



Government Assistance

Forgivable SBA Loan Program

Economic Injury Disaster Grant

- \$10,000
- Apply for an Economic Injury Disaster Loan
- Request up to a \$10,000 advance
- Advance does not have to be repaid even if you do not get the loan

Payroll Protection Loan

- Loan amount is 2.5 times the company's (sole proprietor - Independent contractor- non-profit's) average monthly payroll
- The amount of the loan spent in the first 8 weeks on expenses related to keeping people working can be forgiven

SBA Disaster Assistance Loans for Small Businesses

- **Economic Injury Disaster Loan**

- Available to small businesses, sole proprietors, independent contractors operating before 1/31/20
- Used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact
- Up to \$2 Million; up to 30 years
- 3.75% interest rate for businesses (principal and interest deferment up to 4 yrs.)
 - 2.75% for non-profits
- Can be approved based only on credit score
- If under \$200,000 no personal guarantee; Pledge collateral where available
- \$10,000 emergency grant available with this application. 3 days after application
- Avg 18-21 days for yes/no notifications. 5 more days to get the check, if yes.
- Sign up for SBA email updates: <https://bit.ly/2Ua9lsq>
- **Apply by December 31, 2020**
 - <https://covid19relief.sba.gov/#/>

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



OMB Control #3247-0406

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



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

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:

To Speak to someone



SBA Disaster Loan Virtual Office Hours

Monday - Friday

9:00 A.M – 5:00 P.M.

The U.S. Small Business Administration South Florida District Office will host virtual office hours to answer questions about the **SBA Economic Injury Disaster Loan Program**. Limited to 250 callers at one time. Participants may call at anytime and are welcome to enter and exit at will. Callers will be muted upon entry and will be taken in the order they are received.

Skype: <https://meet.lync.com/sba123/aaharris/0S1GVCJ7>

Phone: (202) 765-1264; Conference ID - 162817288

SBA Disaster Loan Virtual Office Hours in SPANISH

1:00 pm - 3:00 pm

Skype: <https://meet.lync.com/sba123/aaharris/ZVB7FP6N>

Phone: (202) 765-1264; Conference ID - 812319792

Ways to Connect with SBA South Florida:

Website: www.sba.gov/southflorida

Email: SouthFlorida_DO@sba.gov

Twitter: @SBA_SouthFL

Subscribe to our [YouTube](#) channel!

Paycheck Protection Program

PPP Program

- Loan program – Up to \$10 million. 4% interest; 10 year term
- Apply before June 30, 2020
- For business with under 500 employees & nonprofits opened before 2/15/20, had payroll, paid taxes
 - Includes independent contractors, sole proprietors, & self-employed
- The amount of the loan cannot exceed 2.5x the average monthly payroll cost during the Feb 15 – June 30, 2019 time period.
 - Seasonal payroll expenses will be measured using the 12-week period starting 2/15/19 or 3/1/19
 - Not in business last year? 2.5x avg. monthly payroll Jan 1 – Feb 29, 2020
 - If you took out a EIDL loan Feb 15-June 30, 2020 you can add that amount to the payroll sum
- The loans are designed to cover payroll, healthcare costs, rent and utility payments and interest on pre-existing debt. (see attached CARES Act Guide)
- For partial forgiveness apply to an 8 weeks after loan is received. Eligible expenses are payroll, interest payments on mortgages, rent, leases, and utilities during the eight-week period. Includes payments for hourly wages, cash tips, paid sick or medical leave, and group health insurance premiums
- The amount forgiven is lowered proportionally by the percentage reduction in employees over 25% compared to 2/15 and 4/26/2019 or 1/1/20 to 2/29/20. If you rehire people laid off 2/15/20 to 4/26/20 (?) before June 30, 2020 , you can still be forgiven the full amount. (See attached calculator)
- You can apply for other SBA loans. You just cannot use the funds for the same purpose i.e. payroll during the 8-week forgiveness.
- If you get a \$10,000 SBA Grant – same thing. Use it to pay other bills

Details

- Must certify use for COVID-19 purposes, used to retain workers, and is not duplicative with other SBA funds for same purpose
- No fees, collateral, or personal guarantees, no credit check.
- 4% interest
- Defer payments 6-12 months
- Monies not paid back or forgiven by 12/31/20 convert to a 10 yr. loan at 4%
- Banks and credit unions are authorized to participate
- Rehiring laid off employees has a positive impact on the loan
- Still qualify if you took a Florida State Emergency Bridge Loan
- If you apply for both the SBA Economic Injury Disaster Loan (EIDL) and the PPP Loan
 - If you get both you can refinance the EIDL into the PPP for loan forgiveness purposes
 - But you cannot take the two loans out for the same purposes
 - Remaining portions of the EIDL for purposes not covered by PPP for forgiveness remain a loan
 - If you received a \$10,000 emergency EIDL grant award of up to \$10,000 that amount could be subtracted from the PPP amount forgiven. No double dipping allowed.
- How to access cash: Apply at any bank or lending institution that is already working with the SBA (Small Business Association)
 - <https://www.sba.gov/funding-programs/loans/lender-match>
 - TD Bank, Wells Fargo, Chase, BB&T, BOA, PNC, Fifth Third, First United, Citi
- How to get forgiveness?
 - Go back to the lender & put in another application & supporting paperwork



Quick Florida State Bridge Loan

Florida Small Business Emergency Bridge Loan

- Short Term
 - 12 months
- Interest Free
 - 1st year, then default & 12% interest
- Max \$50,000
- Funds used to maintain or restart a business not pay off old debts
- Unsecured – no collateral required
- For-profit small businesses with 2-100 employees
 - Independent contractors might count as staff
- Must apply by May 8th
 - <https://floridadisasterloan.org/>

Where to go for help

1 Florida SBDC at UWF
(850) 474-2528 | sbdc@uwf.edu
Serving the following counties: Bay, Calhoun, Escambia, Gulf, Holmes, Jackson, Okaloosa, Santa Rosa, Walton, and Washington County

2 Florida SBDC at FAMU
(850) 599-3407 | sbdcfamu@gmail.com
Serving the following counties: Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, and Wakulla County

3 Florida SBDC at UNF
(904) 620-2476 | smallbiz@unf.edu
Serving the following counties: Alachua, Baker, Bradford, Citrus, Clay, Columbia, Dixie, Duval, Gilchrist, Hamilton, Lafayette, Levy, Marion, Nassau, Putnam, St. Johns, Suwannee, and Union County

4 Florida SBDC at UCF
(407) 420-4850 | sbdc@ucf.edu
Serving the following counties: Brevard, Flagler, Lake, Orange, Osceola, Seminole, Sumter, and Volusia County

5 Florida SBDC at USF
(813) 905-5800
Serving the following counties: DeSoto, Hardee, Hernando, Highlands, Hillsborough, Manatee, Pasco, Pinellas, Polk, and Sarasota County

6 Florida SBDC at FGCU
(239) 745-3700
Serving the following counties: Charlotte, Collier, Glades, Hendry, and Lee County

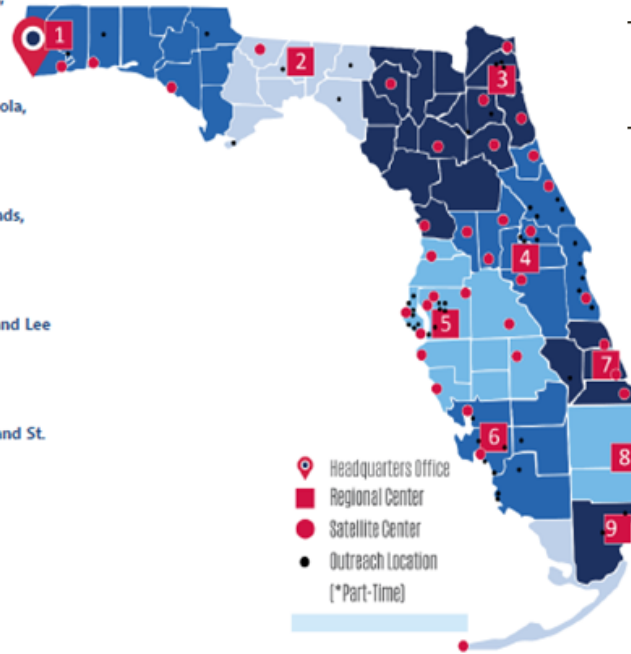
7 Florida SBDC at IRSC
(772) 462-7296
Serving the following counties: Indian River, Martin, Okeechobee, and St. Lucie County

8 Florida SBDC at FAU
(954) 762-5235
Serving the following counties: Palm Beach and Broward County

9 Florida SBDC at FIU
(305) 779-9230
Serving the following counties: Miami-Dade and Monroe County



www.FloridaSBDC.org/locations

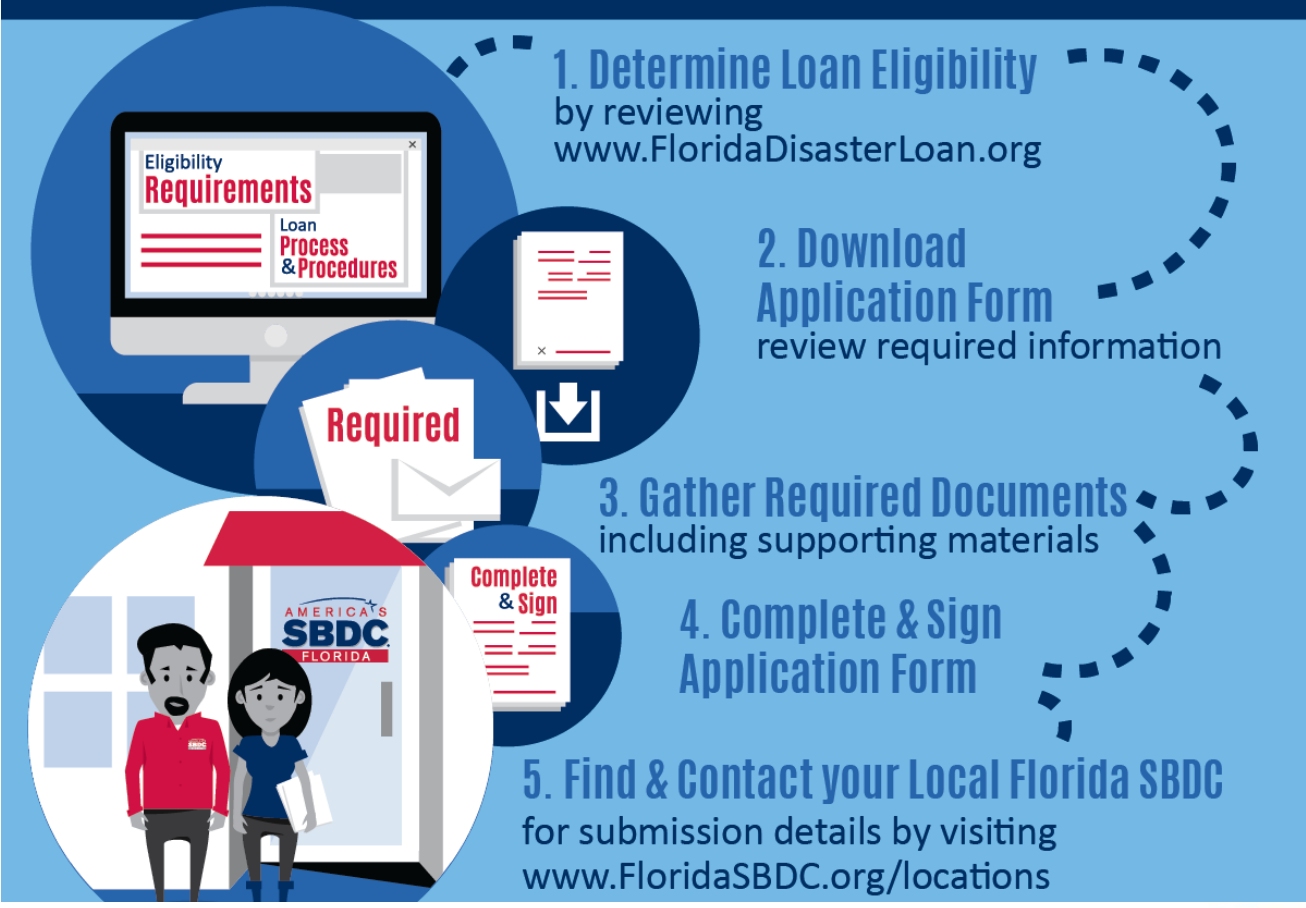


SBDC – Help in filling out loan applications

- SBDC at FAU – Broward & Palm Beach counties
 - (954) 762-5235
 - <http://www.fau.edu/sbdc/>
- SBDC at FIU – Miami-Dade County
 - (305) 779-9230
 - <https://business.fiu.edu/centers/sbdc>

Florida Emergency Bridge Loan

5 Step Process for the Florida Small Business Emergency Bridge Loan Program



Detailed info will be sent to your email

Florida Emergency Bridge Loan info



35 Pages

SBA Economic Injury Disaster Loan Info



16 Pages

SBA loan documentation

Filing Requirements

The following sections are required for all loan applications. A green check mark indicates that a section has been completed. Alternate [document delivery options](#) are available if needed.

Complete the **Disaster Business Loan Application** (SBA Form 5).

Disaster Business Loan Application

Start

Complete, sign and date each **Personal Financial Statement** (SBA Form 413) shown below.

Personal Financial Statement

Complete preceding section(s) first.

Complete each **Schedule of Liabilities** (SBA Form 2202) shown below.

Schedule of Liabilities

Complete preceding section(s) first.

Complete each **Request for Transcript of Tax Return** (IRS Form 4506-T) shown below.

Request for Transcript of Tax Return

Complete preceding section(s) first.

Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business; an explanation if not available

Applicant Business Federal Tax Return

Complete preceding section(s) first.

Read and accept the Truthful Information Certification.

Truthful Information Certification

Complete preceding section(s) first.

Submit Application and Supporting Documents.

Submit Application

Complete preceding section(s) first.

Get your 2019 taxes done if they tell a good story





Small Business

IRS Based Relief Programs

How cash is accessed

- Deferring tax payments to the IRS
- Receiving tax return refunds in advance
- Refiling past taxes for refunds
 - Due to new allowances that can be retroactive

Employer Tax Credits for Employee Retention

Requirements

- Applies to eligible wages paid from 3/13/20 to 12/31/20
- “Small business” with 100 or employees or less qualify for the credit if
 - Business must be fully or partially suspended due to government orders
 - Or, gross receipts for business have declined for a quarter have to less than 50% of the same quarter last year
 - Covers each coming quarter until the gross revenues return to 80% of the prior year
- **Wages covered by payment from PPA or FFCRA programs cannot be counted**

Details

- This is a refundable payroll tax credit equal to 50% of eligible wages, including healthcare costs, paid after March 12th
- The maximum amount of an employee’ wage that is covered is \$10,000. So the credit is capped at \$5,000 per employee
- If you had to lay off some staff the compensation you would have paid them is included.
- **How to access the cash involved:**
 - IRS needs to issue details. Probably will be refunds and credits from the quarterly 941 forms you file. First quarter 2020 is due in April so cash could be generated quickly
 - <https://www.irs.gov/coronavirus>

Employer Tax Credits for Employee Retention - Example

Company has 10 employees

- 10 employees
 - \$2,000/month avg. wage/person
 - \$500/month avg. Healthcare cost/person
 - \$2,500/month total compensation cost/month/employee
 - \$25,000 total staff compensation per month
 - \$100,000 total staff compensation for 4 months

Impact

- CARES provides a tax credit equal to 50% of wages paid by employers to employees during the COVID-19 crisis
- Applies to the first \$10,000 of compensation, including health benefits, paid to an eligible employee
- The “employee retention credit” gives you a \$5,000 tax credit/employee
- That is a \$50,000 tax credit in this example
- This is a “refundable tax credit”. If you have no taxable income due to Covid-19 you still get the \$50K

Deferral of Employer Payroll Tax and Self-Employment Tax

Requirements

- No requirement
- Can defer payroll tax payments from March 28th through December 31, 2020
- This can be, in effect, a 33% interest free loan that must be repaid
- **Not available to firms that apply for Forgivable SBA Programs PPA or FFCRA**

Details

- Employers can defer the employer's 6.2% social security tax deposits not yet deposited by March 27, 2020
 - 50% of any deferrals are due Dec. 31, 2021
 - The remaining 50% is due Dec 31, 2022
- Similar deferral is permitted for the equivalent share of self-employed tax for self-employed individuals
- Some danger here. Gov't can come after you hard for these loans. Can seize responsible owners' personal assets

Deferral of Employer Payroll Tax and Self-Employment Tax

- Example:
- Employer pays \$25,000 in wages/month
 - Employers portion of Social Security due is \$1,550 (6.2%)
 - Does not pay March-June = \$6,200 deferral
 - \$3,100 due December 31, 2021
 - \$3,100 due December 31, 2020
- Self-employed
 - Pays oneself \$5,000 per month
 - Total Social Security withholding due is 12.4% or \$620
 - The “employer” portion or 6.2% can be deferred or \$310/mo.
- Remember – this is money due. Has to be paid in '21,'22

Opportunities to reduces business income taxes

Details

- CARES provides several opportunities to restate past taxes and generate refunds or credits:
 - Depreciation – some qualified improvement properties – 100% bonus depreciation and a 15-year recovery period – leasehold, retail, restaurants – back to 2017
 - Increased business interest expense limitations from 30% to 50% for 2019 & 2020
 - Net operating losses arising in FY '18, '19, & '20 can be carried back 5 yrs. 80% limit has been removed
 - Changes for excess business losses from pass-throughs
 - Corporate charitable deduction limit raised to 25% from 10% of taxable income

Requirements

- These are all ways of preserving cash through reduced future tax payments or applying for refunds from prior years tax payments.
- Access is via the IRS and tax returns

Opportunities to reduce business income taxes

- **Example:**
- The COVID-19 crisis creates a net operating loss in your business for 2020.
 - Loss is \$25,000
 - You can take this \$25,000 net operating loss and go back to a previous year when you made a profit – '19, 18, 17, 16', 15'
 - If, in that year, you reported income of \$75,000 you will redo that year's tax return with an extra \$25,000 tax deduction – reducing your taxable income from \$75,000 to \$50,000
 - That tax deduction may create around a \$6,250 refund
- These refunds would be applied for at the end of your tax year.



Owner generated cash sources

Individual Tax Relief

Recovery Rebates

- Individuals can receive up to \$1,200 Married couples up to \$2,400
- Parents - \$500 for each child under the age of 17
- No payments for single filers over \$99K, heads of households over \$136.5K, joint filers over \$198K
 - These limits are increased by \$10K for each eligible child

Details

- Need a work eligible (normal) SSN
- Calculations are based on the latest of 2018 or 2019 tax filings
- These “rebates” are treated as advance refunds of credits against a person’s 2020 taxes
 - There will be a settlement when 2020 taxes are filed.
 - If your 2020 refund is greater than the rebate you received, you will get the difference
 - If the rebate turns out to be more than the 2020 refund you will not have to pay the difference
- Taxpayers with no income or whose income comes from gov’t. programs and do not file tax returns – are still eligible
- How to access the cash;
 - Check are being calculated and starting on their way to you based on your last income tax filing
 - <https://www.irs.gov/coronavirus>

Other cash opportunities

Details

- **Retirement funds**
 - Minimum required distributions are waived
 - Early withdrawal penalty waived
 - Recontributions allowed
- **Charitable Contributions**
 - \$300 without itemizing
- **Employer-paid student loan repayments**
 - Employer can contribute up to \$5,250 of an employee's student loan repayments from March 28, 2020 – Dec. 31, 2020

Details

- Retirement funds can be withdrawn by the individual
- Charitable contributions would be a tax return benefit
- Employers contributing cash to make student loan payments has immediate cash impact
- **How to access cash:**
 - Contact your retirement fund company
 - Ask your employer to pay your student loan bill



Family First Coronavirus Response Act

FFCRA

Government Programs

- **Government programs are being funded for:**
 - Family First Coronavirus Response Act (**FFCRA**)
 - Emergency Family & Medical Leave Expansion Act
 - Emergency Paid Sick Leave Act
 - Tax Credits for Paid Sick & Family Medical Leave Act
 - Sole proprietors can qualify
 - Unemployment insurance
 - Food
 - Medical aid
- **Pay attention to news releases and apply**
 - Sole proprietors can qualify for some of the tax credits
 - Employers with under 50 employees need to ask for exemption if they cannot front the cost of paying employees on leave
 - Not a time to sit back to wait and see.
 - Some programs may have limited funding so do not be last in line
 - <https://www.gibsondunn.com/departments-of-labor-issues-guidance-on-families-first-coronavirus-response-act/>

..The Secretary is also empowered to exempt small businesses with fewer than 50 employees from the paid leave requirements if compliance would jeopardize the viability of the business as a going concern.^[22] The guidance issued by the Division directs businesses wishing to utilize this small business exemption to document why the business “meets the criteria set forth by the Department, which will be addressed in more detail in forthcoming regulations.”^[23] However, businesses are not supposed to send any of this documentation to the Division at the current time.^[24]



Unemployment

Pandemic Unemployment Assistance

PUA Program

- Creates a temporary unemployment program through 12/31/20 that includes:
 - Self-Employed
 - Independent contractors
 - People with limited work history
- \$600/wk. to people qualifying for up to 4 months in addition to state UI payments – thru July 31, 2020
- Additional 13 weeks of UI after state UI expires. (39 weeks total)
- Will cover the usual 1-week state waiting period
- Will reimburse states for “short-time” programs

Details

- Effective 1/27/20 – 12/31/20
- <http://floridajobs.org/Reemployment-Assistance-Service-Center/reemployment-assistance/claimants/apply-for-benefits>

Consolidation

Program			Small Business With employees	Sole Proprietors	Independent Contractors	Employees
Employee Retention Credits	Refundable tax credit	\$5,000/employee	Yes	?	?	
Deferral of Employer Payroll Tax	Loan from SS deferment of 6.2% of wages	6.2% of wages through 2020	Yes	Yes	Yes	
Recovery Rebates	Cash	\$1,200	Some	Yes	Yes	Yes
Paycheck Protection Program	Loan that can be partially forgiven	8 week of payroll	Yes	Yes	Yes	
SBA Economic Injury Disaster Loan	Loan	\$2 Million	Yes	Yes	Yes	
SBA Economic Injury Disaster Grant	Cash	\$10,000	Yes	Yes	Yes	
Pandemic Unemployment Assistance	Cash	\$600/wk		Yes	Yes	Yes
Florida State Emergency Small Business Bridge Loan	Loan	\$50,000	Yes	Some	Maybe	
Business Tax Relief (Deductations/refunds)	More deductions & refunds		Yes	Yes	Yes	
Student loans suspenseion						Yes

Resources

- SCORE – Cash forecast, bounce back plan, Customer communications...
 - Broward.score.org
 - Mentoring – consult with us about where you are and where you want to take your business
 - <https://core.score.org/mentoring/request/0/9093>
 - Educational – Webinars for now. Back to workshops later.
 - <https://broward.score.org/local-workshops-events>
- SBDC – Help in filling out loan applications
 - SBDC at FAU – Broward & Palm Beach counties
 - (954) 762-5235
 - <http://www.fau.edu/sbdc/>
 - SBDC at FIU – Miami-Dade County
 - (305) 779-9230
 - <https://business.fiu.edu/centers/sbdc>
- SBA Miami District Office – info. & help with federal gov't programs
 - (305) 536-5521
 - <https://www.sba.gov/offices/district/fl/miami>
 - SBA email updates: <https://bit.ly/2Ua9lsq>