

Congress Serves Up Relief for
RESTAURANTS



*What to consider and
opportunities to uncover*





ELIGIBLE ENTITIES /APPETIZERS

According to Congress, the definition of a restaurant for purposes of the grant includes:

Eligible entities where customers gather for the primary purpose of being served food or drink that are not permanently closed

They also offer examples of businesses that can be treated as a restaurant:

- Restaurant
- Bakery
- Tavern
- Tasting room
- Distillery
- Food stand
- Caterer
- Bar
- Taproom
- Licensed facility of a beverage alcohol producer
- Food truck
- Saloon
- Lounge
- Brewery
- Snack and nonalcoholic beverage bar (e.g. coffee shop or ice cream shop)
- Food cart
- Inn
- Brewpub
- Winery

FUNDING/MAIN COURSE

Restaurants applying for a grant that were in operation prior to 2019 determine the amount as follows (Method A)*:

Step 1: Gross Receipts reported in 2019.

Step 2: Gross Receipts reported in 2020. Do not include any amounts received from PPP loans (First or Second Draw); and other grants.

Step 3: Subtract the total disbursements of any PPP loans (First Draw and Second Draw) received, regardless of whether received in 2020 or 2021.

Step 4: Amount is capped at \$5 million per location, and total with affiliates is limited to \$10 million. There is a floor grant of \$1,000.

* Different methods apply for restaurants that began operations in 2019 or after.

ELIGIBLE EXPENSES/A LA CARTE

According to the SBA, the following are eligible expenses for use under the RRG:

- Business payroll costs
- Business debt service
- Construction of outdoor seating
- Business food and beverage expenses
- Payments on any business mortgage obligation
- Business utility payments
- Business supplies, including protective equipment and cleaning materials
- Covered supplier costs
- Business rent payments
- Business maintenance expenses
- Business operating expenses

With the RRG, the “covered period” to use these funds actually began back on February 15, 2020 and runs through March 11, 2023. A qualifying entity has over three years to use the amount of its grant on eligible expenses. In some situations, an entity may have expended these amounts even prior to the entity receiving its grant.

WAYS TO APPLY FOR A RRG/DESSERT

A restaurant applies directly with the SBA using one of three ways:

1. If a restaurant currently uses one of the SBA's Restaurant Partners, it can apply for RRG funding through the SBA's website (or a secure portal).
2. Directly with the SBA through its website at: restaurants.sba.gov
3. Over the phone by calling (844) 279-8988. In this situation, the entity completes the application and statements with SBA agent. The completed application is mailed to the applicant, who must sign, notarize and return to the SBA.

The SBA opened RRG applications on May 3, 2021.





PRIORITY PROCESS/BEVERAGES

Additional considerations

The SBA first grants RRG funds to small businesses that are $\geq 51\%$ owned and controlled by individuals who are women; veterans; and/or socially and economically disadvantaged individuals. The applicants must self-certify on the application that they meet eligibility requirements of one or more of these groups.

*Please contact a Sikich advisor to
assist you with any questions you have
and to help you "order up" these RRG savings.*



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