

## Restaurant Revitalization Fund – Webinar Questions

### General Questions:

**Can you expand on how to assess this good faith certification? "Current economic uncertainty makes this funding request necessary to support the ongoing or anticipated operations of the Applicant."**

- We expect all eligible entities to be able to attest to the need for this grant to keep their business operations going.

**Please clarify the "affiliated business" in detail.**

- An affiliate business is a business in which the eligible Applicant business has an ownership interest of not less than 50 percent, or in which the eligible Applicant business has the contractual authority to control the direction of the other business, based on arrangements or agreements in place as of March 13, 2020. You must count all locations owned or operating under your Applicant business's EIN and your Applicant business's affiliates, even those that are not eligible for RRF. [Visit the SBA site](#) for additional information.

### Process-related

**Will grants be processed in the order that they are received?**

- Applications will be processed in the order they are received. Applicants in the priority category will be processed first for the first 21 days.

**What information will be required when we register for an application?**

- Registration opens on Friday, April 30<sup>th</sup> at 9 a.m. ET on [restaurants.sba.gov](https://restaurants.sba.gov). You will create a username and password and follow the two-factor authentication with a US-based mobile phone number.

**I have Aloha but use a third-party processor. Does the SBA need the third-party processor form and the Aloha sales summary?**

- For gross receipts, the SBA asks for filed federal tax returns for 2019 and 2020 (if using Calculation 1 or 2). If 2020 taxes are not yet filed, a POS report will suffice.

**Will two or more partners be able to access the portal using the two-factor authorization.**

- Only one person per login is allowed at a time. Contact the SBA Hotline at 1-844-279-8898 for information on how multiple partners can access the portal.

**Should we include all expenses and revenue until March 31, 2021 in the calculation?**

- Assuming this relates to calculation #3, you can include all eligible expenses as of February 15, 2020, and March 11, 2021. (These are the dates of the official start of the pandemic to the date the law authorizing RRF passed).

**Does the POS report need to be "watermarked" or certified as valid by the POS system (NCR)?**

- It is preferred to submit the watermarked report, but it is not necessary. NCR can help validate your POS report.

### **Is it necessary to have the Aloha watermark or is the BOH copy ok?**

- It is preferred to submit the watermarked report, but it is not necessary. NCR can help validate your POS report.

### **Can I use the NCR data to show all of 2019 or just from the day I started?**

- You must show gross receipts from the day you opened your business if operated a partial year in 2019 (i.e., the day you made your first sale to a customer).

## Usage of Funds

### **Can we use the grant to pay off an existing SBA EDIL loan?**

- Yes, you may use the funds only to make current or past due payments on the principal or interest, not to make prepayments.

### **Can the funds be used for past credit card payments or past insurance payments made after Feb 15, 2020?**

- Yes, you may use the funds only to make current or past due payments on the principal or interest, not to make prepayments.

### **Since the Payment Protection Program (PPP) funds are deducted from Restaurant Revitalization Fund Program (RRF) funds, if expenses have already been used for PPP forgiveness can RRF funds be used to pay those same expenses?**

- No, RRF funds can only be used to pay for expenses not already accounted for in a PPP loan.

### **Does liquor, beer and wine purchases for a bar count as "food and beverage" or "supplier cost" in the accepted uses?**

- Yes.

### **Is Capex an eligible expense for businesses that opened in 2020?**

- Capital expenditures are eligible expenses as long as it was incurred between Feb 15, 2020 and March 11, 2021 (the date of the official start of the pandemic to the date the law authorizing RRF passed).

## LLC/Partnership Questions:

### **All our stores are single member LLC, disregarded entities are owned by 1 LLC. The LLC is a partnership. Each entity(store) has their own EIN# and bank account. Will I complete 1 application or individual per EIN/location?**

- You must count all locations owned or operating under your Applicant business's EIN and your Applicant business's affiliates, even those that are not eligible for RRF. [Visit the SBA site](#) for additional information.

**We have six locations. Three locations existed prior to 2020, but three were acquired during 2020. How do we do the calculation? Do you do the calculation by store? The three original stores lost money. All three locations are in the same LLC.**

- Use Calculation 1 for the location operating prior to 2019 and Calculation 3 for the 2020 locations. These are both available on table 4 in the application, which allows for separate calculations for each location, even if under the same EIN.

**If you have two LLCs/EINs (separate restaurants), however the taxes are rolled up to a Holdings LLC/Separate EIN (so the individual LLC's applying for do not have separate taxes done, rather they are rolled up) how do we fill out the form 4506-T?**

- 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. [Visit the SBA site](#) for additional information.

**For LLC tax returns, do we need a complete tax return, or will just the Form 1065 suffice?**

- If using Calculation 1 or 2, we will need a complete tax return for 2019 and 2020 if possible.

**I purchased an existing restaurant at the end of October 2019, under an existing LLC. How do I show that the loss in 2020 of the business potential is huge e.g., 2019 Jan. – Dec. 2019 was 600K and 2020 was 336K?**

- You will need 2019 tax returns from the business to demonstrate gross receipts and subtract 2020 gross receipts (either through 2020 tax return or other approved documentation), as outlined in calculation 1.

**I had an online business, 3j stores LLC, started on 2018. But in 2020 April 1st , 3j stores LLC, purchased a restaurant business that was started by the previous owner in November 2020.**

- If your restaurant opened in 2020, you will use Calculation 3.

**If I have 10 units in partnership. My partner has 20 units alone. Do I qualify for RRF?**

- Visit the [SBA website](#) for more information about affiliated business definitions.

**Is a small business concern defined by the SBA Size Standard for the restaurant NAICS code or by the 20 locations guideline?**

- Visit the [SBA website](#) for more information about affiliated business definitions.

## Calculations

**I took over a long-existing restaurant in March 2020. Which formula would I use? Can I rightfully count 2019 revenue since the restaurant was operating at the time?**

- Yes, you would use Calculation 1.

**On the SBA website there is an RRF program guide. There is no mention of subtracting EIDL loans - only mentions subtracting PPP loans. Are you sure EIDL loans need to be backed out as well?**

- EIDL loans are not counted as part of your 2020 gross receipts, and therefore do not need to be backed out.