

Rhode Island Commerce Revises Eligibility Criteria for “Restore RI” Grant Program

Description

By David M. DiSegna

On September 21, 2020, Rhode Island Commerce revised the eligibility criteria for the Restore RI grant program to allow more small businesses to receive aid. The program provides grants of between \$1,500 and \$15,000 to small businesses impacted by the COVID-19 pandemic.

Eligible businesses must have a physical location in Rhode Island and must have 50 or fewer full-time equivalent employees, an increase from the prior limit of 20 employees. Restaurants and caterers are not subject to the 50 FTE limit. Additionally, under the revised criteria, sole proprietors, businesses without employees and independent contractors (1099s) may now apply for grants. However, nonprofits and tax-exempt organizations are still not eligible.

Grant amounts will increase based on the number of employees a business has and higher awards are available for businesses in severely impacted industries, including food service, accommodations, retail, arts, entertainment, recreation, personal care, photography, and travel.

Businesses must demonstrate a drop in revenue of 30% or higher in a month between March and July of 2020 (compared to the same month in 2019, January 2020, or February 2020) due to COVID-19. Previously, businesses were required to demonstrate a 50% or higher drop in revenue unless they were in a severely impacted industry.

All applicants will be required to submit their most recent business tax return (sole proprietors must provide schedule C), Business EIN/Tax ID, revenue/sales records, and DUNS number. Records of eligible expenses and information about state or federal funding previously received, including PPP, EIDL, Pandemic Unemployment Assistance, and Unemployment Insurance, must also be submitted. Owner information will also be required, including a government ID, SSN, and most recent tax returns.

Applicants with employees and independent contractors will also need to complete the grant calculator, which is available on Rhode Island Commerce’s website, and submit federal or state payroll and 1099 records along with current bank statements for the business.

Significantly, businesses that have already applied for a Restore RI grant do not need to resubmit an application and will be reconsidered under revised guidelines. Applicants that were previously denied a grant may contact Rhode Island Commerce through its website for reconsideration.

Please contact David M. DiSegna at Partridge Snow & Hahn LLP if you have questions about the Restore RI grant program.

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