



# Restore Rhode Island Grant Program

## FREQUENTLY ASKED QUESTIONS

Please find a list of frequently asked questions below. Any questions not covered can be submitted to Commerce by completing this [web form here](#).

Click on an FAQ topic below to jump to that section.

- [List of eligible industries](#)
- [List of severely impacted industries](#) - updated 8/14/20
- [How is the 30% or 50% revenue loss calculated?](#) - updated 8/14/20
- [I'm a sole proprietor. Am I eligible?](#) - new 08/14/20
- [Are seasonal businesses eligible?](#) - new 08/14/20
- [What changes have been made to the program since it was launched?](#) - new 8/14/20
- [How is the number of employees calculated? Do part-time employees or independent contractors count?](#)
- [What definition is the program using for a minority-owned business?](#)
- [Are women or veteran owned businesses considered minority owned businesses for the purposes of the Restore RI program?](#)
- [How much will a typical business receive? How much can I apply for?](#)

- [What can funds be used for? What are COVID related expenses?](#)
- [Impermissible use of funds](#)
- [Expense documentation](#) - updated 8/14/20
- [If my business is part of a regional or national franchise, am I eligible?](#)
- [If I have more than one Rhode Island location, may I receive more than one grant?](#)
- [Is my business eligible for a grant if I have not reopened?](#)
- [Do I have to be an American citizen for my business to be eligible?](#)
- [What about non-profits? Why aren't they eligible?](#)
- [I don't have access to a scanner. What should I do?](#)
- [Are these grants taxable?](#)
- [How soon do the funds start flowing?](#)
- [How many businesses do you anticipate will receive funding through Restore RI?](#)
- [If my business receives an award, will my business name, address, and award amount be made public?](#)

### **List of eligible industries**

[Click here to see the list of eligible industries.](#)

To determine what industry your business primarily operates in, descriptions of the industries can be found [here](#) or may be found on your business tax return. You will need to know your 3-digit NAICS code to use the Grant Calculator and complete step 1. During step 2 of the application, you will be asked to identify your industry using a full 6-digit NAICS code.

### **List of severely impacted industries**

The following industries are considered to be severely impacted for purposes of the grant:

- 44-45 Retail trade
- 487 Scenic & sightseeing transportation
- 5615 Travel Agents
- 71 Arts, entertainment, and recreation
- 72 Accommodation and food services

**How is the 30% or 50% revenue loss calculated?**

Applicants should use the Grant Calculator for determining their revenue loss based on the following:

- **Businesses created before 7/1/19** may use March, April, May, June, or July for calculating the revenue drop between the same month in 2019 and 2020.
- **Businesses created since 7/1/19** may compare revenue in March, April, May, June, or July of 2020 with the revenue in either January or February 2020 to calculate their revenue drop.

During Step 2 of the application process, you will also upload documentation of your revenue for each month into the application. This documentation (uploaded as a single file for each month) may consist of:

- Option A - Point of sale system: Upload an export or screenshot from a point-of-sale system.
- Option B - Accounting software report: Upload a profit and loss statement or similar report generated by an accounting system.
- Option C - Income statement and bank statements: Upload both (1) a summary of self-reported monthly revenue in excel, ledger, or using the income statement template provided on [www.commerceri.com](http://www.commerceri.com); AND (2) a bank statement for that month.

**I'm a sole proprietor. Am I eligible?**

Sole proprietors are eligible if they have at least one full-time employee (independent contractors are not included for purposes of eligibility) in addition to the owner.

**Are seasonal businesses eligible?**

Yes. Seasonal businesses are eligible to apply. Additionally, starting August 15, 2020, businesses now have the option to use their Q2 employees for eligibility purposes and may demonstrate designate the month of their revenue loss.

**What changes have been made to the program since it was launched?**

Beginning August 15, the following updates are being made for the program:

- Updated Grant Calculator, prequalification form and application.
- Businesses may now demonstrate monthly rather than quarterly revenue loss.
- Travel agents (NAICS Code 5615) are now eligible as a severely impacted industry.

- Businesses may now use employment figures from either Q1 or Q2 of 2020 and may also use their RI TX-17 to document employment as an alternative to the Form 941.

**How is the number of full-time equivalent (FTE) employees calculated? Do part-time employees or independent contractors count?**

The Grant Calculator will help you calculate your FTEs based on information you provide using the following guidelines:

- Full-time employee working an average of 35+ hours per week during the first quarter of 2020: 1 FTE
- Part-time employee working an average of less than 35 hours per week during the first quarter of 2020: 0.5 FTE
- For severely-impacted industries only: businesses may count up to three (3) independent contractors as FTEs (solely for the purposes of program eligibility and calculation of grant amounts) if the independent contractor physically works at the establishment for the following minimum number of hours per week on average:
  - 35+ hours: 1 FTE
  - 15-35 hours: 0.5 FTE
  - Less than 15 hours per week may not be included for purposes of the grant program.

**What definition is the program using for a minority-owned business?**

For the purposes of Restore RI grants, a “minority owned business” must be (1) at least 51% owned by such individuals who also control and operate the business; or (2) in the case of a publicly-owned business, at least 51% of the stock is owned by one or more such individuals.

Minority means a person who meets one or more of the following definitions:

- American Indian or Native American means: all persons having origins in any of the original peoples of North America and who are recognized as an Indian by a tribe or tribal organization.
- Asian means: All persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands, including, but not limited to China, Japan, Korea, Samoa, India, and the Philippine Islands.
- Black means: All persons having origins in any of the Black racial groups of Africa, including, but not limited to, African Americans, and all persons having origins in any of the original peoples of the Cape Verdean Islands.
- Eskimo or Aleut means: All persons having origins in any of the peoples of Northern Canada, Greenland, Alaska, and Eastern Siberia.

- Hispanic means: All persons having their origins in any of the Spanish-speaking peoples of Mexico, Puerto Rico, Cuba, Central or South America, or the Caribbean Islands. Brazilians (Afro-Brazilian, indigenous/Indian only) shall be listed under Hispanic designation.

**Are women or veteran owned businesses considered minority owned businesses for the purposes of the Restore RI program?**

Businesses owned by women and veterans are encouraged to apply. However, women- and veteran-owned businesses are not considered minority-owned businesses under this program.

**How much will a typical business receive? How much can I apply for?**

The Grant Calculator will estimate the maximum grant award a business may be eligible to receive. The final grant award will be sized based on the total of the eligible expenses included in Part 5 of the Grant Calculator.

A business does not have to apply for the full amount they are eligible for, but they cannot apply for a higher amount. For example, if you are eligible for a \$5,500 grant, but only need \$4,750 to cover eligible expenses, you should apply for \$4,750. In order to receive the maximum grant amount, applicants should ensure that the total of the eligible expenses included in Part 5 of the Grant Calculator is equal to or greater than the maximum eligible grant amount.

The following are examples of how much a business could receive:

- A retail business with 5 FTEs that suffered a 30% revenue loss could be eligible for up to \$5,500.
- A restaurant that suffered a greater than 50% revenue loss with 14 or more FTEs could be eligible for a \$15,000 grant. Note that restaurants and caterers are not subject to the 20-FTE limit.
- A manufacturer that suffered a greater than 50% revenue loss and has 12-20 FTEs could be eligible for a \$12,500 grant.

**What can funds be used for? What are COVID related expenses?**

The grant recipient may use the proceeds for costs and expenses due to the business interruption or other adverse conditions caused by the COVID-19 pandemic. Permissible uses include:

- Rent or mortgage interest payments (rent payments, the interest paid on a mortgage, condo area maintenance fees, and Condo fees are eligible)
- Utilities (such as gas, electricity, cable/internet, etc.)

- Technology upgrades (such as website or hardware upgrades, touchless payment system, digital reservation system, etc.)
- Physical adaptation changes (such as plexiglass dividers, furniture/fixture modifications, contractor costs for installation, etc.)
- Supplies or equipment (such as cleaning supplies, masks, gloves, hand sanitizer, face shields, etc)
- Professional services procured (such as the signage design, construction of space adaptations)
- Inventory (such as food or perishable supplies)
- Other COVID-Related Fixed Expenses

### **Impermissible Uses of Funds**

The grant recipient may not use the proceeds of the subaward for purposes that are inconsistent with the Federal Coronavirus Relief Fund, as prescribed by 601(a) of the Social Security Act and added by section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act including all subsequent federal guidance.

A non-exclusive list of impermissible uses follows:

- Compensation (including salaries, wages, tips, paid leave, and group healthcare benefits);
- Payment of taxes;
- Payment of non-business expenses;
- Political purposes, whether or not the expenses are business related. These expenses include but are not limited to: lobbying activities; donating to a political party; donating to a political action committee or group; use of funds in support of (or in opposition to) a referendum or initiative petition; and
- Payments to cover specific expenses for which the business has or will otherwise receive reimbursement from another source including but not limited to: other government grant or loan programs or insurance coverage.

### **Expense Documentation**

All businesses must submit an expense calculation that incorporates the eligible expenses the grant will cover. The grant will be sized to match the total eligible expenses the business submits during the application process. The eligible expense template is included as part of the [updated Grant Calculator](#) (link will download an excel file) and is a required component of Step 2 the application. Applicants may also wish to complete the eligible expense template during Step 1 of the application

Businesses must retain supporting documentation including receipts, bank statements, invoices, or similar. Businesses may be asked for documentation before or after the award is made. Accordingly, applicants should have supporting documentation for all eligible expenses listed in their Grant Calculator and must be able to make those available upon request.

**If my business is part of a regional or national franchise, am I eligible?**

While nationally-owned chain businesses are not eligible to apply, a business that is part of a regional or national franchise that includes franchisees with locations outside of Rhode Island, may apply unless any of the following apply: (1) the applicant is owned in whole or in part by the franchisor or an affiliated entity of the franchisor, (2) the applicant or the entity that owns the applicant is headquartered in another state, or (3) the majority ownership of the applicant is held by a resident of another state and the applicant's state of organization is other than Rhode Island.

**If I have more than one Rhode Island location, may I receive more than one grant?**

Applicants with common ownership may receive grants for up to three locations. Applicants should apply for three separate grants, one for each location, and fill out the information specific to each location in each of the applications. The business owner can use the same email address and phone number for all three applications, but should be sure to include the correct address for each location.

**Is my business eligible for a grant if I have not reopened?**

In order to be eligible for the grant, a business must be open or have a plan to reopen within 60 days. If a business is not yet open, it may receive up to \$1,000 prior to opening.

**Do I have to be an American citizen for my business to be eligible?**

No; however, the applicant that will receive the grant funding must have a valid federal taxpayer identification number [irs.gov] (TIN).

**What about non-profits? Why aren't they eligible?**

Rhode Island has set aside additional funding for non-profit organizations, which will be facilitated through a separate program.

**I don't have access to a computer or a scanner. What should I do?**

If you need assistance getting electronic copies of documents (for example driver's license), you may consider taking a photo of the document or using an application such

as to convert documents to PDFs. It is strongly recommended that you apply from a computer. If you don't have a computer, you can access the application on a mobile device such as a smartphone. If you need assistance with completing your application, please contact the RI Commerce Small Business Team by [clicking here](#).

In-office support for businesses who would like to use a computer, excel, or scanner and/or who have questions is available at the Commerce office by appointment (appointment required). To request an appointment, click [here](#) or call 401-521-HELP.

### **Are these grants taxable?**

The IRS has published information [[irs.gov](https://www.irs.gov)] indicating that “receipt of a government grant by a business is generally not excluded from the business’s gross income under the Federal Tax Code and therefore is taxable.” Please consult your accountant or tax professional to understand more about your particular tax situation and how this guidance applies.

### **How was it determined who was eligible for relief?**

The program was created following extensive dialogue with the state’s business community including a [May meeting of the Governor’s Business Restoration Advisory Council](#), which discussed various options for small business relief, a survey posted in May on [www.reopeningri.com](http://www.reopeningri.com) which asked Rhode Islander’s their priorities for the State’s allocation of CARES Act funding, consultation with industry associations and representatives of the Black and Latino business community, and studying other state’s small businesses CARE’s Act grant programs.

### **How soon do the funds start flowing?**

We expect funds to start flowing within 30 days of receiving a completed application.

### **How many businesses do you anticipate will receive funding through Restore RI?**

We expect that thousands of businesses will receive funding through Restore RI.

### **If my business receives an award, will my business name, address, and award amount be made public?**

Yes. The federal funding used for these grant awards requires the public disclosure of business names, addresses, and award amounts. If a business does not want this information to be made public, it should not submit the Grant Application.