

COVID-19 FAQ for NC Restaurants and Lodging Establishments

As the impact of Coronavirus continues to have devastating impact across the globe, the hospitality industry is facing unprecedented challenges. Restaurants and hotels face weeks or months of deeply declining sales and hundreds have already shut their doors—while others operate with limited sales through take out, delivery, and drive thru operations. At NCRLA, we are working around the clock to answer your questions and to advocate at all levels of government for relief to help support your employees and your businesses. We have compiled a list of common questions and answers that we hope will be helpful. However, we stand ready and eager to help our members navigate these uncharted waters during these difficult times. Please don't hesitate to contact us at info@ncrla.org.

Why are restaurants and bar operations limited?

Effective Tuesday, March 17 at 5 PM, Governor Cooper issued [*Executive Order No. 118, Limiting operations of restaurants and bars and broadening unemployment insurance benefits in response to Covid-19.*](#)

The State Health Director is exercising quarantine and isolation authority to limit access to facilities that sell food and beverage to carry-out, drive through, in-room dining, and delivery services only. Outdoor food and beverage service is allowed if patrons practice social distancing of at least 6 feet.

When does this take effect and how long does it last?

These restrictions are effective as of 5:00 pm, Tuesday, March 17, 2020 and run until March 31, 2020, or until the Order is rescinded or replaced.

What kind of food and beverage operations are impacted?

Operations that both prepare and service food are included in the Order including but not limited to restaurants, cafeterias, food halls, dining halls, food kiosks at airports and shopping centers, or educational institutions ("food courts"), as well as private or members-only clubs where food and beverages are permitted to be consumed on premises.

Can bars—defined as establishments that are not restaurants and that have a permit to sell alcoholic beverages for onsite consumption—operate?

No.

What kind of food and beverage service will be allowed?

Carry-out, drive-through, delivery, and onsite consumption in outdoor seating areas, subject to mass gathering restrictions to create an environment where staff and patrons maintain social distancing (at least 6 feet from other people) whenever possible.

What kind of businesses are NOT impacted by this Order?

Retail venues that currently provide for the sale of beer, wine, and liquor for off-site consumption only, grocery stores, pharmacies, convenience stores, gas stations, and charitable food distribution sites can continue to operate. However, sit-down or beverage service within these facilities is prohibited. Outdoor consumption on a licensed premises is allowed if patrons practice social distancing of at least 6 feet.

Can food trucks continue to operate?

It appears that food trucks qualify as take out operations and can continue to operate.

I have an ABC permit to sell alcohol at my establishment. Can I still sell alcohol if my kitchen is operating? Can I deliver it?

Yes, you can sell beer and wine to-go provided you are following ID-verification protocols. Delivery of beer and wine also allowed 1) through a third-party delivery service that is permitted or 2) via your own employees if they have completed the [free online ABC training](#).

PLEASE NOTE: if delivery is new for you, check with your insurer to see if additional liability insurance is required.

How will this Order be enforced?

The provisions of this order will be enforced by state and local law enforcement officers.

What are some things I can do to sustain my business if I choose to stay open?

- Companies that have delivery and takeout should focus on those services and promote them as best as they can. Focus on off-premise sales, delivery, drive-thru, and curbside pickup. Many people don't cook or don't want to cook and plenty of people, particularly essential workers, are still commuting to and from work and take lunch breaks. Grocery stores are currently experiencing product shortages and significant crowds. Restaurants have food inventory that can help feed our communities.
- Scale back menu items to streamline product usage and labor.
- Engage employees in ideas to help your business survive and help them protect their jobs in the long term.

- Have conversations with your banks, landlords, and other vendors about ways to reduce, delay, or restructure payments to get through this period. Rent and loan payments are huge challenges for many owners and operators. Even if you choose to close your business, landlords and lenders will expect payment.

What if I want to transition my hotel for relief purposes and allow my establishment to be used by the government to house coronavirus victims or medical or relief workers?

Contact the Director of your [county health department](#) for more information.

What procedures should I follow if I need to close my business?

Thanks to our friends at 99 Restaurants, Darden Restaurant Company, and 110 Grill for furnishing their [restaurant closing operational manuals which you can view here](#).

If I choose to reduce the hours of my employees or lay off employees, am I required to provide a federal WARN notice?

The WARN Act is a federal act which offers protection to workers, their families and communities by requiring employers to provide notification 60 calendar days in advance of “plant closings” and “mass layoffs.” 20 C.F.R. § 639.1

NCRLA cannot provide legal advice and businesses who believe they may be required to provide WARN notices should consult with legal counsel. [Click here for some general guidance](#).

Are employees who are affected by COVID-19 eligible for unemployment insurance?

Employees who are separated from employment, have had their hours of employment reduced, or are prevented from working due to a medical condition caused by COVID-19 or due to communicable disease control measures, are eligible for unemployment benefits.

Employees who are quarantined or directed by a federal, state or local government authority or a medical or public health professions to remain in isolation related to COVID-19 are eligible for unemployment insurance.

How can someone apply for NC Unemployment Benefits:

Before you apply, [here's what you need](#).

You can apply for benefits online 24 hours a day, seven days a week. If you need help, contact the Customer Call Center at 888-737-0259, Monday through Friday, from 8 a.m. to 4:30 p.m. [Here's where you can submit an application](#).

Employees may file directly online or the employer may file on behalf of the employee through an [attached claim](#). An attached claim is a claim filed by an employer on behalf of an employee who has been temporarily laid off or who has worked less than 60% of the customary scheduled full-time hours for the employee.

Here's a [video from NC Works](#) on how employees may submit a claim.

If you have questions, check out the NC Department of Employment Security's [FAQ page](#):

If you still have questions, call DES's **employer call center** directly to have a conversation: 866-278-3822.

What changes are in effect for unemployment insurance for those impacted by COVID-19?

The following flexibility and waivers to NC unemployment insurance have been made for COVID-19 response:

- allows unemployment benefits for layoffs due to the COVID-19 pandemic
- removes 1-week waiting period
- removes requirement to look for work
- allows remote application
- declares that employers will not be responsible for the payments

Will my business be allocated charges for employees who are paid unemployment benefits for reasons related to COVID-19?

The NC Department of Commerce will not allocate charges to the employers' accounts for individuals who are paid benefits for reasons related to COVID-19. The NC Department of Commerce will separately account for these expenditures to that the State of North Carolina can seek reimbursement from the federal government.

Will my business be eligible for assistance through the Small Business Administration Disaster Loan Assistance Program in response to the Coronavirus?

The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Governor Cooper has requested that the entire state of North Carolina be designated as disaster area. Upon designation, eligible NC businesses who have been adversely impacted will be eligible to apply for assistance. [Click here for more info on these SBA loans.](#)

What are other states doing with regard to restaurant closings and gatherings?

[See the list of information](#) we have compiled in partnership with other state restaurant associations across the country.

What is NCRLA doing to advocate for hospitality businesses during this crisis?

We hear you loud and clear that restaurants and hotels need a lifeline during this crisis that will allow employees and owners to weather the storm and be ready to spring back into action quickly.

Things have been happening at warp speed, and NCRLA's team is working day and night on recovery effort, advocating on behalf of hospitality businesses – with Congress, with the Governor, and with leadership and members of the NC General Assembly.

NCRLA actively lobbied for, and the Governor agreed, to allow delivery/takeout/drive-thru/grab-and-go operations and alcohol delivery. As a bonus, he allowed for outdoor seating so long as it complies with social distancing guidelines (at least 6 feet from other people) whenever possible.

We are in contact with a number of organizations and non-profits who have reached out to offer financial assistance to hospitality industry employees who are being impacted in significant ways as a result of this pandemic and we expect to have a plan in place soon to assist these employees who play a vital role in our NC hospitality community.

The summaries below note the proposals at all levels, which are evolving by the hour to address the draconian challenges you are all facing as business operators. It is important for you to know that NCRLA is actively exploring the need for tax relief, government grants, and other payment forbearance options at every level of government. [Click here for a detailed summary of our advocacy work.](#)

What can I do to help spread the word that our businesses need assistance?

There are several grassroots campaigns you can join on to help!

1. TAKE ACTION: [Tell NC lawmakers that hospitality employers and employees need help now!](#)
2. TAKE ACTION: [Tell Federal Elected Officials How COVID-19 is Impacting Hoteliers](#)
3. TEXT COVID-19 to 52886 to get text updates on policy efforts

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NC Restaurant
& Lodging Association