

RSPA



RSPA ACADEMY

Navigating the New \$28.6B Restaurant
Revitalization Fund



RSPA 2021 PLATINUM SPONSORS





RSPA ACADEMY

TODAY'S PRESENTER



John Kirk

RSPA President & CEO



Retail Solutions Providers Association

- RSPA Founded in 1948
- Our Members
- Our Mission
- Today's Focus



RSPA

**TRUSTED THOUGHT LEADER,
DRIVEN TO PROFESSIONALLY
SERVE OUR MEMBERS
AS THEY THRIVE.**

Since 1948



RSPA ACADEMY

TODAY'S PRESENTERS



David Gosman

RSPA Board Chairman

HP | Global Hospitality Segment Manager



Jill Miller

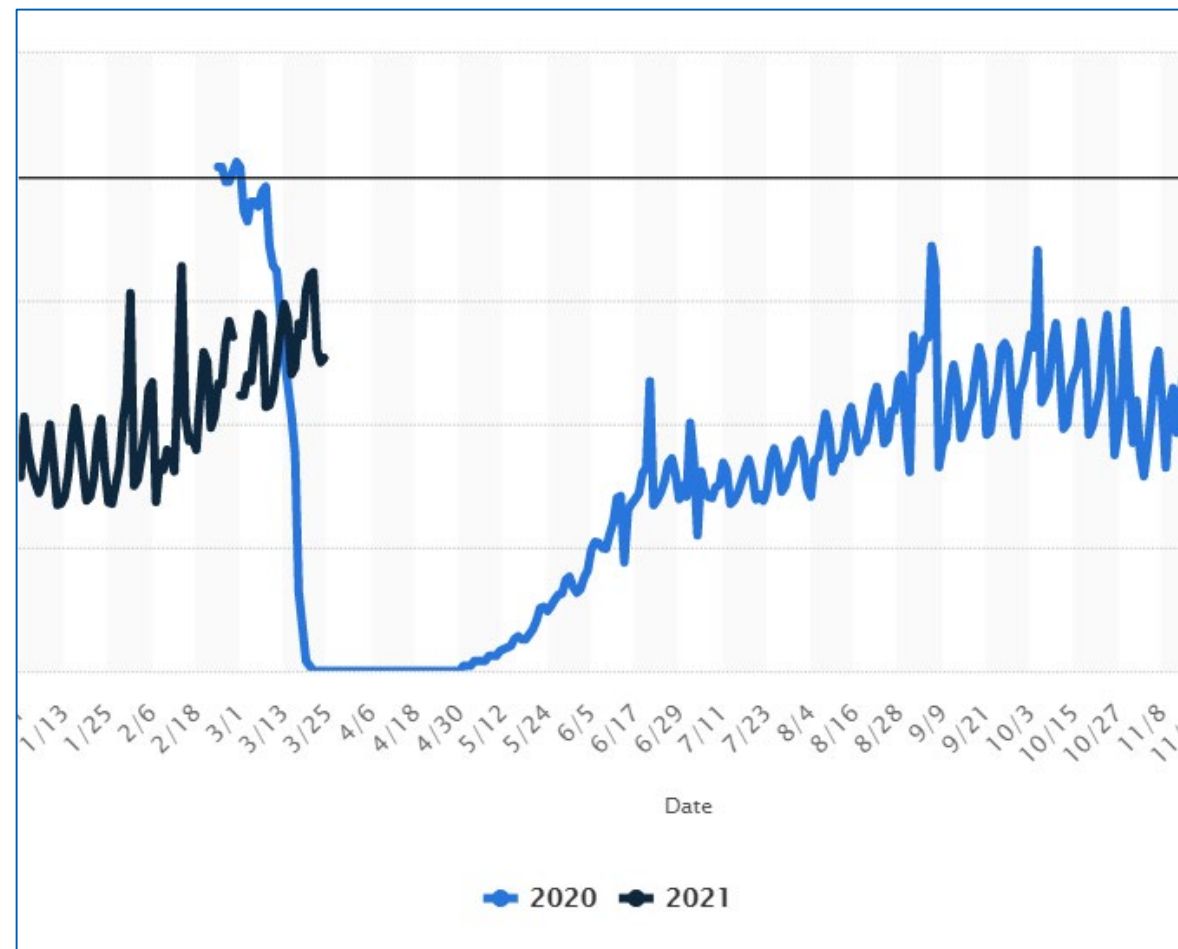
RSPA General Counsel



Restaurant Reinvention

Changing Restaurant Formats

- Seated diners declined sharply during COVID
- QSRs had to adapt to new challenges
- Restaurants shifted fast to different operational models and many incurred additional expenses during the pandemic
- Delivery, drive-thru and virtual kitchens emerged
- Technology was a key driver in these shifts
- Tech changes delivered by **RSPA Members**



YOY Seated US Restaurant Diners
from February 24, 2020 to March 24, 2021

Credit: Statista.com



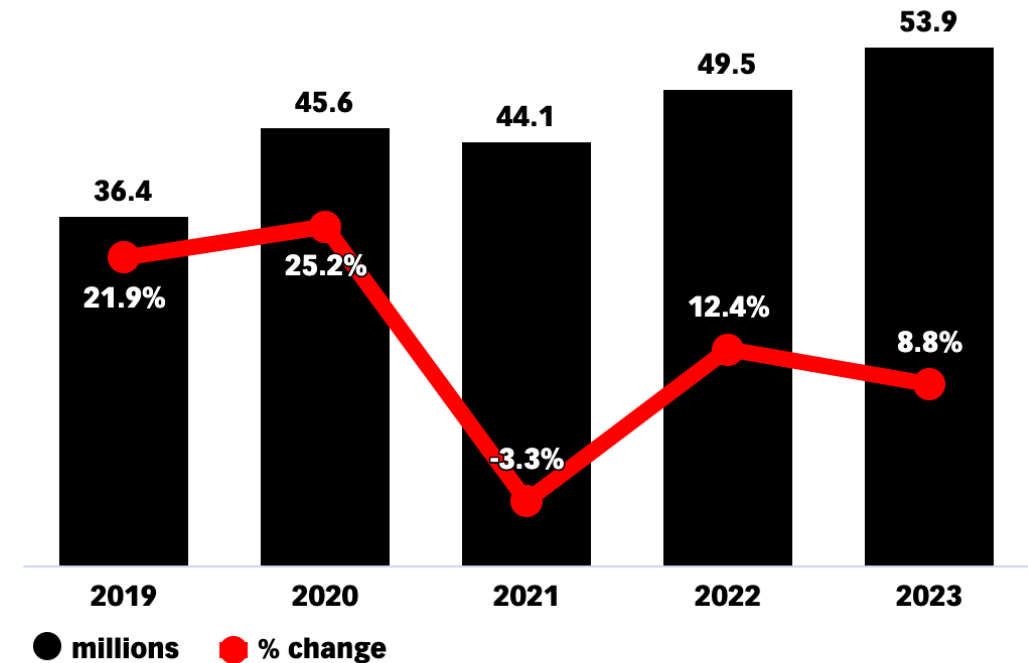
Delivery

3rd parties aggregate & dominate

- ‘Contactless’ redefined how food reached consumers
- Re-think your menu – delivery friendly foods
- Orders arrive from multiple sources
- The pendulum has a new center
- **RSPA Members** installed tech to aggregate orders, manage the kitchen
- What to watch: legislated fees, first party delivery, alternate “restaurant-owned” networks

Smartphone Food Delivery App Users

US, 2019-2023



Source: eMarketer, June 2020

www.eMarketer.com

Food delivery app users
2019-2023 (forecasted)

Credit: eMarketer



Drive-Thru and Drive-Up

New models retrained your guests

- Increased traffic + contactless = new convenience
- Major brands plan new designs, not always ideal
- More drive-thru lanes, QR-coded parking spots
- Apps and web sites launched to order ahead, pickup without waiting
- Tablets adopted to personalize and optimize the experience, drive easier payment experience
- **RSPA Members** introduced technology to help restaurants adapt their operations
- What to watch: Order load firing + balancing for SMBs



Not all drive-thrus are created equal

Graphic: "Who Designed this Drive-Thru?" by Random Retail is licensed with CC BY 2.0



Whose kitchen is it?

Ghost kitchens, virtual kitchens

- Both are “low-cost” ways to expand into new geography
- Ghost kitchen
 - A delivery only “food court”
 - Not publicly accessible, lower real estate costs
 - Generally, third party owned kitchen
- Virtual Kitchen
 - Uses kitchen of an existing restaurant
 - Launch a second brand with new items – or host it for someone else
 - Utilize your spare kitchen bandwidth for added revenue
- Integrated kitchen technology becomes crucial
- **RSPA Members** don’t just install kitchen systems; they understand menu and reporting complexity



Mounted kitchen video system



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TODAY'S PRESENTER



Jill Miller

RSPA General Counsel



Restaurant Revitalization Fund

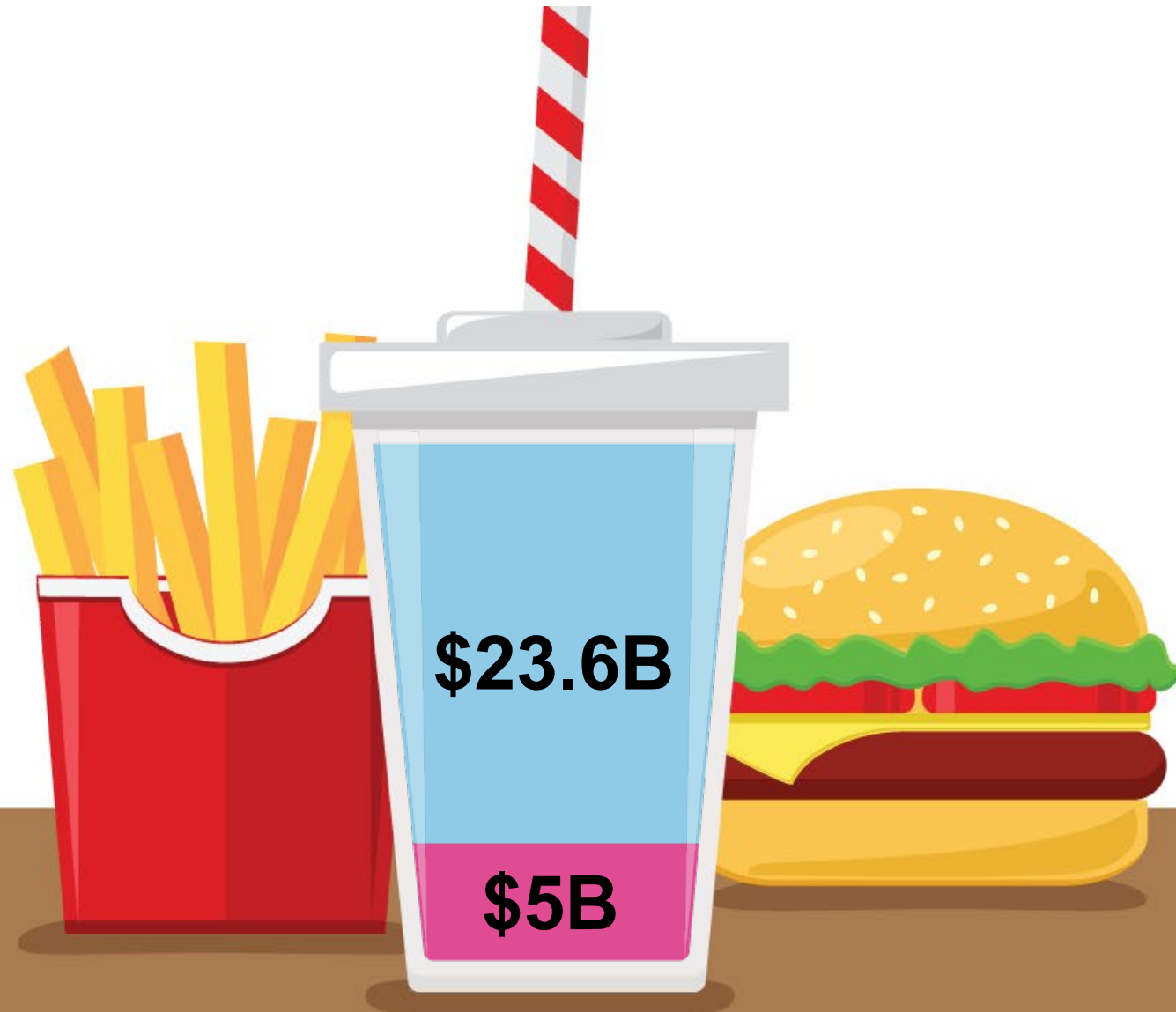
- The American Rescue Plan Act (\$1.9 trillion) (Act) establishes a \$28.6 billion Restaurant Revitalization Fund (RRF)
- Signed into law March 11, 2021
- The provisions of the RRF are detailed in Section 5003 “Support for Restaurants” of the Act
- The U.S. Small Business Administration (SBA) will award the Grants





Appropriations

- \$5 billion is available to businesses with gross receipts of \$500,000 or less during 2019
- \$23.6 billion is available to businesses of different sizes based on annual gross receipts





Appropriations

- Maximum Amounts
 - Capped at \$10 million for an eligible business and any affiliates
 - Capped at \$5 million per physical locations of the business





RRF Grants

- Tax-Free Federal Grant
- Covered Period
- Eligible Entities
- Pandemic Related Revenue Loss





Prioritization

- Initial 21-day period
- Priority for small businesses owned and controlled by women, veterans or socially and economically disadvantaged small businesses
- After the prioritization/pilot phase, grants would become available more broadly





Who is Eligible?





Who is Eligible?

- **Eligible Entities:** 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, or other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink
- **Non-Eligible Entities:**
 - a State or local government-operated business
 - as of March 13, 2020 owns or operates more than 20 locations
 - has a pending application or has received a grant under the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act
 - a publicly-traded company



Grant Amount Request

- Pandemic Related Revenue Loss
 - Gross Receipts during 2020 subtracted from the gross receipts in 2019
 - Not in operation for the entirety of 2019
 - Opened during the period beginning on January 1, 2020
 - Not yet opened as of the date of application for a grant
- Reduced by amounts received under the Payroll Protection Program





Eligible Expenses

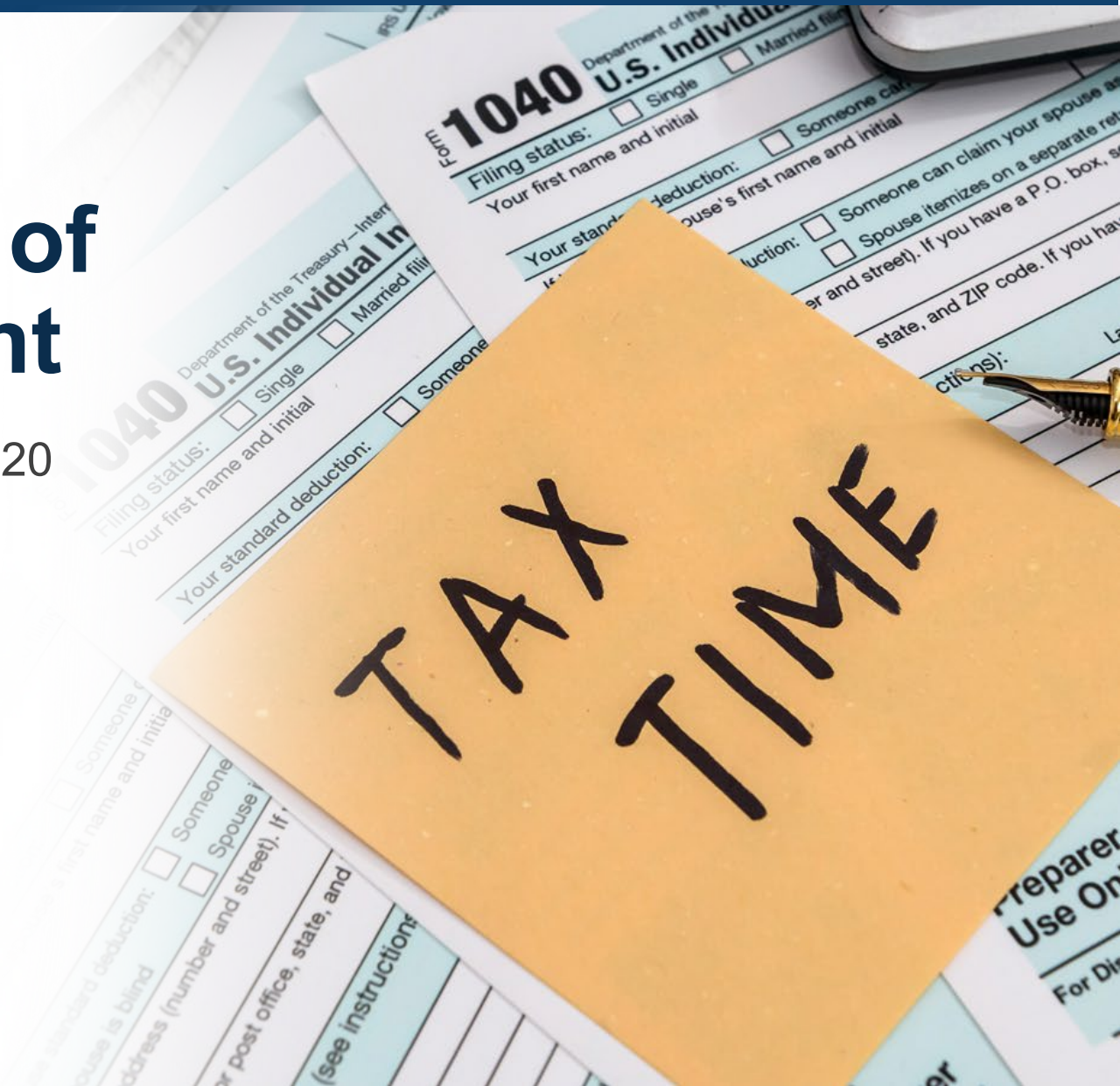
- Payroll
- Mortgage, Rent & Utilities
- Maintenance
- Outdoor seating construction
- Supplies, Protective Equipment and Cleaning Materials
- Food & Beverage expenses
- Operational Expenses
- Paid Sick Leave
- Any other expenses that the SBA determines to be essential to maintaining operations





Covered Period, Return of Funds and Tax Treatment

- Eligible Expenses incurred from February 15, 2020 to December 31, 2021
- Funds not spent must be returned
- Grants are not taxed like income





How to Prepare to Apply for the Restaurant Revitalization Fund

- DUNS Number (Data Universal Numbering System)
- SAM Registration (System for Award Management)
- Accounting support for gross revenue loss





How to Apply

- Submit grant applications on SBA.gov
- EIN to register
- Good Faith Certification





SBA Timing

- Start posting timing in 7-10 days
- Pilot Phase
- Broader Opening
- Process to unfold over next 30-45 days
- Be on the lookout for updates; review the COVID-19 Relief Options page on the SBA's website



U.S. Small Business
Administration