

## Paycheck Protection Program

- Money can be used for rent, utilities, payroll and mortgage interest.
- Only loan program eligible for forgiveness
- Apply thru a bank who is an SBA Lender
- 10 year payback, rate not to exceed 4%
- If a business has access to other borrowing options – for example a line of credit, a business may be required to utilize those means first.
  
- **SBA Credit Elsewhere Test Applies. This typically means that if a guarantor or the business has greater cash and marketable securities on their personal financial statement than the loan request then they may be considered ineligible.**
  
- To Apply with a bank that is an SBA approved lender:
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  - • Complete the SBA loan application (SBA Form 5)
  - • Submit Tax Information Authorization Forms (IRS Form 4506T) for the applicant, principals and affiliates.
  - • Submit copies of the most recent Business Federal Income Tax Return.
  - • Submit Schedule of Liabilities (SBA Form 2202).
  - • Submit a Personal Financial Statement (SBA Form 413)
  - • Most recent personal Federal income tax returns including all schedules for principals, general partners or managing member, and affiliates.
  - • If the most recent Federal income tax return has not been filed, a year-end profit-and-loss statement and balance sheet for the 2019 tax year.
  - • A current year-to-date profit-and-loss statement
  - • Additional Filing Requirements (SBA Form 1368) providing monthly sales figures

## Emergency Injury Disaster Loan (EIDL)

- EIDLs are low interest loans of up to \$2 million, with principal and interest deferment at the Administrator's discretion, that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses
- Personal Guarantee will be required for loans greater than \$200k and collateral will be required for loans greater than \$25k.
- Up to \$2.0 million for working capital
- 3.75% payback 30 years
- Thru the SBA
- Ability to repay will be considered in underwriting

## **Emergency Economic Injury Grants**

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance**, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant.

To apply for an EIDL online, please visit <https://disasterloan.sba.gov/ela/>. Your [SBA District Office](#) is an important resource when applying for SBA assistance.

<https://www.sba.gov/disaster-assistance/coronavirus-covid-19#section-header-21>

### **How to Apply**

- You can apply for an EIDL [online](#) with the SBA.
- When you apply, you can request an emergency grant of \$10,000.
- The SBA will provide the grant within 3 days of receiving your application.
- You will not have to repay the grant, even if your application for a loan is denied.

## **Pandemic Emergency Unemployment**

- <https://www.benefits.gov/benefit/1699>
- <https://www2.illinois.gov/ides/Pages/COVID-19-and-Unemployment-Benefits.aspx>
- Up to 39 weeks, effective thru 12/31/20
- If you are the employer, Illinois has not stated the impact on your unemployment rate of applications
- Self- employed, 1099 contractors and gig workers may qualify

## **Emergency Paid Sick Leave**

- **Starts April 1, applies to everyone**
- **All employers are required to pay their employees for 10 days (80 hours, for full time) of sick leave if their employee is on your payroll on 4/1. Part time employees must be paid an average of their normal work week hours.** Not to exceed \$511 per day for full time and \$200 per day for part time.
- **This is in addition to any sick leave policy the employer has in place.**
- An employer with fewer than 50 employees may be eligible for an exemption from the requirements to provide leave to care for a child whose school is closed if viability of their business is threatened.
- Employers receive 100% reimbursement for paid leave, thru an immediate dollar-for-dollar tax offset against payroll taxes. To take immediate advantage of the paid leave credit, businesses can retain and access funds that they would otherwise pay to the IRS in payroll taxes. If those amounts are not sufficient to cover the cost of paid leave, employers can seek an expedited advance from the IRS by submitting a streamlined claim form which is expected to be released later this week.

## **Emergency Family and Medical Leave**

- **Applies to employees caring for a child under the age of 18**
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- Employee is entitled to 10 weeks at 2/3 pay not to exceed \$200 per day and \$10,000 in aggregate per employee.
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## **Employee Retention Credit**

-Eligible employers will receive a refundable tax credit against Social Security Taxes

An eligible employer is defined as any employer which was carrying on a trade or business during calendar year 2020 and (i) whose operations were fully or partially suspended due to a COVID-19 mandated shut down order (unfortunately, the Act does not define the terms “fully or partially suspended”) or (ii) **whose gross receipts declined by greater than 50% when compared to the corresponding calendar quarter of the prior year.** When meeting the gross receipts test above, eligibility for the credit starts with the first calendar quarter in 2020 in which the employer’s gross receipts declined by greater than 50% of the corresponding calendar quarter of 2019 and ends with the calendar quarter following the calendar quarter in which the gross receipts exceed 80% of the corresponding calendar quarter of the prior year.

The credit is applicable for wages paid between March 12, 2020 and January 1, 2021. It is determined on a calendar quarter basis and equals 50% of “qualified wages” up to \$10,000 paid to each employee (or \$5,000 in actual credit). Please note that the credit is subject to potential reduction (including by any credit taken under the Families First Coronavirus Response Act (i.e., credits for paid sick leave and enhanced family and medical leave)).

For employers with over 100 employees, qualified wages are wages paid to employees when they are not providing services due to coronavirus-related circumstances. For employers with 100 or fewer employees, all employees qualify for the credit, whether the employer is open for business or subject to a shut-down order.