

Welcome to the Cares Act Information Session

presented by the

Small Business Development Center

During the session, all participants will be muted. We will be using the chat feature for questions at the end of the program.

A list of frequently asked questions will be compiled from the sessions held over the next few days and distributed to the participants over the weekend.

The session will begin shortly.



A follow-up e-mail is scheduled to be sent to all of the session participants. The e-mail will include a copy of the presentation, the Paycheck Protection Program application, link to the Economic Injury Disaster Loan Program application, application screenshots and a link to the Small Business Development Center Website.

Information Session Agenda

Economic Injury Disaster Loan Program

Paycheck Protection Program

Picking the Right Program(s) for Your Business

Assistance Resources

Economic Injury Disaster Loan Program

Program Components

- Working Capital Loans
- Maximum Loan Amount - \$2 Million
- 3.75% Interest Rate
- Up to 30 Year Term
- Funds come directly from U.S. Treasury

Economic Injury Disaster Loan Program

Cares Act Changes

- \$10,000 Emergency Cash Advance Possible
- Waives credit elsewhere on loans below \$200,000
- Waives personal guarantee on loans below \$200,000
- More flexibility in determining borrow eligibility
- Eligibility expanded to include tribal businesses, cooperatives, ESOP's, individual contractors
- 1-year deferment of payments

Economic Injury Disaster Loan Program

Use of Funds – Overhead/Operating Expenses

Payroll

Insurance

Rent

Utilities

Phone/Internet

Office
Expenses

Repairs and
Maintenance

Fixed Debts

Economic Injury Disaster Loan Program

Use of Funds – Ineligible Expenses/Uses

Debt
Consolidation

Personal
Expenses

Personal
Losses

Economic Injury Disaster Loan Program

Eligible Businesses

All Small Businesses

Past Performance on
Federally Guaranteed
Loans

Viable Business Prior
to the Disaster

- By Industry – Primary NAICS Code
- <https://www.sba.gov/document/support--table-size-standards>

- SBA Guaranteed Loans
- USDA Guaranteed Loans
- VA Loans
- Federally Guaranteed Student Loans

- Assumption that post pandemic that the business is viable to resume operations

Economic Injury Disaster Loan Program

Ineligible Businesses

Agricultural
Businesses

Religious
Organizations

Charitable
Organizations

Gambling
Concerns

Casinos and
Racetracks

Economic Injury Disaster Loan Program

Application Process



U.S. Small Business
Administration

OMB Control #3247-0406
Expiration Date: 09/30/2020

Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



<https://covid19relief.sba.gov/#/>

Paycheck Protection Program

Program Components

- 8 Weeks of Payroll Expenses +25%
- Maximum Loan Amount - \$10 Million
- Can be 100% Forgivable
- 1% Interest on Non-Forgivable Portion
- 2 Year Term

Paycheck Protection Program

Program Components

- Deferred Payments for 6 Months on Non-Forgivable Portion
- No Collateral Required
- No Personal Guarantees
- No Borrower or Lender Fees Payable to SBA

Paycheck Protection Program

Eligible Businesses

All Small Businesses

- By Industry – Primary NAICS Code
- <https://www.sba.gov/document/support--table-size-standards>

Historic Operations/Payroll

- Was in operations on February 15, 2020 (excluding mandated closures)
- Had employees with paid compensation .
- Paid payroll taxes on employee compensation.

Paycheck Protection Program

Use of Funds

Eligible Payroll Expenses

- Salary, Wages, Commissions, or Tips (Capped at \$100,000 on an annualized basis for each employee)
- Employee Benefits (including costs for vacation, parental, family, medical or sick leave, allowance for separation or dismissal, employer contribution of health care benefits, payment of any retirement benefit)
- State and local taxes assessed on compensation
- Sole Proprietors and Independent Contractors – Wages, commissions, income or net earnings from self-employment capped at \$100,000 on an annualized basis.

Paycheck Protection Program

Use of Funds

Interest on Mortgage Obligations

- Incurred before February 15, 2020

Rent

- Under lease agreements before February 15, 2020

Utilities

- For which service began before February 15, 2020

Paycheck Protection Program

Determining the Loan Amount

Average Monthly Payroll: **\$100,000**

Loan Multiplier: **2.5**

Projected Eligible Loan Amount: **\$250,000**

Paycheck Protection Program

Determining the Loan Forgiveness Amount

Actual 8 Week Payroll Expense: **\$200,000**

Actual Mortgage Interest Expense: **\$0**

Actual Rent Expense: **\$10,000**

Actual Utilities Expense: **\$5,000**

Eligible for Forgiveness: **\$215,000**

Paycheck Protection Program

Application Process/Documentation

Applications are managed with 7(a) Lenders

Application

Weekly/Bi-Weekly Payroll Reports from January to March 31, 2020

2019 Tax Return or Internal Profit and Loss Statement

Additional Documentation Requested by the Lender

Paycheck Protection Program

Check One:	<input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other	DBA or Tradename if Applicable
Business Legal Name		
Business Address		Business TIN (EIN, SSN)
		() -
		Primary Contact
		Email Address

Paycheck Protection Program

Average Monthly Payroll:	\$	$x 2.5 + EIDL, \text{ Net of Advance (if Applicable)}$ Equals Loan Request:	\$	Number of Employees:	
Purpose of the loan (select more than one): <input type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____					

Paycheck Protection Program

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

Paycheck Protection Program

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input type="checkbox"/>

Paycheck Protection Program

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input type="checkbox"/>

Paycheck Protection Program

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

Paycheck Protection Program

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by initialing next to each one:

- The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.
- I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.
- During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

Paycheck Protection Program

I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant

Date

Print Name

Title

Selecting the Right Program

Apply for Both



- You can apply for both programs. No double dipping.
- Funds from the EIDL program cannot be used for the same expenses as the PPP
- PPP funds are for an 8-week timeframe.
- EIDL funds are for a 6-month period.

Assistance Resources

Small Business Development Center

Existing Clients:

If you are currently working with:

- Kate Baker
- Matt Hosek
- Emily Loughlin
- Jennifer Kilcoyne
- Tom Reynolds
- Walter Burke

Please reach out to your advisor via e-mail with your questions and/or to schedule a call/Zoom Meeting

New Clients:

Go to:

www.nysbdc.org

Click on the “Make an Appointment” button to schedule an appointment with an advisor.

Please allow the advisor 48 hours to respond to your request.

Questions?