**What You Need to Know About Restaurant Revitalization Fund Grants**

The new Restaurant Revitalization Fund, part of the recently passed American Rescue Plan Act, will provide $28.6 billion in grants to restaurants and bars in need.

**Who is eligible for RRF grants?**

The ARPA explicitly names the following types of establishments that should be eligible:

* Restaurant
* Food stand
* Food truck
* Food cart
* Caterer
* Saloon
* Inn
* Tavern
* Bar
* Lounge
* Brewpub
* Tasting room
* Taproom
* Licensed facility or premise of a beverage alcohol producer where the public may taste, sample, or purchase products.

Not eligible:

* Restaurant or bar that is part of a publicly-traded company
* Owned by a state or local government
* Owners that operate more than 20 restaurants
* *Notably, owner of a franchise and do not control more than 20 locations, likely eligible to apply.*

**How and when can I apply?**

* The Small Business Administration (SBA) will administer and disperse the RRF grants
* program does not yet have an official launch date as of mid-March 2021.
* Those interested in obtaining RRF grants should keep a close eye on the [SBA’s COVID-19 relief options web portal](https://www.sba.gov/funding-programs/loans/covid-19-relief-options).

**How much can I get from the grant program?**

* Generally speaking, restaurants can apply for grants that are equal to 2020 gross revenue minus 2019 gross revenue.
* For businesses in operation for all of 2019 and 2020, the maximum grant size will be $5 million for restaurants and $10 million for restaurant groups.
* Grant funds will not be taxed like income.
* If a restaurant was not operating for all of 2019, the maximum grant value is the average monthly gross receipts in 2020 minus the average monthly gross receipts in 2019.
* If a restaurant was not in operation for all of 2020, it could potentially receive a grant that totals the amount of “eligible expenses” put into the business to date.
* The SBA will release more information later to clarify the amount restaurants established after January 2019 can apply for and how it may adjust grant amounts based on “relative local costs.”

**What can grant funds be used for?**

The RRF grants are only able to be used on specific expenses. These include:

* Payroll costs.
* Payments of principal or interest on any mortgage obligation.
* Rent payments, including rent under a lease agreement.
* Utilities.
* Maintenance, including new outdoor seating construction.
* Supplies, including PPE and cleaning materials.
* Food and beverage inventory.
* Covered supplier costs.
* Operational expenses.
* Paid sick leave.
* Any other expense SBA says is essential to maintain operations.

The “covered period” for what expenses can be paid by the grant must be incurred between February 15, 2020, to December. 31, 2021.

**Restaurant and bar owners need to prepare now**

While the launch date may not be set, restaurant owners have a few things they should be doing now to get ready for the application process. Those that want to apply for grants should register with the government using the [System of Award Management (SAM)](https://sam.gov/SAM/) if they are not already.

To get on the SAM system, owners and operators should follow these steps:

* First, create a [login.gov user account](https://login.gov/). This login account can help you interact with the SBA and other federal agencies.
* Second, sign up to receive a [DUNS number](https://fedgov.dnb.com/webform/index.jsp). The DUNS number assignment is free, but it is required for all businesses who want federal contracts or grants. This typically takes 1-2 days to process.
* Using your login.gov email, DUNS number, and standard business info such as your Taxpayer Identification Number (TIN) and Taxpayer Name, [register with SAM](https://sam.gov/SAM/pages/public/loginFAQ.jsf). It can take up to 2 weeks to be fully set up on SAM.

Secondly, you should work with an accountant to prepare paperwork that clearly shows your gross revenue loss in 2020 as compared to 2019.