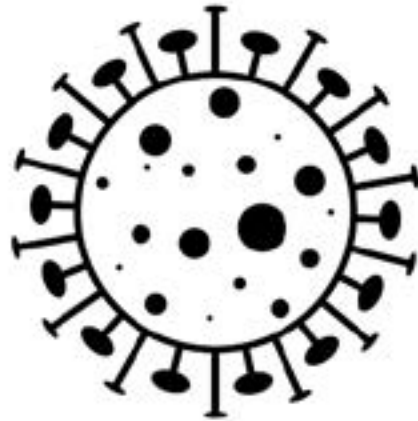




EMERGENCY BUSINESS RESPONSE



Coronavirus
COVID-19



**CONNECTICUT SMALL BUSINESS
DEVELOPMENT CENTER**

RESOURCE GUIDE

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Paycheck Protection Program

This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.



EIDL Loan Advance

This loan advance will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.



SBA Express Bridge Loans

Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.



SBA Debt Relief

The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.

Sign-up for help understanding each program and with the application for each of the resources that best fit your business and circumstances. No-cost assistance.



U.S. Small Business Administration

SBA ECONOMIC INJURY DISASTER LOAN ASSISTANCE CAN MY BUSINESS APPLY?

The Connecticut Small Business Development Center offers no-cost expert assistance to small business owners impacted by COVID19, in completing and filing their applications.

Click here to sign-up for help completing your SBA loan application and grant request as well as understanding other resources available to you.

WHAT IS IT?

The Economic Injury Disaster Loan Program is a low-interest, working-capital loan for small businesses affected by COVID19. The loan provides temporary relief up to \$2 million to assist qualifying businesses and private nonprofits in meeting their obligations.

IS MY BUSINESS ELEGIBLE?

ARE YOU?



- A small business
- A sole-proprietor
- An independent contractor (1099)
- A cooperative (including small agricultural)
- Part of an Employee Ownership Stock Plan
- A small aquaculture business
- A private non-profit?

***Best Practice:** If your credit score is below 560, we recommend uploading an explanation for the SBA to consider.



NO



YES

500 employees or less?



YES



NO

Affected by COVID19?



YES



NO

Acceptable credit history?



YES



NO

Able to provide justification?*



YES



NO

Can you show ability to repay?



YES



NO







INELEGIBLE ENTITIES:

- Agricultural Enterprises: primary activity as defined in Section 18(b)(1) of the Small Business Act.
- Religious Organizations.
- Gambling Concerns: when gambling makes up more than 1/3 of the annual gross revenue.
- Casinos & racetracks.
- Cannabis Industry.



SBA ECONOMIC INJURY DISASTER LOAN ASSISTANCE **HOW TO APPLY**

STEP 1: UNDERSTAND THE LOAN

HOW MUCH	INTEREST RATES	TERMS	COLLATERAL
 Up to \$2 million	 3.75% Small Business 2.75% Nonprofits	 Up to 30 years	 Waived

Additional Updates: Loans under \$200,000 can be approved without personal guarantee. The process has been streamlined, and decisions may be made solely on the applicant's personal credit score.

STEP 2: KNOW WHAT YOU CAN USE IT FOR

- These working-capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that would have been paid had the disaster not occurred.
- The loans are not intended to replace lost sales or profits, or for expansion.
- Funds cannot be used to pay down long-term debt.

STEP 3: APPLY FOR THE LOAN

- Apply:
 - 1) online - [covid19relief.sba.gov/](https://www.covid19relief.sba.gov/) - The full application is no longer done online. You will go through a screening process, and then be requested to submit supporting documentation if you are determined to qualify.
- Application status may also be obtained by calling the SBA's Customer Service Center at 800-659-2955 (TTY/TDD: 800-877-8339) or by sending an e-mail to disastercustomerservice@sba.gov

STEP 4: PROCESSING & DECISION

SBA reviews your credit, and a loan officer determines your eligibility. The goal is to arrive at a decision within 3-4 weeks.

Applicants interested in the grant portion who have already applied, will need to reapply for the grant portion.

STEP 5: CLOSING & FUNDING

SBA prepares & sends you Loan Closing Documents to sign. Initial disbursement made within 5 days.



U.S. Small Business Administration

SBA ECONOMIC INJURY DISASTER LOAN ASSISTANCE **ABOUT THE ADVANCE**

WHAT IS IT?

The up to \$10,000 portion of the EIDL program an emergency advance on the Economic Injury Disaster Loan (EIDL) which provides additional assistance for small business owners under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This is cash advance that can be forgiven if spent on paid leave, maintaining payroll, increased costs due to supply chain disruption, mortgage or lease payments or repaying obligations that cannot be met due to revenue losses.

IS MY BUSINESS ELEGIBLE?

You must meet the same eligibility requirements in terms of what makes a business eligible. The emergency advance granted does not need to be repaid, even if your loan application is rejected.

I HAD ALREADY APPLIED, NOW WHAT?

If you had applied prior to 3/30/2020 and completed your entire application including all necessary documents, and received a message saying your application is "under review," fill out the new form as if you were applying to the loan again (see page 2) to check the box for the grant. If you had applied but did not submit all documents, you cannot go back to your application - fill out the form for a new application, check the grant box, and have your documents ready.

HOW LONG ARE THE GRANTS AVAILABLE FOR?

The grants are backdated to January 31, 2020 to allow for those who have already applied to the EIDL loan, to be eligible to also receive a grant. The loan and grant process are available until December 31, 2020.

WHAT IS INVOLVED?

NOTE: You may apply for the cash advance/grant without applying for the loan.



[Click here to sign-up for help completing your SBA loan application and grant request as well as understanding other resources available to you.](#)



U.S. Small Business Administration

SBA ECONOMIC INJURY DISASTER LOAN ASSISTANCE TIPS & INSIGHTS

MAKE SURE YOU HAVE ALL YOU NEED!

- Completed SBA loan application (SBA Form 5)
- Tax Information Authorization (IRS Form 4506T) for the applicant, principal, & affiliates
- Complete copies of most recent Federal Income Tax Returns
- Schedule of Liabilities (SBA Form 2202)
- Personal Financial Statement (SBA Form 413)
- Income, Balance Sheet, and Cash Flow Statements
- Other information may also be requested (complete copy including all schedules, of the most recent Federal Income Tax Return for principals, general partners, or managing member and affiliates; a year-end Profit & Loss, and Balance Sheet if the most recent Federal Income Tax Return has not been filed; a current year-to-date Profit & Loss statement; SBA Form 1368 providing monthly sales figures.

TIPS FOR APPLYING



Include the disaster name in your application: "COVID-19" or "Coronavirus."



Write your password down; neither the system nor any personnel are able to retrieve it.



If your tax returns reference other businesses you own, you must also submit those tax returns in order to avoid processing delays.



Do not rush through the application. Check and recheck to ensure all the needed information is completed prior to submission. The biggest reason for delays in processing is due to missing information.



Apply online versus by mail.



Save your work at every prompt.



Double check to make sure the contact information you use (business name and name of all owners) matches your federal tax returns.



If more funds are needed, applicants can submit supporting documents and a request for an increase. If less funds are needed, applicants can request a reduction in the loan amount.



-If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration.

-The website may go down periodically due to high volume. If this happens, try to login again at a later time.



U.S. Small Business Administration

SBA PAYCHECK PROTECTION PROGRAM (CARES ACT) CAN MY BUSINESS APPLY?

The Connecticut Small Business Development Center offers no-cost expert assistance to small business owners impacted by COVID19, in completing and filing their applications.

Click here to sign-up for help completing your SBA loan application and grant request as well as understanding other resources available to you.

WHAT IS IT?

The Paycheck Protection Program is an SBA loan administered through approved lenders, that helps businesses keep their workforce employed during the COVID-19 crisis.

IS MY BUSINESS ELEGIBLE?

ARE YOU?



- A small business under SBA size standards
- A sole-proprietor
- An independent contractor (1099)
- A business in NAICS 72 size per location
- A cooperative (including small agricultural)
- Part of an Employee Ownership Stock Plan
- A small aquaculture business
- Tribal business (not gambling)
- A private non-profit?

***Best Practice:** If your credit score is below 560, we recommend having a written explanation you can provide to the lender & SBA

→ NO



YES

<500 employees
NAICS 72 <500 per location

→ YES

→ NO

In operation on Feb. 15?

→ YES

→ NO

Acceptable credit history?

↓ YES

↓ NO

Able to provide justification?*

↓ YES

↓ NO

Can you show ability to repay if not forgiven?

↓ YES

↓ NO

INELEGIBLE ENTITIES:

- Businesses engaged in lending.
- Life insurance companies. (individual agents qualify)
- Religious Organizations.
- Gambling Concerns: when gambling makes up more than 1/3 of the annual gross revenue.
- Casinos & racetracks.
- Cannabis Industry.



U.S. Small Business Administration

SBA PAYCHECK PROTECTION PROGRAM (CARES ACT) HOW TO APPLY

STEP 1: UNDERSTAND THE LOAN

HOW MUCH  Up to \$10 million	INTEREST RATES  1% for all applicants	TERMS  2-year maturity	COLLATERAL & PERSONAL GUARANTEE  Waived
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STEP 2: KNOW WHAT YOU CAN USE IT FOR

- The funds can be used for qualifying payroll expenses including some health & leave benefits, payments on mortgage interest (not principal), rent & utilities, and interest on debt incurred prior to February 15, 2020.
- The loans are not intended to replace lost sales or profits, or for expansion.
- In order to qualify for loan forgiveness, at least 75% of the loan must be used on payroll.

STEP 3: CALCULATE THE AMOUNT YOU MAY QUALIFY FOR



SUM OF QUALIFIED PAYROLL COSTS	-	SUM OF EXCLUDED PAYROLL COSTS	=	PAYROLL COSTS
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QUALIFIED PAYROLL COSTS

For Employers: The sum of payments of any compensation with respect to employees that is a:

- Salary, wage, commission, or similar compensation
- Payment of cash tip or equivalent
- Payment for vacation, parental, family, medical or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of state or local tax assessed on the compensation of the employee

For Sole Proprietors, Independent Contractors, and Self-Employed Individuals: The sum of payments of any compensations to or income of a sole proprietor or independent contractor is a wage, commission, income, net earnings from self-employment, or similar compensation and that is in the amount that is not more than \$100,000 in one year, as pro-rated for the covered period.

EXCLUDED PAYROLL COSTS

Excluded costs apply to all:

- Compensation of an individual employee in excess of an annual salary of \$100,000.
- Payroll taxes, railroad retirement taxes, and income taxes
- Any compensation of an employee whose principal place of residence is outside of the United States
- Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act, or qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act



U.S. Small Business
Administration

SBA PAYCHECK PROTECTION PROGRAM (CARES ACT) **HOW TO APPLY**



NON SEASONAL EMPLOYERS

Maximum Loan =

2.5 x Average total monthly payroll costs incurred during the year prior to the loan date

For businesses not operational in 2019:

2.5 X Average total monthly payments for payroll costs incurred for January & February 2020

SEASONAL EMPLOYERS

Maximum Loan =

2.5 X Average total monthly payments for payroll costs for the 12-week period beginning February 15, 2020 or March 1, 2019 (decided by the borrower) and ending June 30, 2019

STEP 4: APPLY FOR THE THE LOAN

- Apply: Review the [list of approved lenders](#), and if you bank with any of them reach out to those first.
- Complete the [Paycheck Protection Program Application Form](#), and gather relevant documents (most recent tax returns or financial statements, 941 payroll records, list of employees and payroll costs incurred over the most recent 12-month period, 1099-MISC if you are a self-employed individual)

STEP 5: PROCESSING & DECISION

The bank (lender) obtains certifications from the business in regards to the information submitted, confirms receipt of documents and the dollar amount based on the documentation submitted, and submits the application & documentation to the SBA.

STEP 6: CLOSING & FUNDING

The bank (lender) prepares & sends you Loan Closing Documents to sign.

STEP 7: LOAN FORGIVENESS

You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

You will also owe money if you do not maintain your staff and payroll.

- **Number of Staff:** Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
- **Level of Payroll:** Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
- **Re-Hiring:** You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.



U.S. Small Business Administration

SBA EXPRESS BRIDGE LOAN PILOT PROGRAM **CAN MY BUSINESS APPLY?**

WHAT IS IT?

In response to the COVID19 National Emergency, the Express Bridge Loan (EBL) Pilot Program has been modified and the term extended. The EBL Pilot Program is designed to supplement the Agency's direct disaster loan capabilities and authorizes SBA Express Lenders (banks and nonprofit lenders) to provide expedited SBA-guaranteed bridge loan financing on an emergency basis in amounts up to \$25,000 for disaster-related purposes to small businesses while those small businesses apply for and await long-term financing (including through SBA's direct Disaster Loan Program, if eligible).





IS MY BUSINESS ELEGIBLE?

Aside from being a business affected by COVID19, small businesses must have been operational when the declared disaster commenced and must meet all other 7(a) loan eligibility requirements. Eligible businesses must:

- Operate for profit
- Be engaged in, or propose to do business in, the U.S. or its territories
- Meet SBA Size Standards (under 500 employees for most)

Call your lending institution to ask if they participate

UNDERSTAND THE LOAN

HOW MUCH	INTEREST RATES	TERMS	COLLATERAL
 Up to \$25,000	 Max 6.5% + Prime	 Up to 7 years	 Same as required for other 7(a) loans

KNOW WHAT YOU CAN USE IT FOR

For the COVID-19 Emergency Declaration, EBL loan proceeds must be used exclusively to support the survival and/or reopening of the small business.

NOTES

- SBA Express Lenders may only make EBL loans to eligible small businesses with which the Lender had an existing banking relationship on or before the date of the applicable disaster.
- Lenders may request the loan be paid in full with proceeds from additional assistance loans if those are approved.

**YOU MAY BE ELIGIBLE FOR MORE THAN ONE PROGRAM.
CONTACT US FOR APPLICATION ASSISTANCE.**

PAYCHECK PROTECTION PROGRAM

- Payroll Expenses + Health & Leave Benefits
- Mortgage Interest but not Principal
- Rent & Utilities
- Interest on debt incurred before 2/15/2020



2.5X the business's average monthly payroll

1.0%
Annual Percentage Rate

no payments for first **6 months**
2 years

up to **100%** with approval



ECONOMIC INJURY LOAN

- Payroll Expenses
- Rent & Mortgage Payments
- Accounts Payable & Fixed Expenses
- Other Expenses that can't be paid due to the disaster's impact

up to **\$2 million**

3.75%
Annual Percentage Rate

no payments for first **12 months**
30 years

up to **\$10,000** in the form of a cash advance

SBA DEBT RELIEF

- The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and micro-loans for a period of six months.
- The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and micro-loans issued prior to September 27, 2020.

For the most up-to-date information on resources available to you during COVID19, please visit our online COVID19 Business Resource Center. Tax breaks, deferral on current loans, handling layoffs, safety tips, and more.



The Connecticut Small Business Development Center is funded in part through a cooperative agreement with the U.S. Small Business Administration, the Connecticut Department of Economic and Community Development, and the University of Connecticut.

