



The Restaurant Revitalization Fund Grant

As all of you know, different forms of help have been available over the last year for business owners, including those in the restaurant industry. Round 2 of the PPP loan is still ongoing, and we sincerely hope you are taking advantage of this potentially lucrative loan/grant. There are also tax credits available based on employee retention (outlined in one of my previous posts).

Today, I want to share with you the limited information that is available regarding the newest government grant referred to as the Restaurant Revitalization Fund (RRF) Grant. The word “grant” is key, as this is not a loan!

When the President signed the American Rescue Plan Act of 2021 on March 11, 2021, \$28.6 billion was allocated to this fund intended to help restaurants and those in the food industry including food trucks, food stands, food carts, caterers, saloons, etc. Eligibility is simply limited to those who own less than 20 restaurants and those who have not participated in the Shuttered Venue Operator program administered through the SBA.

Listed below are additional important attributes of the program:

- Maximum grant is \$10 million, \$5 million per physical location
- Grants are based on revenue loss when comparing 2020 sales to 2019 sales
 - Grants reduced by amounts received through first 2 PPP loans
- Eligible Expenses include payroll, normal food and beverage inventory, principal and interest on mortgage obligations, rent, utilities, maintenance, and a number of other miscellaneous expenses
- Covered period – to be determined

Application dates have not yet been published, but much like with PPP, once this opens up, many businesses will be competing for funds. With that in mind, here are some immediate steps you can take to prepare for the application process:

- Compiling your 2019 and 2020 financial statement information (i.e. sales, expenses)
- Contact your CPA so you are ready when the time comes.

We expect funds to go quickly, so you need to be ready! We will provide more information as it becomes available.

Sincerely,

Jarrod Gray
CFO
Merchants Foodservice