



U.S. Small Business
Administration

The Path Forward: Avoiding Missteps and Navigating the Future of Your Business

Welcome! Please type any questions you have in the chat box and we will answer any that are not addressed during the presentation. When we reach the Q&A portion, we will cover these and take any new questions. Please keep your microphone muted until this time. Thank you!

Melissa Travis
President/CEO
**Rhode Island Society of Certified
Public Accountants**



Dave Chenevert
Executive Director
Rhode Island Manufacturers Association



Mark S. Hayward
District Director
U.S. Small Business Administration -
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**U.S. Small Business
Administration**

Economic Injury Disaster Loan

This loan advance will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties as a result of the COVID-19 pandemic. Funds will be made available following a successful application. This loan advance will not have to be repaid.

This program is for any small business affected by COVID-19*

- with less than 500 employees including
 - sole proprietorships
 - independent contractors
 - self-employed persons
- private non-profit organization
- 501(c)(19) veterans' organizations

Are faith-based organizations, including houses of worship, eligible to receive SBA loans under the PPP and EIDL programs?

Yes, and we additionally clarify that faith-based organizations are eligible to receive SBA loans regardless of whether they provide secular social services.*

5

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

7(a) Guaranteed Loan Program

Bank loans that can go up to \$5 million

- Loans of \$150,000 or less = 85% guaranty
- Loans over \$150,000 = 75% guaranty

What can you use this loan for? Almost anything!

- Machinery, equipment, fixtures, buildings, leasehold improvements, purchase an existing business, lines of credit, augment working capital, finance receivables, and more!

504 Loan Program

Loans that are used for capital expenditures and major fixed assets, with total project costs of up to \$12 million

- Structured differently than a 7(a), a 504 loan involves 3 separate parties involved to get you what you need while providing 90% financing



504 Loan Program (cont.)

Benefits include:

- Long term, fixed rate maturities (up to 25 years)
- 90% financing allows for minimal investment by the borrower, freeing up more working capital for the business.
- Working with an SBA approved CDC means they take care of all the paperwork for you!

Please note that it is **REQUIRED** that owner/borrower occupies at least 51% or more of the square footage (60% for new construction) of the building.

SBA Micro Loan Program

Loans made by SBA approved micro lenders up to \$50,000

- All SBA micro lenders must be approved by the agency
- Loans carry no SBA guaranty with them
- No pre-payment penalty!
- Varying maturities based on individual lenders with fixed rates

What can you use this loan for? Almost anything!

- Working capital, inventory, working capital, leasehold improvements, buy an existing business, machinery, equipment, refinancing existing (business) debt

SBA Debt Refinancing Info.

SBA guaranteed loans may be used to refinance the following types of business debt:

- ✓ Debt (short or long term) structured with a demand note or balloon payment;
- ✓ Debt with an interest rate that exceeds the SBA maximum interest rate for the processing method being used;
- ✓ Credit card obligations used for business-related purposes;
- ✓ Debt over-collateralized based on SBA's collateral requirements;
- ✓ Revolving lines of credit (short term or long term) where the original lender is unwilling to renew the line, or the applicant is restructuring its financing in order to obtain a lower interest rate or longer term;
- ✓ Debt with a maturity that was not appropriate for the purpose of the financing (e.g. a 3-year term loan to finance a piece of equipment with a useful life of 15 years);

SBA Debt Refinancing Info. (cont.)

With the exception of:

- debt structured with a demand note or balloon payment;
- credit card obligations; and
- revolving lines of credit,

The new installment amount must be at least 10 percent less than the existing installment amount(s). If the note terms include an escalating payment structure, the new installment amount must be at least 10 percent less than the expected installment amount within the next 12 months

***DEBT BEING REFINANCED MUST MEET SBA'S ELIGIBLE USE OF PROCEEDS**

For more information or for questions, please contact:

**Anne Hunt
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Virtual business advising with our expert business counselors is available at no cost.

[Register for counseling](#)

Have Questions?
Call 401-874-7232

We provide RI small business owners with the services and expertise they need to succeed: no cost expert counseling, relevant training, and access to important resources. We support you and your business at every stage, from start-up through maturity. Meet with one of our experienced business counselors or register today for a workshop.

**Starting a business?
Need help with your existing business?**

<https://web.uri.edu/risbdc/>





Rhode Island

Rhode Island SCORE provides FREE, confidential counseling to small businesses. We are a volunteer organization of working and retired business owners, professionals, and executives with experience in all aspects of business management.

[Request a Mentor](#)

Call 401-226-0077

[Email Us](#)

www.ri.score.org





Center for Women & Enterprise

Your Vision. Our Mission.

What We Do

- Education
- Training
- Technical assistance
- Women's business enterprise certification



The Center for Women & Enterprise is a nationally known nonprofit organization dedicated to helping people start and grow their businesses. CWE has worked with more than 46,000 Massachusetts, Rhode Island, New Hampshire and Vermont entrepreneurs since 1995. CWE also operates the Veterans Business Outreach Center of New England (VBOC of NE) that focuses on assisting veterans, active duty service members and their families with starting and growing their business.

[Learn More About Rhode Programs](#)

Call Us At 401-277-0800

Small Business Tax Update

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- CARES Act Relief
 - Provides for deferral of employer share of payroll taxes for certain taxpayers, with 50% due 2021 and 50% due 2022.
 - Unrelated to employee payroll tax deferral covered by recent Executive Order and IRS Guidance.
- Rhode Island Relief
 - If behind on taxes of any type (e.g., income, withholding, sales, meals, etc.) request an Installment Agreement and agree on set monthly payment.
 - Existing Installment agreements can be amended
 - Request penalty relief by filing Form PW – COVID 19 – Coronavirus Hardship Penalty Waiver Request

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QUESTIONS?

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www.sba.gov/ri