

## SBA RRF Knowledge Base Questions:

### Is any form of owner compensation acceptable as long as it's under the \$100,000 threshold?

No. For owner compensation, RRF funds may be used only for documented payroll expenses less than or equal to \$100,000 on a pro-rated annual basis. RRF funds may not be used for owner draws or guaranteed payments.

### I have multiple RRF applications with separate EINs but one PPP loan that consolidates all EINs. How do I apply?

You must apply using the EIN for the entity that received the First Draw PPP loan. You must aggregate your calculations for your separate locations that are eligible for RRF. You may not include gross receipts (or eligible expenses, if using Table 3 from the application) from locations that are not eligible for RRF.

### How do I count ownership to achieve the 51% threshold for eligibility as a priority group?

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 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.

Example 1: 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.

Example 2: An applicant is 3% owned by a woman and 48% owned by 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.

Example 3: A husband and wife jointly own 40% of a restaurant. SBA will **not** subdivide this joint ownership to count this as 20% owned by a woman.

Example 4: A restaurant is owned by another entity that is veteran-owned. SBA will count the veteran's ownership toward the 51% threshold.

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.

## **I own a nursing home with a restaurant in it and both use the same EIN. Am I eligible?**

No. Residential facilities do not satisfy the requirement for "other places of business in which the public assemble for the primary purpose of being served food or drink."

## **Can the funds be used to pay back a PPP loan as an eligible "Business debt service"?**

Yes. RRF funds may be used to pay any business debt (both principal and interest: Note: this does not include any prepayment of principal or interest), including a business PPP loan.

## **Does a business owned 50/50 by a couple meet eligibility for a priority group if only one of the individuals meets priority group criteria?**

No. The statutory definitions do not allow for any leeway in percentage of ownership.

SBA will consider an applicant to be eligible for priority in awarding funds if the Applicant is a small business 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.

Statutory definitions:

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

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

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

**Economically disadvantaged individuals** ([13 CFR § 124.104](#))

**Socially and economically disadvantaged small business concerns** ([15 USC 637\(a\)\(4\)\(A\)](#)) at [U.S.C. Title 15 - COMMERCE AND TRADE \(govinfo.gov\)](#)

## **I report revenue from multiple businesses on my IRS Form 1040 Schedule C tax return. How do I apply?**

You should complete one application that includes gross receipts from all of your businesses that are eligible for RRF funds.

## **May RRF funds be used to expand a business?**

No. RRF funds may not be used for business expansion.

## **Must applicants be US citizens or Resident Alien (Green Card Holders) in order to apply?**

Applicants must be either US citizens or have a valid Tax Identification Number (TIN).

The Applicant must provide a valid TIN for the Applicant business and all equity owners of 20% or more. TINs may be Employer Identification Numbers (EIN), Social Security Numbers (SSN), or

Individual Taxpayer Identification Numbers (ITIN) 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, the Applicant must list enough owners whose combined equity represents at least 20% of the ownership of the Applicant.

If the Applicant business does not have a valid (TIN), the Applicant is not eligible.

If an owner of 20% or more of the business does not have a valid SSN or ITIN, the business is not eligible.

## **Why no SAM.gov/DUNS requirement for RRF but required for SVOG?**

RRF was authorized by the American Rescue Plan Act of 2021 (ARPA). ARPA provided SBA with the flexibility not to require DUNS numbers or registration in SAM.gov. Congress did not provide the same flexibility to SBA with the Shuttered Venue Operators Grant.

## **Certain types of entities have to demonstrate that on-site sales to the public comprised at least 33% of gross receipts in 2019. What if the business didn't start operations until after 2019?**

For businesses that opened after 2019 or that haven't yet opened, the Applicant's original business model (or business plan) should have indicated that at least 33% of gross receipts will be made in on-site sales to the public, or, for Inns, that at least 33% of gross receipts will be made in on-site food and beverage sales to the public.

The following types of businesses must demonstrate 33% of gross receipts in on-site sales to the public: Bakeries; brewpubs, tasting rooms, taprooms, breweries and or/microbreweries, wineries and distilleries.

Inns must demonstrate 33% of gross receipts in on-site sales of food and beverage to the public.

## **If a restaurant pivoted to delivery in 2020 maybe revenue stayed steady but net profit was greatly reduced due to delivery expenses. Can these delivery expenses be classified as a reduction to revenue for the calculation versus 2019 revenue??**

No.

## **Is eligibility for priority groups based solely on ownership or does control play a factor?**

To be eligible as a priority group, the business must be at least 51% owned by a woman, veteran, or socially and economically disadvantaged individual, and the business must also be controlled by a woman, veteran, or socially and economically disadvantaged individual.

An individual controls a business if they control the management and daily business operations of the business.

## **Do operating expenses or supply costs include delivery costs?**

Yes, if delivery costs are a normal operating expense for the eligible Applicant business.

## Is there a reconsideration or appeals process for declined applications?

No.

## Is a for-profit entity owned by a non-profit organization eligible for RRF?

If the for-profit entity has its own tax identification number separate from the non-profit organization, the for-profit entity may be eligible.

## Is my business type eligible?

The eligible business types are listed below. Select the entity type that reflects how you are licensed or regulated in your locale.

### Eligible business types:

- 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
- Snack and nonalcoholic beverage bars
- \*Bakeries
- \*Brewpubs, tasting rooms, taprooms
- \*Breweries and/or microbreweries
- \*Wineries and distilleries
- \*\*Inns (Hotels and motels are not considered "Inns" for the purpose of the RRF program.)
- Other similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink: If you are licensed or regulated in your locale to sell food or beverage to the general public, but your business type is not one of the business types listed above, you may select "Other similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink." To be eligible, you must

provide documentation with your application that on-site sales of food and beverage to the public comprised at least 33% of gross receipts in 2019. For businesses that opened in 2020 or that have not yet opened, your original business model should have contemplated at least 33% of gross receipts in on-site food and beverage sales to the public. For example: If you advertise your business as a billiards facility, but you have a liquor license and sell alcoholic beverages to the general public, select "Other similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink" in the application. You must upload documentation supporting that on-site sales of food and beverage to the public comprised at least 33% of gross receipts in 2019.

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

## \*I own 15 convenience stores and 6 restaurants. How do I count my locations to determine eligibility?

You must count all locations owned or operating under your EIN and your affiliates, even those that are not eligible for RRF. In your example, you have 21 locations, which means you are not eligible for RRF. Any entity that owns or operates more than 20 locations, regardless whether the businesses operate

under different names or are different types of business, is not eligible for RRF.

### **\*Are hotels and motels eligible as an "Inn"?**

No. Hotels and motels are not considered "Inns" for the purpose of the RRF program.

### **Are businesses that are owned by government officials eligible?**

Yes, assuming all other eligibility requirements are met.

### **\*Would an online tea shop and coffee shop be an eligible entity?**

No. If the Applicant's business model is online sales of product for off-site consumption, the Applicant is not eligible. However, a coffee shop that has a physical location where the public can assemble for the primary purpose of being served food or drink and also allows online ordering would be eligible.

### **What is the eligibility rule on foreign owned/majority foreign owned businesses?**

If the Applicant business does not have a valid (TIN), the Applicant is not eligible.

If any owner of 20% or more of the business does not have a valid SSN or ITIN, the business is not eligible.

### **Can RRF funds be used to make equipment and working capital**

### **loan installment payments (not just real estate mortgage)?**

Yes. Restaurant Revitalization Funds may be used for business debt service, including principal and interest payments, except that Restaurant Revitalization Funds may not be used for the prepayment of principal or interest on any loan.

### **Will Awardees be audited?**

SBA reserves the right to audit any Awardee.

### **When a funding request is approved will the Applicant business receive that amount in one lump sum?**

Yes. If approved, funds will automatically be deposited to the bank account entered into the application.

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.

## **Are required licenses and fees normal operating expenses?**

Yes. Restaurant Revitalization Funds may be used to pay for required licenses and fees.

## **I own a dry cleaner and a restaurant under the same EIN. How do I calculate my RRF?**

You may only include gross receipts from the entity that is eligible for RRF. In your example, you would only use gross receipts from your restaurant to calculate your RRF fund request.

## **If an Applicant operates separate locations under one EIN, how does the Applicant apply?**

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.

## **\*Would a snack store that sells prepackaged foods qualify for RRF? What about a convenience store that sells hot, prepared food items?**

No. These types of businesses are not eligible for RRF.

## **Will a restaurant that has an EIDL loan and / or gets an EIDL loan increase in any way hinder its eligibility to receive relief from**

## **the Restaurant Revitalization Fund?**

An EIDL loan, EIDL advance, or EIDL targeted advance will not negatively impact an Applicant's eligibility or award amount.

## **\*What if I have a PPP application pending? How does that impact my RRF eligibility?**

Upon applying for RRF funding, the Applicant **must** withdraw any outstanding PPP application through its PPP lender.

## **\*Can a restaurant applicant use the funds for new outdoor seating that has yet to be built?**

Yes. Awardees may use funds for the construction of outdoor seating that occurs (or occurred, if in the past) during the covered period, which is Feb. 15, 2020 through March 11, 2023.

## **How should a Tribal business apply?**

The Tribal business should apply using the majority owner's Social Security Number.

## **If the automated application system pre-populates a PPP loan into the RRF application, and the Applicant did not receive the PPP loan, what should the Applicant do?**

SBA will only prepopulate valid PPP loans associated with the tax identification numbers

indicated in the RRF application. If the Applicant did not receive the PPP loan, the Applicant should report identity theft to the Federal Trade Commission (FTC) at [IdentityTheft.gov](https://www.ftc.gov/identity-theft).

## Are both First Draw and Second Draw Paycheck Protection Program (PPP) loans deducted for the RRF?

Yes. All PPP loans must be deducted from the Restaurant Revitalization Fund award. This includes any PPP loan proceeds, whether First Draw, Second Draw, loan increase, or any subsequent PPP loan received, regardless of whether received in 2020 or 2021.

## How does bankruptcy affect my eligibility?

You are eligible if you are operating under an **approved (confirmed)** plan of reorganization under a Chapter 11, 12, or 13 bankruptcy.

However, you are not eligible if your business is permanently closed, has filed a Chapter 7 bankruptcy, or has filed a Chapter 11, 12, or 13 bankruptcy but is not operating under an approved (confirmed) plan of reorganization.

## \*What does "socially and economically disadvantaged" mean?

**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.

Individuals that are not members of the above groups may establish individual social disadvantage by a preponderance of the evidence and must be able to provide such written evidence upon request by SBA. Refer to **13 CFR § 124.103** for guidance on applicable requirements.

Further, an Applicant may not re-organize ownership for the purposes of qualification for the priority period. Such re-organization will result in automatic disqualification of the award.

**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.

## Technology Related Questions:

### When will the Portal accept applications or when can I apply?

As of 4-21-21 the SBA has not announced an exact date when the portal will be open or when applications can be submitted. This is expected in the coming weeks.

## **Which Point of Sale ( POS ) Vendors are working with the SBA on this program?**

Several POS vendors are working with the SBA. Full-service vendors are providing a unique, custom portal for their customers to submit applications. Full-service vendor portals automate the collection of transaction history to expedite the application process. Applicants submitting via a full-service vendor do NOT need to submit an application via the SBA Portal.

Please reach out to your POS vendor to find more details on their submission process.

**Being a customer of a vendor listed below does NOT automatically grant eligibility.**

### **Full-Service Vendors providing application submission and automation for current customers:**

Square: <https://squareup.com/>

Toast: <https://toasttab.com>

### **Participating Vendors providing supporting documentation and knowledge support for current customers:**

Clover: <https://www.clover.com/>

NCR: <https://www.ncr.com/>

## **I applied through my Point of Sale ( POS ) Vendor, who do I contact for support or questions?**

If you applied for through your point of sale vendor you will need to contact them for questions regarding your application status or payment status.

## **Must I apply through the SBA Portal?**

Online applications are available through the SBA portal and through several Point of Sale vendors. If your point of sale vendor is participating in the program, they will have their own process for application.

In many cases, your Point of Sale vendor will be the easiest method for applying as they will have many of the supporting financial information required on file.

## **Can I apply if I do not have internet access or a computer?**

The quickest method for applying is through the online portal. If your home or business does not have internet access, you may be able to access the internet at a public library, coffee shop or at your local bank. Many Point of Sale vendors are also providing services to their customers for submitting applications.

You may also start the application over the telephone by calling 844-279-8898. A representative will walk you through the application over the phone. Your application will then be mailed to you. You will sign the application and include copies of your supporting documentation and mail it back to the SBA for processing.

This process will take much longer due to the physical mailing of documents.

## **My document is larger than the 35MB limit?**

You can reduce the size of your documents by scanning them at a lower resolution. You can also split your document into multiple PDFs and upload them separately.

## **\*Can I fill out the application while traveling overseas?**

No, only IP Addresses inside the United States are permitted to access the portal.

## **Do you support mobile devices or tablets?**

Yes, mobile devices and tablets may use their built-in browser.

## **What Operating Systems do you support?**

The application portal is web-based and not dependent on the OS for support.

All current versions of Windows, MacOS and Linux are supported if using a current and modern web browser.

Tablets and mobile devices are also support.

## **What browsers do you support?**

Modern versions of Chrome, Firefox, Safari and Chrome-based Edge are supported.

Internet Explorer and legacy versions of Edge are not supported.

## **The "Next" button does not do anything?**

The eligibility questions must be properly attested before progressing to the next section.

If you do not meet eligibility requirements you will not be able to progress through the application process.

## **How can I manually link my bank account?**

Bank accounts can be manually linked by entering the routing number and account numbers as viewed on copy of a check. Micro deposits will be made to the account. Once verified the micro deposits will be withdrawn.

We strongly discourage manually linking your account. This will great increase the processing time of your application.

## **I did not get a confirmation email after submission?**

An email is not sent after submission to protect personal information being transmitted over email. The confirmation number and status of the application can be viewed in the portal after submission.

## **How do save a copy of the application?**

During submission you will be directed to sign your application via DocuSign. You may save a full copy to PDF from that screen. If you need a PDF copy after submission you can navigate back to the application and select the Summary screen to re-open DocuSign and save the PDF.

## **Who should be listed as the Authorized Representative?**

The authorized representative may be the owner or another individual authorized by the owner to prepare and submit the application on behalf of the business.

## **Is the data I enter in my application validated?**

You must verify and attest that the data you enter is correct. This data will be verified against a number of sources including the IRS after submission. Incorrect data may cause your application to be rejected.

## **I am not able to withdraw my application.**

An application can be withdrawn if it has not been submitted or under review by the SBA.

## **Can I delete my application and start over?**

Yes, go back to the main screen and "withdraw" your application to delete it from the system.

## **I forgot what email address I registered with.**

Your registered email address is displayed by selecting the Profile button in the top right. Its the small icon shaped like a person.

## **Can I have one login for multiple businesses?**

Yes, you may have up to 10 applications per login if you have multiple businesses or are preparing applications on behalf of multiple businesses.

## **How do I get back to the main screen?**

Click the "Exit Wizard" button in the top right. You progress will be saved.

## **How do I save my progress?**

Your application is when navigating between tabs within an application or by selecting the "Save Application" at the top.

Navigating away from the screen or going back to the main screen will leave your application in progress.

## **I forgot my username**

If you forgot your username, click the button on the login screen for "forgot username ?"

Then enter the email address you had registered with. If you created multiple usernames, but used a single email address, you will be sent the usernames for all accounts tied to that email address.

## **I forgot my password**

You can reset your password from the main screen. Click the "Forgot Password" link in the lower right of the login page and you will be sent an email with a link to reset the password.

If you do not get an email after selecting the link, check your junk mail. Open the email and click the link to set a new password.

## **\*Do I need to wait to apply if I'm NOT socially disadvantaged?**

No, you do not need to wait to submit your application. Your application can be submitted but will not be processed until the program is expanded to all eligible businesses.

## **Are ITINs accepted?**

Yes, valid, non-expired ITINS are accepted for owners and for business types that use the owner's identification numbers, such as sole proprietors.

Additional information regarding ITINs can be found at the IRS website here:

[ITIN expiration FAQs | Internal Revenue Service \(irs.gov\)](#)

## **\*How do I apply if I acquired an eligible business? Can I sell my business after I receive RRF funding?**

**If you purchased an eligible business and now want to apply for RRF funds:**

If you do not have the financial records from the previous owner (including payroll records), you may apply using Table 3 from the application.

If you have the financial records from the previous owner (including payroll records) you should apply using the appropriate Table that corresponds to the length of time the business has been open.

Regardless of which Table you use in the application, you must include all Paycheck Protection Program loans received by the business in 2020 and/or 2021, regardless of ownership, in line 3 on Table 1, 2, or 3 of your funding calculation.

**Sale of business after receipt of RRF funds:**

You may sell your business after you receive RRF funds; however, **before the sale takes place:**

- The seller must demonstrate to SBA that all RRF funds have been used for eligible purposes prior to the sale; or
- The seller may remit to the Treasury any RRF funds that have not been used for eligible purposes.

## **What file formats are supported for uploading supporting documentation?**

Documents must be in PDF, JPG, GIF, TIFF or PNG format.

## **Can cash apps like Venmo and Zelle be used to verify sales?**

Yes, official documentation from a Venmo or Zelle statement can be used as supporting documentation.

**If you have questions or are looking for assistance, please contact the Merchants Foodservice Finance Department at 601-584-4634.**