WELCOME

Economic development advisory board

April 9, 2020

AGENDA

Part I

- Welcome and Call to Order
- Approve Meeting Minutes – March 12, 2020
- Board member comments/Updates

Part 2 – New Business

- Cares Stimulus Package
- State Strategic Reserve Funds
- Town Hall Meeting
- City Small Business Stimulus Package

Part 3 Next Meeting – April 23

CHOOSE MONROE.COM

Do. Stay. Shop.

APPROVE MEETING MINUTES

March 12, 2020

Economic development advisory board

April 9, 2020

BOARD MEMBER COMMENTS/UPDATES

Janelle Drews
Sally King

Mike Buse
Allen Dye
Katy Woods

Bridgette Tuttle
Meghan Wirsching

Tourism

Geofencing
Tourism Data
Choose Monroe
LTAC Funding Priorities
Wayfinding/Gateway Signs

Business Recruitment

North Kelsey (Tjerne Place)
Recruitment Strategies

ED Webpage Update
Data
Business Survey
Small Business Development
Workforce Development

Growth & Development

Vision 2050
Zoning
Land Use
Infrastructure
ED Element Comp Plan
Growth Management Act
Airport Zone

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CARES STIMULUS PACKAGE

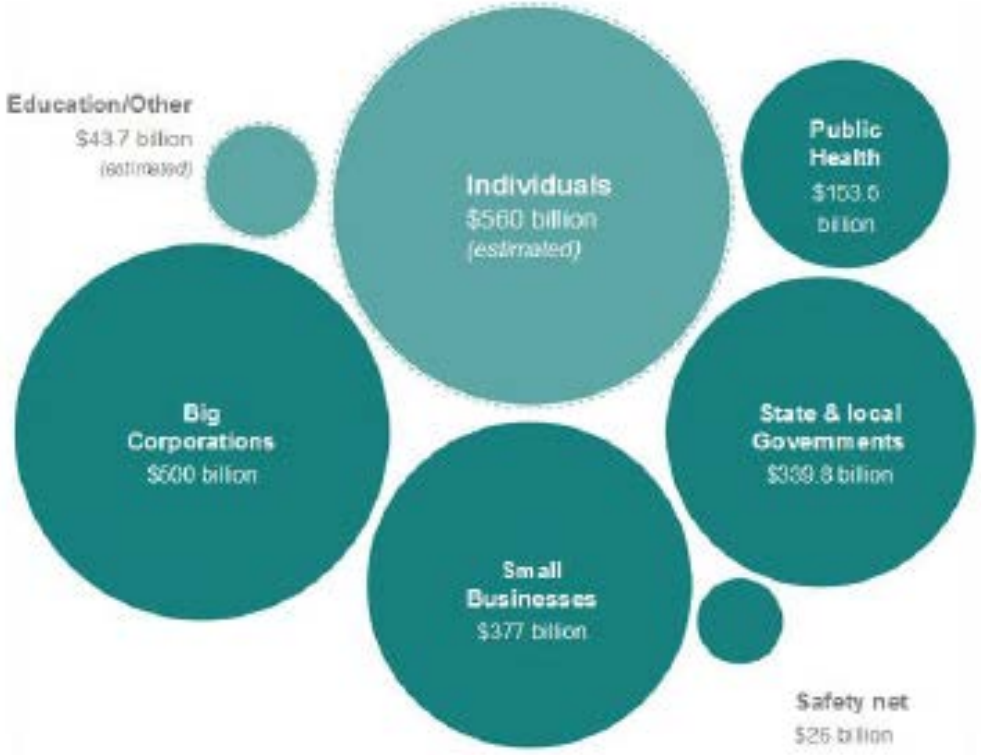
Economic development advisory board
April 9, 2020

CARES ACT

FEDERAL STIMULUS

The Federal stimulus is broken into focused areas of the economy. For our businesses and workers in Monroe the majority of relief will come from:

1. Individuals
2. Small Business
3. State and Local Governments
4. Public Health
5. Education/Other
6. Safety Net



HELP FOR SMALL BUSINESSES

1. Paycheck Protection Program (PPP)
2. Emergency Economic Injury Disaster Loans
3. Other 7(a) Loans Guaranteed by the SBA
4. Other stimulus programs
   - Delay of Payment of Employer Payroll Taxes
   - Employee Retention Credit
   - Employer tax credits for family/sick leave

STATE STRATEGIC RESERVE FUNDS

Economic development advisory board
April 9, 2020

STATE STRATEGIC RESERVE FUNDS

- As of 3pm yesterday, Economic Alliance Snohomish County (EASC) received 1509 Apps, 13 from Monroe
- Commerce is apportioning the grant money, so Snohomish County with 7.2% of the state's population will get 7.2% of the $5M
- 7.2% of $5M = $360,000/$10,000 is only 36 applications will be awarded money in Snohomish County (if all applicants ask for the max $10K)
- Commerce indicated they will approve only 25% of the applications submitted by EASC so EASC will submit 145 apps.
- Review and Scoring process at the local level
- Timeline

TOWN HALL

Economic development advisory board

April 9, 2020

TOWN HALL

- Tuesday, April 14
- What time?
- What format?
  - Welcome by the mayor
  - Introduce James and EDAB
  - Review CARES ACT and State Reserve Funds 30-45 min
  - Q & A 15-30 min
- Promotion
  - Web, social media, DMA, Chamber
  - City of Monroe Economic Development Advisory Board

CITY SMALL BUSINESS STIMULUS PKG

Economic development advisory board
April 9, 2020

SMALL CITY STIMULUS PACKAGE

- Staff Gift Cards
- Utility late fee waivers
- Waive Building Permit Fees City-wide
- Waive Mandatory Garbage for closed businesses
- Proclamation urging Governor to place a moratorium on commercial lease payments

NEXT MEETING
THURSDAY, APRIL 23, 2020

8:00AM-9:30AM

Zoom Meeting

CALL TO ORDER

The March 12, 2020 Monroe Economic Development Advisory Board Meeting was called to order at 8:03 a.m.; Council Chambers, City Hall.

ROLL CALL

Members present: Bridgette Tuttle, Allan Dye, Sally King, Allan Dye, Mike Buse; and ad-hock members Janelle Drews and Jim Watt

Staff present: Deborah Knight, James Palmer, and Gina Pfister

APPROVAL OF THE MINUTES

Board member Bridgette Tuttle made a motion to approve the minutes of February 27, 2020. The motion was seconded by Board member Mike Buse. Motion carried 5-0.

BOARD MEMBER COMMENTS/UPDATES

Ms. Drews commented on the new BBQ restaurant in town, located by Henry's Donuts.

Ms. Drews commented on patron decline at local restaurants due to COVID-19.

Mr. Watt inquired where COVID-19 could be found other than TV news channels. Ms. Knight noted that reliable information could be found online from Snohomish Health District, Department of Emergency Management (DEM), and the Center for Disease Control (CDC); and would be shared on the city's website and Facebook.

Ms. Tuttle provided relocation updates for Henry's on Tye and Dreadnought Brewing.

Ms. Tuttle commented that local bars continue to stay busy during COVID-19; decrease in patrons dining at Monroe Pizza & Pints; and delivery has been busier.

Ms. King commented on wine tasting room recruiting efforts.

Ms. King expressed concern with event planning during COVID-19. Ms. Knight commented on the need to stay engaged with the public.

Mr. Dye commented on COVID-19 related impacts to his business.

Mr. Buse commented on COVID-19 related impacts to his business.

Ms. Knight commented on the CDC and Snohomish Health District COVID-19 response; and how it compares to other countries.

Mr. Palmer noted that he and Ms. Tuttle met with a brewery owner potentially interested in relocating to Monroe.

Mr. Palmer commented on his efforts to update downtown retail inventory.

Mr. Palmer noted no response received from the winery recruitment efforts; and the Herald article produced conversation.

Mr. Palmer provided an update on Adam's Bistro.

BRRE UPDATE

A. Downtown Permit Fee Waiver Program

Ms. Knight presented the revised Downtown Permit Fee Waiver Program brochure to the Board.

Discussion ensued relating to the following topics: program expiration date; brochure distribution; and the Economic Development webpage redesign.

Ms. Knight noted the newly hired Management Analyst, Rich Huebner, will be joining the City within the next month.

TOURISM, PROMOTION, AND MARKETING

A. Cascade Loop and Welcome Magazine Ads

Ms. Knight presented the upgraded advertising ads; reviewed magazine distribution and funding; and discussed tourism and marketing efforts.

Discussion ensued relating to the possibility of using yurts at local parks to help with homelessness. This idea will explored at a future meeting.

OLD BUSINESS

A. Final Annual Report

Mr. Palmer presented the final annual report, City of Monroe Economic Profile. The Board discussed. Board members are encouraged to email Mr. Palmer with ideas for the 2020 report.

NEW BUSINESS

A. COVID-19 Small Business Administration (SBA) Loans

Ms. Knight distributed SBA loan information; and noted the information was also available on the city's website and Facebook page.

Mr. Palmer commented on the city's COVID-19 response relating to business resources and noted he was gathering more information to make available.

Mr. Palmer noted that Economic Alliance of Snohomish County (EASC) Executive Director Patrick Pierce has resigned, and discussed upcoming leadership changes.

Discussion ensued related to the relationship with EASC; and Greater Seattle Partners.

B. Estimated Disaster Economic Injury Worksheet

Mr. Palmer explained the Estimated Disaster Economic Injury Worksheet for Businesses, the process, and highlighted potential relief available. Mr. Palmer, Ms. Drews, and Mr. Watt will coordinate distribution of information to local businesses.

C. Business Survey Feedback

Mr. Palmer led the Board through a PowerPoint presentation and facilitated discussion related to the following topics:

- Needs identified and how to address those needs
- Local business expansion
- 522 construction/expansion
- Funding available in the next legislative session
- Utilizing billboard advertising
- Zoning changes
- City Demographer; potential use of interns
- Urban Growth Area (UGA)
- SODA Ordinance
- Home-based businesses

NEXT MEETING – March 26, 2020

A. Vision 2050

Upcoming March/April

- Tour Wet Noses and Natural Factors (Janelle Drews)

ADJOURNMENT

The meeting adjourned at 9:29 a.m.

_____

Deborah Knight, City Administrator

RESOURCES FOR MONROE BUSINESSES AND WORKERS DURING THE COVID-19 CRISIS

APRIL 3, 2020

Dear Monroe Businesses;

This document will help Monroe Businesses and their workers identify and navigate the various Federal, State and local assistance programs being made available during the COVID-19 crisis. These programs include loans, grants and special considerations for filing taxes and unemployment insurance for businesses as well as information on extended and enhanced unemployment benefits, cash grants, payment moratoriums, student loan relief and other programs for individual workers. For our businesses, we hope that you are working closely with your employee members during this crisis to communicate openly and clearly how you are working through these difficult times to not only ensure their health and safety, but also to do what you can to ensure their long term, employment security as well. It is only in the spirit of cooperation that we will all get through this together.

Due to the nature of the crisis, the Federal and State agencies who are developing these programs are releasing information as rapidly as they can and in some cases may require clarification, or even corrections, later on. Please bear with us as we attempt to provide the most current and up to date information and aggregate it in ways that make it easy to navigate. We will release new information and updates as they become available. Once again, the most up to date information for Monroe Businesses will be available on the City's Resources for Businesses During COVID-19 Crisis webpage. The scope of the crisis means that rollouts will experience extremely high volumes of demand and therefore may experience temporary delays in accessing the application processes. As we learn to manage our new normal, expectations for quick service, rapid replies, timely turnaround are all being modified to the current situation.

To help with any delays, we are asking that businesses who apply for SBA loans and grants, or have issues with the Employment Security Dept., provide a quick update of your issues to us so we can track this process collectively and escalate to County and State officials where we see key blockages in the system. Email your issues to JPalmer@MonroeWA.gov

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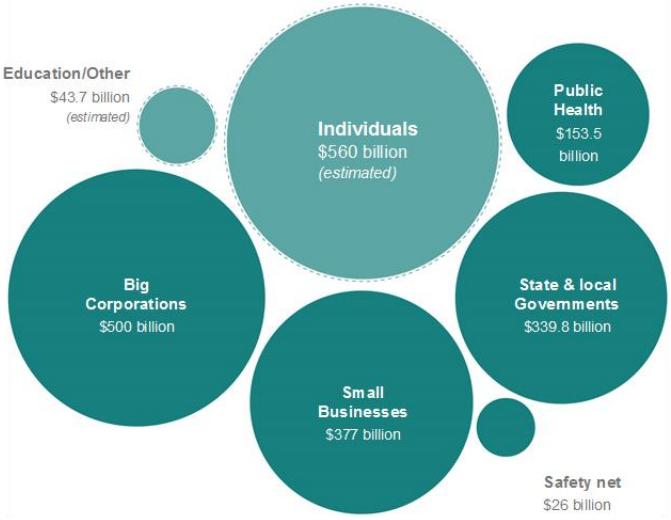
The City of Monroe will conduct a virtual Town Hall on Tuesday, April 14, 2020 to answer questions about the information contained herein. Please submit your questions before April 10 in order to give us time to research and provide accurate answers. Send questions to JPalmer@MonroeWA.gov



FEDERAL STIMULUS

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4. Public Health
5. Education/Other
6. Safety Net

C.A.R.E.S. Act Summary and Text => Official Congressional Record

FEDERAL ASSISTANCE FOR INDIVIDUALS

- *UNIVERSAL BASIC INCOME CHECK FOR INDIVIDUALS*
  - Part of the $2.2 trillion coronavirus stimulus package is an emergency universal income payment of $1,200 for most every adult who makes under $75,000 Adjusted Gross Income a year. Married couples would each receive a check and families would get $500 per child. That means a family of four earning less than $150,000 can expect $3,400. The checks start to phase down after that and disappear completely for people making more than $99,000 and couples making more than $198,000. So a person earning $80,000 would get a check of $950; a person earning $90,000 would get a check of $450; and a person earning $98,000 would get a check of $50.
  - If people have not filed a 2019 return, their eligibility will be based upon information from 2018. However, some taxpayers who typically do not file returns will need to submit a simple tax return to receive the economic impact payment. People who receive Social Security benefits but don't file a tax return are still eligible, too. They don't need to file taxes; their checks will be based on information provided by the Social Security Administration.
  - The Internal Revenue Service needs to already have bank-account information on file in order to send out cash via direct deposit. For those who have not received tax refunds via direct deposit, the check will be mailed out. If you have changed addresses since you last

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filed your last tax return, you may want to check with the IRS, who is sending out the checks, to ensure a current address is available if you want to have your check mailed.

- Secretary Mnuchin announced that direct deposit payments would begin on April 17, but this may be "aspirational" as no official word from the IRS or Treasury has been issued regarding the expected delivery other than, "…within the next three weeks." There are reports that paper checks could arrive as late as June or even July without direct deposit information on file with the IRS. For those who do not have bank information on file with the agency, the Treasury Department has said it will create a web-based system for people to upload their bank information for direct deposit. Go to the IRS website below for information on the basic income check.

Economic impact payments: What you need to know

- *EXTENDED AND ENHANCED UNEMPLOYMENT BENEFITS*

  - The Bill increases the benefits and broadens who is eligible. This Bill adds $600 per week from the federal government on top of whatever base amount a worker receives from the state. That boosted payment will last for four months. For example, if an out-of-work person is receiving the national average of about $340 per week, under the new federal program their take-home pay will be $940.
  - The legislation also adds 13 weeks of additional unemployment insurance. People nearing the maximum number of weeks allowed by their state would get an extension. New filers would also be allowed to collect the benefits for the longer period.
  - The Bill provides for Gig workers and freelancers to also apply. Typically, self-employed people, freelancers and contractors can't apply for unemployment. This bill creates a new, temporary Pandemic Unemployment Assistance program through the end of this year to help people who lose work as a direct result of the public health emergency.

  Employment Security Department (ESD) Commissioner Suzi LeVine has an update for Washington State on the federal stimulus bill - Watch the video on YouTube

  For more information and to begin the application for unemployment, go to => WA State Unemployment Benefits Applicants should be aware that ESD is experiencing an EXTREMELY high volume of claims and is experiencing delays. They are currently hiring extra individuals to handle the demand so be patient and keep trying and check back for more updates. If you would like information on those new jobs at ESD go to => ESD Jobs.

- *INDIVIDUAL FEDERAL TAX CREDITS AND FILING EXTENSIONS*

  - The Bill establishes special rules for certain tax-favored withdrawals from retirement plans;
  - The Bill revises other provisions, including those related to losses, charitable deductions, and business interest.
  - The filing deadline has been extended to July 15.

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Although these do not put money in your pocket immediately and may require accounting expertise to assist with, they will help lower the costs of accessing funds you may have in your IRA or other retirement accounts as well as lowering your tax liability next year.

- *STUDENT LOAN RELIEF*

  - **Your payments will automatically stop from March 13, 2020, through Sept. 30, 2020.**
  - To provide relief to student loan borrowers during the COVID-19 national emergency, federal student loan borrowers are automatically being placed in an administrative forbearance, which allows you to temporarily stop making your monthly loan payment. This suspension of payments will last until Sept. 30, 2020, but you can still make payments if you choose.
  - Employers can provide up to $5,250 in tax-free student loan repayment benefits. Under prior law, both employees and employers faced tax obligations when participating in student loan repayment benefits. This offers a path for employers to engage in long-term solutions for debt-strapped employees.

For more information go to the Official Federal Student Aid website

FEDERAL ASSISTANCE FOR BUSINESSES

- *SMALL BUSINESS ASSISTANCE*

With respect to businesses, the bill establishes, and provides low interest funding for loans and in some cases forgivable loans and grants, to both small and large businesses. For the purposes of this document we will focus on Small Businesses. The SBA classifies a small business as one with 500 or fewer employees. If you are a branch of a larger corporation with more than 500 employees, your parent company will be applying for specific programs geared towards larger employers. If you are a franchise owner (McDonalds, Subway, etc.) you are considered independent and if under 500 employees qualify for SBA Emergency Loans. Some of the key component of the relief for small businesses:

  - The Bill provides $10 billion for grants of up to $10,000 to provide emergency funds for small businesses to cover immediate operating costs.
  - The Bill provides forgivable loans up to $10 million per business. Any portion of that loan used to maintain payroll, keep workers on the books or pay for rent, mortgage and existing debt could be forgiven, provided workers stay employed through the end of June.
  - There is $17 billion for relief for existing loans that cover six months of payments for small businesses already using SBA loans.
  - The Bill delays due dates for employer payroll taxes and estimated tax payments for corporations

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- The Bill changes the rules for expenses and deductions meant to make it easier for companies to keep employees on the payroll and stay open in the near-term.
- The Bill establishes a fully refundable tax credit for businesses that are closed or distressed to help keep workers on the payroll. The goal is to get those employees hired back or put on paid furlough to make sure they have jobs to return. The credit covers to 50 percent of payroll on the first $10,000 of compensation, including health benefits, for each employee.
- For employers with more than 100 full-time employees, the credit is for wages paid to employees when they are not providing services because of the coronavirus. Eligible employers with 100 or fewer full-time employees could use the deduction even if they aren't closed.
- Small Businesses may be able to access these loans through their local banker. The federal government and the banking community are trying to finalize the details and protocols for how and when the different programs can be implemented. Much of the delay is based on who takes responsibility for fraud, default, etc. The banks want a thorough vetting period if they are going to take responsibility, but the Federal Govt. wants the rollout to be immediate with a shortened vetting process timeline. It is still being negotiated who takes responsibility for bad loans. If you have a long standing relationship with your banker talk to them and see how they may be able to assist you with the process.

For more information about SBA Programs, e.g. eligibility, and to begin the SBA Loan Process go here => **Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters**

Accessing the system may be bogged down initially, but keep trying. Getting to the application online is currently the best way available and it's suggested to start the process as soon as you can.

STATE AND LOCAL GOVERNMENTS RESOURCES FOR INDIVIDUALS

The C.A.R.E.S. Act designates $339.8 billion that will go to the State's "Safety Net." A variety of local agencies and organizations provide services to communities and this money will help them meet the increased demand from individuals deprived of income during the shutdown. The money will be sent down to the State and then local agencies for distribution. This money will also be made available to help city, county and State administrations supplement their budgets impacted by increased demand for services during COVID-19.

- *Nutrition Assistance*
  - There is $8.8 billion to give schools more flexibility to provide meals for students. For Monroe School District students, meal service will continue throughout the extent of Governor Inslee's Executive Order for Washington residents to stay at home. For more information on free meals for children, please go to => Free meals for ALL Monroe School District Children

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- **Food stamps:** $15.5 billion is going to the Supplemental Nutrition Assistance Program, also known as SNAP. The money will help cover the expected cost of new applications to the program as a result of the coronavirus. To see if you qualify and or to apply for nutrition assistance please go to => Washington Supplemental Nutrition Assistance Program
- **Food banks**: The Bill provides $450 million for food banks and other community food distribution programs. The Sky Valley Food Bank is providing food assistance during the shutdown and is offering "Porch Delivery" distribution. For more information on food assistance go to => Sky Valley Food Bank If you are fortunate enough to be able to donate to the foodbank, please use the link and click on the "Donate" button. Although financial aid from the Federal Govt. will help the food bank, it doesn't not cover all their expenses during this unprecedented demand on their services.

- *MORE INFORMATION ON RELIEF FOR INDIVIDUALS*

  - The Washington State Department of Financial Institutions has developed a list of financial resources for Washington consumers impacted by the Coronavirus.
    - Financial Institutions Are Open
    - Unemployment Assistance
    - Trouble Paying Credit Cards
    - Mortgage Assistance
    - Trouble Paying Rent
    - Paying Student Loans
    - Short Term and Emergency Loans
    - Utilities Assistance
    - Additional Resources

  - The City of Monroe is doing what it can as well. The Mayor has ordered a moratorium on disconnection of water service for non-payment and is waiving all late fees for non-payment of city managed utilities.

STATE AND LOCAL GOVERNMENTS RESOURCES FOR BUSINESSES

- *Small Business Emergency Grant Program* (coming soon!)
  - Governor Inslee has created a Working Washington Small Business Grant program using a portion of the State's Strategic Reserve Fund (SRF). The Department of Commerce is putting the finishing touches to the program's guidelines and application. This link will become active when they are ready to accept applications so please check the Washington State Dept. of Commerce's site => Choose Washington COVID-19 Resources for Businesses for

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when that application becomes available.

- *Considerations for WA State Tax Liabilities* - For assistance regarding your Washington State tax liabilities, please go to the WA Dept of Revenue's special COVID-19 website => Business Relief During COVID-19 Pandemic

- *Special Information for Employers From WA Employment Security Dept.*

  - Filing your quarterly tax reports and responding to information requests
  - Getting help over the phone
  - Temporary shutdowns: SharedWork, standby, and partial employment
  - Unemployment and Paid Family and Medical Leave
  - Paying your employees while they're getting unemployment benefits
  - Permanent business closures
  - Requesting relief of benefit charges
  - State and federal changes

- *Utilities*
  - Regarding payment delays, late fees, etc. contact your utility provider directly. Governor Jay Inslee has called on all public utilities in Washington State to ensure the health and safety of their employees and the public by suspending disconnection tariffs for nonpayment during this emergency; waiving late fees for customers who are out of work or offering customers payment plans; and expanding bill assistance programs for customers who are economically impacted by this emergency. Many utility companies are already doing this. For assistance, contact your utility company.
    - City of Monroe Utilities
    - PSE
    - Avista
    - Cascade Natural
    - Pacific Power
    - Northwest Natural
    - Washington Water
    - Snohomish Public Utility District

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The Small Business Owner's Guide to the *CARES Act*

The programs and initiatives in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* that was just passed by Congress are intended to assist business owners with whatever needs they have right now. When implemented, there will be many new resources available for small businesses, as well as certain non-profits and other employers. This guide provides information about the major programs and initiatives that will soon be available from the Small Business Administration (SBA) to address these needs, as well as some additional tax provisions that are outside the scope of SBA.

To keep up to date on when these programs become available, please stay in contact with your local Small Business Administration (SBA) District Office, which you can locate here.

Struggling to get started? The following questions might help point you in the right direction. Do you need:

- **Capital to cover the cost of retaining employees?** Then the Paycheck Protection Program might be right for you.
- **A quick infusion of a smaller amount of cash to cover you right now?** You might want to look into an Emergency Economic Injury Grant.
- **To ease your fears about keeping up with payments on your current or potential SBA loan?** The Small Business Debt Relief Program could help.
- **Just some quality, free counseling to help you navigate this uncertain economic time?** The resource partners might be your best bet.

Already know what resources you're looking for? The table of contents can direct you to more information about the program or assistance product you need.

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Paycheck Protection Program (PPP) Loans

The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. **Loans are available through June 30, 2020.**

FREQUENTLY ASKED QUESTIONS	
QUESTION:	**What types of businesses and entities are eligible for a PPP loan?**
Answer:	• Businesses and entities must have been in operation on February 15, 2020. • Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher. • Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals. • Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived. • Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.
QUESTION:	**What are affiliation rules?**
Answer:	Affiliation rules become important when SBA is deciding whether a business's affiliations preclude them from being considered "small." Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Please see this resource for more on these rules and how they can impact your business's eligibility.
QUESTION:	**What types of non-profits are eligible?**
Answer:	In general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer as most non-profit SBA size standards are based on employee count, not revenue. You can check here.

FAQ's continue on the next page!

QUESTION:	**How is the loan size determined?**
Answer:	Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always **$10 million**. • **If you were in business February 15, 2019 – June 30, 2019:** Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date. • **If you were <u>not</u> in business between February 15, 2019 – June 30, 2019:** Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020. • **If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020** and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.
QUESTION:	**What costs are eligible for payroll?**
Answer:	• Compensation (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 employees
QUESTION:	**What costs are <u>not</u> eligible for payroll?**
Answer:	• Employee/owner compensation over $100,000 • Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code • Compensation of employees whose principal place of residence is outside of the U.S. • Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the *Families First Coronavirus Response Act*
QUESTION:	**What are allowable uses of loan proceeds?**
Answer:	• Payroll costs (as noted above) • Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums • Employee salaries, commissions, or similar compensations (see exclusions above) • Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation) • Rent (including rent under a lease agreement) • Utilities • Interest on any other debt obligations that were incurred before the covered period

FAQ's continue on the next page!

QUESTION:	**What are the loan term, interest rate, and fees?**
Answer:	For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is 4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).
QUESTION:	**How is the forgiveness amount calculated?**
Answer:	Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over $100,000): • Payroll costs **plus** any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) **plus** any payment on any covered rent obligation **plus** and any covered utility payment.
QUESTION:	**How do I get forgiveness on my PPP loan?**
Answer:	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.
QUESTION:	**What happens after the forgiveness period?**
Answer:	Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.
QUESTION:	**Can I get more than one PPP loan?**
Answer:	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.
QUESTION:	**Where should I go to get a PPP loan from?**
Answer:	All current SBA 7(a) lenders (see more about 7(a) here) are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including non-bank lenders, to help meet the needs of small business owners.

FAQ's continue on the next page!

QUESTION:	**How does the PPP loan coordinate with SBA's existing loans?**
Answer:	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.
QUESTION:	**How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program?**
Answer:	Emergency Economic Injury Grant and Economic Injury Disaster Loan (EIDL) recipients and those who receive loan payment relief through the Small Business Debt Relief Program may apply for and take out a PPP loan as long as there is no duplication in the uses of funds. Refer to those sections for more information.

Small Business Debt Relief Program

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

FREQUENTLY ASKED QUESTIONS	
QUESTION: Answer:	**Which SBA loans are eligible for debt relief under this program?** 7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible (see p. 7 for more information on these).
QUESTION: Answer:	**How does debt relief under this program work with a PPP loan?** Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.
QUESTION: Answer:	**How do I know if I'm eligible for a 7(a), 504, or microloan?** In general, businesses must meet size standards, be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business's 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see https://www.sba.gov/funding-programs/loans for more details.
QUESTION: Answer:	**What is a 7(a) loan and how do I apply?** 7(a) loans are an affordable loan product of up to $5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit this site to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called Lender Match to help find a lender near you.
QUESTION: Answer:	**What is a 504 loan and how do I apply?** The 504 Loan Program provides loans of up to $5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called Lender Match to help find a lender near you.
QUESTION: Answer:	**What is a microloan and how do I apply?** The Microloan Program provides loans up to $50,000 to help small businesses and certain not-for-profit childcare centers to start up and expand. The average microloan is about $13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called Lender Match to help find a microlender near you.
QUESTION: Answer:	**I am unfamiliar with SBA loans, can anyone help me apply?** Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center here.

Economic Injury Disaster Loans & 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.

FREQUENTLY ASKED QUESTIONS	
QUESTION:	**Are businesses and private non-profits in my state eligible for an EIDL related to COVID-19?**
Answer:	Yes, those suffering substantial economic injury in all 50 states, DC, and the territories may apply for an EIDL.
QUESTION:	**What is an EIDL and what is it used for?**
Answer:	EIDLs are lower 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.
QUESTION:	**Who is eligible for an EIDL?**
Answer:	Those eligible are the following with 500 or fewer employees: • Sole proprietorships, with or without employees • Independent contractors • Cooperatives and employee owned businesses • Tribal small businesses Small business concerns and small agricultural cooperatives that meet the applicable size standard for SBA are also eligible, as well as most private non-profits of **any** size. See below for more info on size standards.
QUESTION:	**My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?**
Answer:	Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, **or** if you can provide satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law. However, a recipient that is principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities is not eligible to receive an EIDL. If you are uncertain whether you qualify, please consult with legal counsel to determine whether your organization meets program criteria.
QUESTION:	**Who is eligible for an Emergency Economic Injury Grant?**
Answer	Those eligible for an EIDL and who have been in operation since **January 31, 2020**, when the public health crisis was announced.

FAQ's continue on the next page!

QUESTION: Answer:	**How long are Emergency Economic Injury Grants available?** **January 31, 2020 – December 31, 2020.** 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.
QUESTION: Answer:	**If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan?** Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP. However, you cannot use your EIDL for the same purpose as your PPP loan. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April.
QUESTION: Answer:	**How do I know if my business is a small business?** Please visit https://www.sba.gov/size-standards/ to find out if your business meets SBA's small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business's 3-year average annual revenue.
QUESTION: Answer:	**How do I apply for an economic injury disaster loan?** 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.
QUESTION: Answer:	**I am unfamiliar with the EIDL process, can anyone help me apply?** Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women's Business Center, or SCORE mentorship chapter at https://www.sba.gov/local-assistance/find/.

Counseling & Training

If you, like many small business owners, need a business counselor to help guide you through this uncertain time, you can turn to your local Small Business Development Center (SBDC), Women's Business Center (WBC), or SCORE mentorship chapter. These resource partners, and the associations that represent them, will receive additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19. There will soon be a joint platform that consolidates information and resources related to COVID-19 in order to provide consistent, timely information to small businesses. To find a local resource partner, visit https://www.sba.gov/local-assistance/find/.

In addition, the Minority Business Development Agency's Business Centers (MBDCs), which cater to minority business enterprises of all sizes, will also receive funding to hire staff and provide programming to help their clients respond to COVID-19. Not every state has a MBDC. To find out if there is one that services your area, visit this site.

FREQUENTLY ASKED QUESTIONS	
QUESTION:	**Do I have to pay for counseling and training through SBDCs, WBCs, and MBDCs?**
Answer:	Counseling is free and training is low-cost with these partners. The additional funds that Congress provided will help keep this possible. Mentorship through SCORE is always free.
QUESTION:	**What is a SBDC?**
Answer:	SBDCs are a national network of nearly 1,000 centers that are located at leading universities, colleges, state economic development agencies and private partners. They provide counseling and training to new and existing businesses. Each state has a lead center that coordinates services specifically for that state, which you can find by clicking the link above. To find out more about SBDCs, visit https://americassbdc.org/about-us/.
QUESTION:	**What is a WBC; is it only for women?**
Answer:	WBCs are a national network of more than 100 centers that offer one-on-one counseling, training, networking, workshops, technical assistance and mentoring to entrepreneurs on numerous business development topics. In addition to women, WBCs are mandated to serve the needs of underserved entrepreneurs, including low-income entrepreneurs. They often offer flexible hours to meet the needs of their diverse clientele. To find out more about WBCs, visit https://www.awbc.org/.
QUESTION:	**What is SCORE?**
Answer	SCORE provides free, confidential business advice through our volunteer network of 10,000+ business experts. You can meet with a mentor online. Find out more here.
QUESTION:	**Who do MBDCs serve?**
Answer:	MBDCs are a good option for minority-owned businesses (including those owned by Black, Hispanic, Asian American/Pacific Islander, and American Indian business owners), especially those seeking to penetrate new markets — domestic & global — and grow in size and scale.

Contracting

If you are a government contractor, there are a number of ways that Congress has provided relief and protection for your business. Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave. The contractors eligible are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.

If you need additional assistance, please reach out to your local Small Business Development Center, Women's Business Center, SCORE chapter, or SBA District Office. You should also work with your agency's contracting officer, as well as the agency's Office of Small and Disadvantaged Business Utilization (OSDBU).

Small Business Tax Provisions

Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship

This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.

Wages of employees who are furloughed or face reduced hours as a result of their employer's closure or economic hardship are eligible for the credit. For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation, including health benefits, and is provided for the first $10,000 in wages and compensation paid by the employer to an eligible employee. Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S).

- **The credit is not available to employers receiving assistance through the Paycheck Protection Program. The credit is provided through December 31, 2020.**

Delay of Payment of Employer Payroll Taxes

This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability.

- **Deferral is not provided to employers receiving assistance through the Paycheck Protection Program.**

Frequently asked Q&A about how the new SBA CARES programs:

1. **If I am applying for / received an Economic Injury Disaster Loan (EIDL), is my small business eligible to participate in the Paycheck Protection Program (PPP)?**

   Borrowers can apply for both an SBA Economic Injury Disaster Loan and the Paycheck Protection Program loan. However, the Paycheck Protection Program loan funds and the Economic Injury Disaster Loan funds cannot be used for the same purpose. The Paycheck Protection Program loan must be used for payroll (minimum of 75% of the funds received) for it to be eligible for a forgivable loan and the remaining is used for different purposes. Borrowers who accept both loan funds should document the uses of the funds appropriately.

2. **I received an EIDL – Can I still apply for PPP:**

   Yes, you are still eligible to apply for the Paycheck Protection Program even if you applied for or received an SBA Economic Injury Disaster Loan.

   If your Economic Injury Disaster Loan was not used for payroll costs, it does not affect your eligibility for a Paycheck Protection Program loan.

   If your Economic Injury Disaster Loan was used for payroll costs, your Paycheck Protection Program loan must be used to refinance your Economic Injury Disaster Loan. The Paycheck Protection Program's maximum loan amount is $10 million with a fixed 1% interest rate and maturity of two years. Economic Injury Disaster Loan assistance provides up to $2 million loan per business and are long-term, low-interest rate at 3.75% for businesses and 2.75% for non-profits and a maturity of up to 30 years

   Any advance up to $10,000 on the Economic Injury Disaster Loan will be deducted from the loan forgiveness amount of the Paycheck Protection Program loan.

   For example, a borrower may obtain a loan from the Paycheck Protection Program and use those funds to pay for 8 weeks of payroll or employee retention. They may wish to then dedicate their entire EIDL funds towards working capital, notes payable and accounts payable that do not duplicate the funds provided through the Paycheck Protection Program. If the EIDL loan was used for payroll expenses, the borrower must refinance the EIDL loan with the PPP loan which carries a lower interest rate as well as a shorter maturity period.

3. **Do I have to choose one or the other?**

   Select the loan program that best meets your individual business needs; however, you are not permitted to hold funds from both programs for the same purpose.

The PPP loan has different terms from the EIDL loan. The Paycheck Protection Program's maximum loan amount is $10 million with a fixed 1% interest rate and maturity of two years.

Economic Injury Disaster Loan assistance provides up to $2 million loan per business and are long-term, low-interest rate at 3.75% for businesses and 2.75% for non-profits and a maturity of up to 30 years

The application period for PPP loans runs through June 30, 2020, but the EIDL application period runs through December 2020. If you have working capital need beyond what is provided by PPP, you can apply for additional assistance through the EIDL program.

If you are applying for both, you can accept PPP first – then decide whether to close on your EIDL approved loan. An EIDL approved loan may be closed within 60 days, and the borrower can choose whether to close on the loan. The EIDL application period runs through Dec. 2020.

Paycheck Protection Program

Primarily for payroll expenses, the Paycheck Protection Program (PPP) **starts today** and provides up to $10 million per small business in loan forgiveness for retaining employees. The loan forgiveness portion is dependent on keeping and paying employees or rehiring employees laid off in response to the COVID-19 national emergency.
https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp?utm_medium=email&utm_source=govdelivery

SBA Debt Relief

The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic. This covers all principal, interest and fees on current and new SBA 7(a) loans made through September 27, 2020, for up to six months.

https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief?utm_medium=email&utm_source=govdelivery

Economic Injury Disaster Loan Advance

This loan advance will provide up to $10,000 of economic relief to businesses that are currently experiencing temporary difficulties that does not have to be repaid. This complements the traditional SBA Economic Injury Disaster Loan (EIDL) program which has been in place for the entire nation, all territories and Washington, D.C. since mid-March.

Please note the application process for the EIDL program was updated March 30. **For those who submitted a COVID-19 EIDL application prior to March 30,** unless you have already been approved or are currently working with a loan officer, **you should re-apply using the new streamlined application** if you have not done so already**.** The new application is streamlined and faster. Approval notification is estimated at approximately three days.

https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance?utm_medium=email&utm_source=govdelivery

Required Documents to be included in a complete PPP Loan Application
(See Application instruction on the last page of the SBA Application)

- ☐ SBA Form 2483 Paycheck Protection Program Application, completed for the business (only 1 application needed)
- ☐ IRS Form 941 Employers Quarterly Federal Tax Returns that were submitted to IRS for each of the 4 quarters of 2019, or other period if applicable.
- ☐ List of employment positions and annual compensation for each. Provide payroll tax records to support
- ☐ Documentation to show the average number of Full Time Employees for the period (number of jobs on the application)
    - A. 2/15/2019 to 6/30/2019, or
    - B. 1/1/2020 to 2/29/2020
- ☐ Cell phone numbers and email addresses for all signers, for e-Sign purposes.
- ☐ Organizational documents such as Articles of Incorporation or LLC Operating Agreement.
- ☐ Certification of Beneficial Ownership form
- ☐ Other documents required by any future requirements or guidance issued by the SBA or other government agencies
- ☐ The SBA Franchise Directory can be found here https://www.sba.gov/sba-franchise-directory

OTHER INFORMATION (Required after Loan closing)

To be eligible for loan forgiveness, you will be required to document and submit evidence of payments for payroll, rent or mortgage interest and utilities over the 8-week period following the loan date, This will include payroll tax records to substantiate FTE's, and proof of payment such as paid invoices/receipts and cancelled checks or other proof of payment of all eligible expenses.

Included Payroll Cost:

1. **For Employers:**
    - Salary, wage, commission, or similar compensation;
    - Payment of cash tip or equivalent;
    - Payment of 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

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

Excluded Payroll Cost:

1. Compensation of an individual employee in excess of an annual salary of $100,000, as pro-rated for the period February 15 to June 30, 2020
2. Payroll taxes, railroad retirement taxes, and income taxes
3. Any compensation of an employee whose principal place of residence is outside of the United States
4. Qualified sick leave wages for which a credit is allowed under section 2007 of the Families First Coronavirus Act (Public Law 116-5 127); or qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act

PAYCHECK PROTECTION PROGRAM (PPP) INFORMATION SHEET:

BORROWERS

The Paycheck Protection Program ("PPP") authorizes up to $349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. ***All loan terms will be the same for everyone.***

The loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and
- Employee and compensation levels are maintained.

Payroll costs are capped at $100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

Loan payments will be deferred for 6 months.

When can I apply?

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

Where can I apply? You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. Visit www.sba.gov for a list of SBA lenders.

Who can apply? All businesses – including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries (click HERE for additional detail).

For this program, the SBA's affiliation standards are waived for small businesses (1) in the hotel and food services industries (click HERE for NAICS code 72 to confirm); or (2) that are franchises in the SBA's Franchise Directory (click HERE to check); or (3) that receive financial assistance from small business investment companies licensed by the SBA. Additional guidance may be released as appropriate.

What do I need to apply? You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. Click HERE for the application.

What other documents will I need to include in my application? You will need to provide your lender with payroll documentation.

Do I need to first look for other funds before applying to this program? No. We are waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources (i.e., we are waiving the Credit Elsewhere requirement).

How long will this program last? Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan.

How many loans can I take out under this program? Only one.

What can I use these loans for? You should use the proceeds from these loans on your:

- Payroll costs, including benefits;
- Interest on mortgage obligations, incurred before February 15, 2020;
- Rent, under lease agreements in force before February 15, 2020; and
- Utilities, for which service began before February 15, 2020.

What counts as payroll costs? Payroll costs include:

- 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; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- State and local taxes assessed on compensation; and
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at $100,000 on an annualized basis for each employee.

Does the PPP cover paid sick leave?

Yes, the PPP covers payroll costs, which include employee benefits such as costs for parental, family, medical, or sick leave. However, it is worth noting that the CARES Act expressly excludes qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (FFCRA) (Public Law 116–127). Learn more about the FFCRA's Paid Sick Leave Refundable Credit online.

How large can my loan be? Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a $10 million cap. If you are a seasonal or new business, you will use different applicable time

periods for your calculation. Payroll costs will be capped at $100,000 annualized for each employee.

How much of my loan will be forgiven? 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.

How can I request loan forgiveness? You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness within 60 days.

What is my interest rate? 1.00% fixed rate.

When do I need to start paying interest on my loan? All payments are deferred for 6 months; however, interest will continue to accrue over this period.

When is my loan due? In 2 years.

Can I pay my loan earlier than 2 years? Yes. There are no prepayment penalties or fees.

Do I need to pledge any collateral for these loans? No. No collateral is required.

Do I need to personally guarantee this loan? No. There is no personal guarantee requirement. ***However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue criminal charges against you.***

What do I need to certify? As part of your application, you need to certify in good faith that:

- Current economic uncertainty makes the loan necessary to support your ongoing operations.
- The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
- You have not and will not receive another loan under this program.
- You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered

mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.

- Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
- You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS. And you also understand, acknowledge, and agree that the lender can share the tax information with the 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.

Paycheck Protection Program
Borrower Application Form

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

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

Average Monthly Payroll:	$	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	$	Number of Employees:	
Purpose of the loan (select more than one):	❑Payroll ❑Lease / Mortgage Interest ❑Utilities ❑Other (explain):_____				

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

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?	❑	❑
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?	❑	❑
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.	❑	❑
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.	❑	❑

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 → _____	❑	❑
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 → _____	❑	❑
7.	Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	❑	❑
8.	Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	❑	❑

Paycheck Protection Program
Borrower Application Form

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.

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.

_____ 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

Paycheck Protection Program
Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and ***submitted to your SBA Participating Lender***. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect thatdetermination.

Instructions for completing this form:

With respect to "purpose of the loan," payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating "Average Monthly Payroll," most Applicants will use the average monthly payroll for 2019, excluding costs over $100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over $100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over $100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any "advance" under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as "principals":

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.