

CONNECTICUT

Small Business Development Center



COVID-19 Business Assistance



Funded in part through a cooperative agreement with the U.S. Small Business Administration, the Connecticut Department of Economic and Community Development, and UConn.

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SBA COVID-19 Assistance

Do you need:

An infusion of a smaller amount of cash to cover you now?

The *Economic Injury Disaster Loan and Grant (EIDL)* is worth exploring.

Capital to cover the cost of retaining employees?

The *Paycheck Protection Program* might be right for you.

Worried about keeping up with payments on your current SBA loan?

The *Small Business Debt Relief Program* could help.

Need some quality, free counseling to help you navigate this uncertain economic time? SBA resource partners *CTSBDC, WBDC, SCORE* – can be a good bet.

<https://ctsbdc.com/covid19-businessresourcecenter/>

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SBA EIDL Program

- Loans of **up to** \$2,000,000 at 3.75% Fixed Rate and terms **up to** 30 years
- EIDLs can be approved by the SBA based solely on an applicant's credit score
- EIDLs that are less than \$200,000 can be approved without a personal guarantee
- Borrowers can receive **up to** a \$10,000 emergency cash advance that can be forgiven if spent on qualifying expenses
- Money comes directly from the US Treasury via SBA – Not lent from your Bank
- Apply online at <https://covid19relief.sba.gov/#/>

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Updated EIDL Online Application

To Apply, go to: <https://covid19relief.sba.gov/#/>



OMB Control #3247-0408
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

STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

ELIGIBLE ENTITY VERIFICATION

Choose One:

Applicant is a business with not more than 500 employees.

Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.

Applicant is a cooperative with not more than 500 employees.

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Paycheck Protection Program Loan

- Loans of **up to** \$10,000,000 at 0.5% Fixed Rate and terms of 2 years
- Max loan amount is 2.5 x Avg. Monthly Payroll prior to 2/15/2020
- The first six months of payments are deferred and loan can be forgiven
- Proceeds **MUST** be used for qualifying payroll and other expenses to be forgiven
- There are **NO** fees to the borrower – SBA pays lender fees and lender is to pay agent fees (if any). Agents may **NOT** charge the borrower for loan assistance.
- Only **ONE** PPP Loan per borrower – cannot renew or reapply for another loan

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Paycheck Protection Program Loan

Allowable Use of Funds:

Small businesses **MUST** use loan funds to cover only:

- Payroll costs (i.e., salaries, wages, vacation, parental, family, medical, or sick leave, severance, retirement benefits, and state or local taxes assessed on compensation)
- Costs related to group health care benefits (i.e., insurance premiums)
- Employee commissions and tips
- Interest on mortgage obligations (**not** principal)
- Rent, including rent under a lease
- Utilities
- Interest on other debt incurred prior to obtaining the loan (**not** principal)

For forgiveness, at least 75% of loan must spent on payroll

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Paycheck Protection Program Loan

Who Can Borrow Under PPP:

- Small Businesses
- Private Not-for-Profits
- Tribal businesses
- Veterans organizations
- Sole Proprietors with employees
- Independent Contractors
- Self-Employed (Gig Workers)
- Must have 500 or fewer Employees

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Paycheck Protection Program Loan

Applicants should gather the following information needed to apply:

- 2019 tax returns or 2019 year-end balance sheet and profit loss statements
- Last 4 quarters of payroll forms (941)
- Verification of the number of employees and payroll incurred over the most recent 12-month period identifying employees in excess of \$100,000
- Forms 1099-MISC for self-employed individuals
- Health insurance and retirement plan company contributions
- Business entity documents – e.g.: Articles of Organization or Charter

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Paycheck Protection Program Loan

Some questions being asked...

How do I get forgiveness on my PPP loan?

You must apply through your lender for forgiveness on your loan. In this application, you must include:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.

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Paycheck Protection Program

Can I get more than one PPP loan?

No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.

Where do I go to get a PPP loan?

All current SBA 7(a) lenders are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including nonbank lenders, to help meet the needs of small business owners

How does the PPP loan coordinate with SBA's existing loans?

Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from Small Business Investment Corporations (SBICs).

However, you **cannot use your PPP loan for the same purpose as your other SBA loan(s)**. For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.

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Small Business Debt Relief Program

Who can Use it:

- Businesses with **Existing Non-Disaster** SBA backed 7(a), 504 and Microloan Loans
- New borrowers of these Non-Disaster loans within 6 months of CARES Act signing

What is NOT Covered:

- EIDL & PPP Loans - They have their own terms and are not eligible for Debt Relief

What it Provides:

- Six months of principal, interest and fees on each loan are paid by SBA to Lenders
- You must request relief from your SBA Lender for each eligible loan

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How CTSBDC Will Help

We Provide...

- No-cost, confidential advise and guidance through our 14 advisors around CT
- Assistance to all small businesses and 1099 contractors/self-employed with selecting the best option(s) for their business
- Help to complete your loan application(s) and understand the process
- Coordination with WBDC, SCORE, and state & local economic development offices

We Have...

- Assisted clients in obtaining over \$49M in capital in 2019
- Helped launch 140 new businesses in 2019

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- Who We Are
- Services
- COVID19 Business Resource Center
- Training
- Client Stories
- Media
- Request Business Advising

COVID19 Business Resource Center

Coronavirus Aid, Relief, and Economic Security (CARES) Act

The Act, signed into law on Friday, March 27, 2020, allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. We have outlined some important points of a few of the relief measures provided in the Act. As the administration releases more details and each agency issues its own notices, we will be updating our Resource Center. We are here to assist you in applying for the programs and resources available.

We are here to assist you during these unprecedented and difficult times. This page is being continuously updated with COVID19 information relevant to small businesses, including resources, videos, and links to additional material from various government agencies. Please reach out for no-cost assistance.

CTSBC's EIDL Resource Guide



We continue updating our visually-engaging and easy to follow guide to include recent updates such as the eligibility expansions that now include most private non-profit organizations, as well as individuals operating as sole proprietors or independent

Paycheck Protection Program



The Paycheck Protection Program is designed to provide a direct incentive for small businesses to keep their workers on payroll by providing each small business a loan up to \$10 million for payroll and certain other expenses.

If all employees are kept on payroll for eight weeks, SBA will forgive the portion of the loans used for payroll, rent, mortgage interest, or utilities. Up to 100 percent of the loan is forgivable.

Shared Work Program



Businesses of all sizes face downturns of all kinds – and you might think you have to resort to layoffs. Connecticut's Shared Work program offers an alternative – a way to keep your skilled workers on the job while reducing the financial pressure on your

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