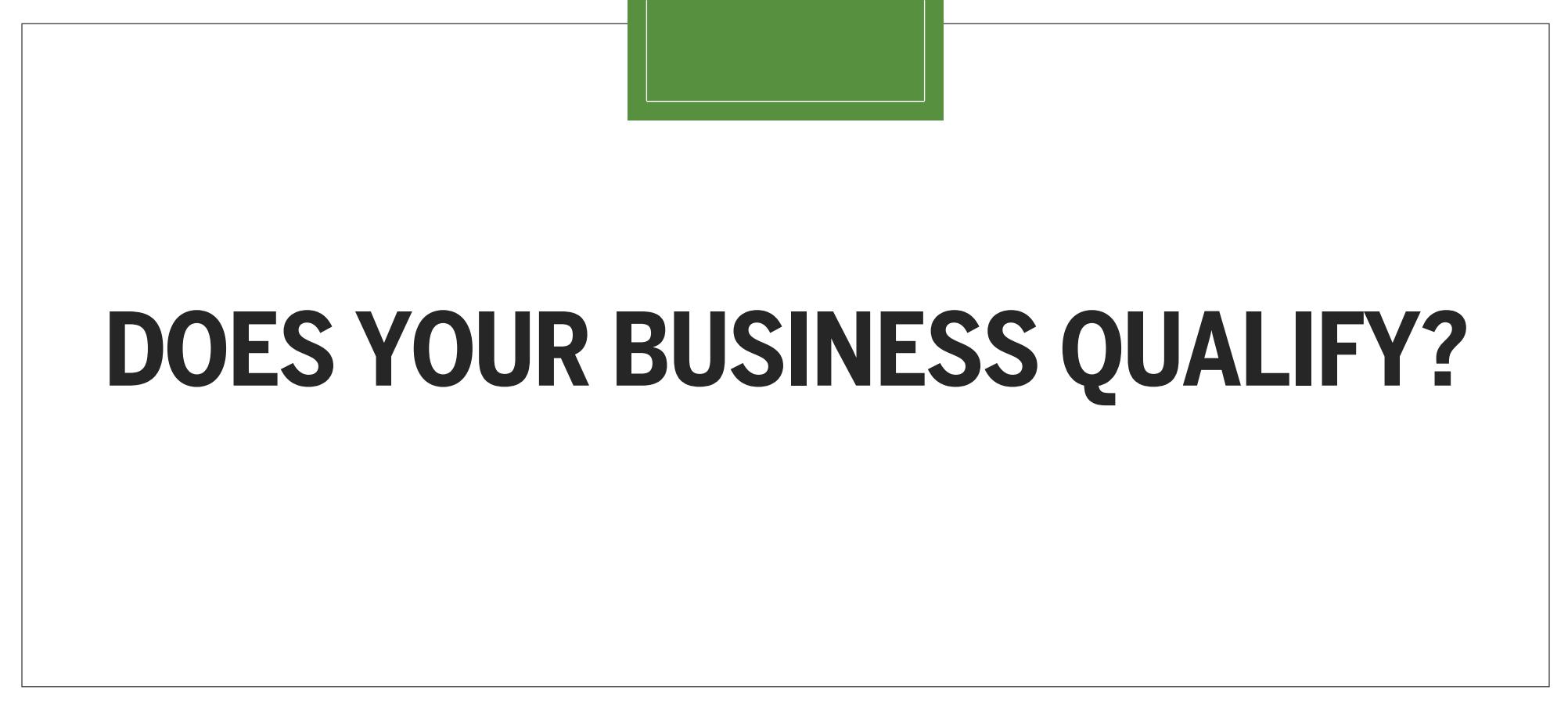




A GUIDE TO **ECONOMIC INJURY DISASTER LOANS**

FOR CORONAVIRUS RELATED ECONOMIC
DISRUPTIONS



DOES YOUR BUSINESS QUALIFY?

If your small business ...

... **cannot** meet its obligations as they mature (i.e., current commercial loans); or

... **cannot** meet its ordinary and necessary operating expenses; or

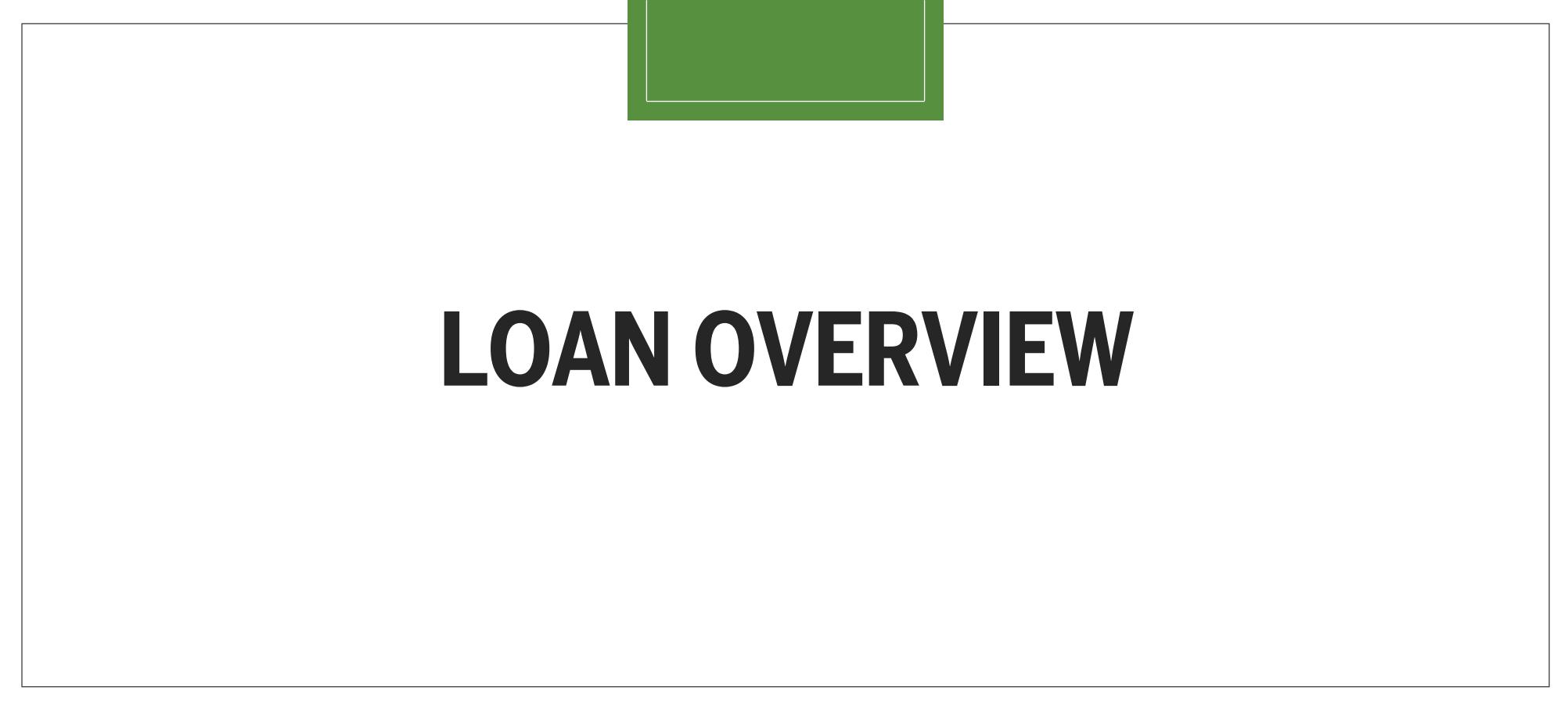
... **cannot** market, produce, or provide a product or service ordinarily marketed, produced, or provided by the business concern because the business concern relies on materials from the disaster area or sells or markets in the disaster area ...

... then you may qualify for a Small Business Administration Disaster Loan

- “Coronavirus” has been deemed a disaster for purposes of 15 USCA § 6367(b)(2)(D) and amounts available under Disaster Loans Program
- The definition of “small business” is based on industry and is determined using two methods: (i) average employee, or (ii) average annual receipts.

SBA Economic Injury Disaster Loan (EIDL)

- EIDL Loan Assistance
 - Up to \$2,000,000 of financial assistance
 - Actual loan amount is based upon amount of economic injury
 - Long-term repayment options up to a maximum of 30 years
 - For loans larger than \$25,000, a borrower will be required to provide available collateral, real estate is preferred collateral
 - Interest Rate of 3.75%
 - Deadline to apply is December 16, 2020
 - There are no fees or application expenses with the exception of state documentary or stamp taxes
- Eligibility
 - Small Business with satisfactory credit history
 - Payment ability as determined on 11 month deferral for business recovery; first payment on SBA EIDL will occur one year from date on promissory note



LOAN OVERVIEW

About SBA EIDL

- Loan proceeds may be used for *working capital* and certain other expenditures necessary to support your business until normal business operations resume.
 - This includes fixed debts, payroll, accounts payable, etc.
 - Interim emergency or bridge loans as a result of coronavirus may be paid off
 - Rules with respect to other loan payoffs are being relaxed, consult with individual loan officers
 - No requirement to use existing lines of credit before seeking a SBA EIDL

About SBA EIDL (continued)

- Loan proceeds are not to be used to:
 - Replace lost sales revenue
 - Refinance debt incurred prior to the disaster event
 - Pay, directly or indirectly, any obligations resulting from a federal, state or local tax penalty as a result of negligence or fraud, or any non-tax criminal fine, civil fine, or penalty for non-compliance with a law, regulation, or order of a federal, state, regional, or local agency or similar matter
 - Repair physical damage
 - Pay dividends or other disbursements to owners, partners, officers or stockholders, except for reasonable remuneration directly related to their performance of services for the business
- Businesses will be asked to request a specific loan amount which corresponds with historical business revenue.

Applying for SBA EIDL

- Required Documents
 - SBA Form 5 for business entities (e.g. LLC, Corporation, Partnership)
 - SBA Form 5C for sole proprietors
 - Tax Authorization (Form 4506-T)
 - Most recent business tax return (including supporting schedules)
 - Personal Financial Statement (Form 413)
 - Schedule of Liabilities (Form 2202)
 - List of ALL debts and amounts payable
 - Additional information that may be requested
 - Personal tax returns of entity principals (owning more than 20%)
 - P&L statement for time period within 90 days of application
 - SBA Form 1368 for determination of economic injury
 - P&L and Balance Sheet most recent

Applying for SBA EIDL (continued)

- Application Process
 - File online at <https://disasterloan.sba.gov/ela/>
 - Review loan forms before beginning application
 - All supporting documentation must be provided in order to submit application
 - Loans are awarded on an entity by entity basis, multiple applications may be consolidated into a single application based on common ownership
 - Business owners are encouraged to seek application assistance from qualified advisors



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