: Use one of the above
- B Corporations: Use line 1c from either IRS Form 1120 or 1120S

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If an Applicant's gross receipts include any of the following, the amount associated with the following should be subtracted from gross receipts:

- Paycheck Protection Program (PPP) loan (First Draw PPP Loan or Second Draw PPP Loan);
- SBA Section 1112 payments;
- SBA Economic Injury Disaster Loan (EIDL) loan, EIDL Advance, Targeted EIDL Advance;
- Randolph-Sheppard Act Financial Relief and Restoration Payments (FRRP) Appropriation;
- Any state and local small business grants (via CARES Act or otherwise);
- Taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers (this does not include taxes levied on the concern or its employees);
- Proceeds from transactions between a concern and its domestic or foreign Affiliates; and
- Amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker.

All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer's request, investment income, and employee-based costs such as payroll taxes, may not be excluded from gross receipts.

**Location:** Same as [physical location](#) below.

**On-site Sales:** 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.

### **Payroll Costs:**

#### **Payroll costs include:**

- Compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips);
- Payment for vacation, parental, family, medical, or sick leave;
- Allowance for separation or dismissal;
- Payment for the provision of employee benefits (including insurance premiums) consisting of group health care, group life, disability, vision, or dental insurance, and retirement benefits;
- Payment of state and local taxes assessed on compensation of employees; and
- For an independent contractor or sole proprietor, wages, commissions, income, or net earnings from self-employment, or similar compensation.

#### **Payroll costs do not include:**

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- Payments made to an independent contractor (although these payments may be eligible under another eligible use of funds category such as operating expense);
- The compensation of any owner or individual employee in excess of \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred;
- Federal employment taxes imposed or withheld during the applicable period, including the employee's and employer's share of FICA (Federal Insurance Contributions Act) and Railroad Retirement Act taxes, and income taxes required to be withheld from employees;
- Qualified wages (defined as wages paid by (a) employers with more than 100 full-time employees that were operational in 2020 but had to partially or fully suspend activities in any quarter due to COVID-19 restrictions put in place by an appropriate governmental authority; or (b) employers with 100 or fewer full-time employees that were operational in 2020 but had to partially or fully suspend activities in any quarter due to COVID-19 restrictions put in place by an appropriate governmental authority, or wages paid by such an employer during the first quarter beginning after December 31, 2019 for which gross receipts were less than 50% of gross receipts for the same calendar quarter the year prior and ending with the calendar quarter following the first calendar quarter that begins after calendar quarter that previously had gross receipts less than 50% of the gross receipts from the calendar quarter the prior year and subsequently had gross receipts that were greater than 80% of gross receipts for the same calendar quarter the prior year) that were taken into account in determining the credit allowed under section 2301; and
- Premiums related to COBRA continuation coverage (per section 6432 of the Internal Revenue Code of 1986) taken into account in determining the credit allowed.

**Physical Location:** (Also “location”) Each place where the Applicant or its Affiliates conducts sales from a permanent structure. If the Applicant or Affiliate conducts sales from multiple permanent locations, each address is a separate location. For a caterer or a single business with multiple food stands, trucks, or carts, the physical location is where the business is headquartered (i.e., a business with one permanent structure and five food trucks will have one location; a caterer will have one location).

**Publicly-Traded Company:** An entity that is majority owned or controlled by an entity that is an issuer, the securities of which are listed on a national securities exchange under section 6 of the Securities Exchange Act of 1934 ([15 U.S.C. 78f](#)).

**Small business concern owned and controlled by veterans:** ([15 USC 632\(q\)\(3\)](#))

A business concern (a business entity organized for profit, with a place of business located in the United States, and which operates primarily in the United States) and considered small in accordance with SBA's size standards at [13 CFR § 121.201](#); and

- At least 51 percent of which is owned by one or more [veterans](#); and
- The management and daily business operations of which are controlled by one or more veterans.

**Small business concern owned and controlled by women:** ([15 USC 632\(n\)](#))

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A business concern (a business entity organized for profit, with a place of business located in the United States, and which operates primarily in the United States) and considered small in accordance with SBA's size standards at [13 CFR § 121.201](#); and

- At least 51 percent of which is owned by one or more women; and
- The management and daily business operations of which are controlled by one or more women.

Small business concern owned and controlled by socially and economically disadvantaged individuals:

**Socially disadvantaged individuals** ([13 CFR § 124.103](#)) 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** ([13 CFR § 124.104](#)) 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.

**Tribally-Owned Concern:** Any concern that is at least 51 percent owned by an Indian tribe. Indian tribe is defined as any Indian tribe, band, nation, or other organized group or community of Indians, including any ANC, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or is recognized as such by the State in which the tribe, band, nation, group, or community resides. [13 CFR § 124.3](#)

**Veteran:** A person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable. [Title 38](#), section 101(2).