

Thanks for joining the webinar!
We'll be starting in a few minutes.
Please be patient while we wait
for others to join us!

How to Apply for COVID-19 Funding: A Guide for Small Businesses

Dr. Janey Sturtz McMillen

Director of Sponsored Programs

MEREDITH COLLEGE | Going Strong

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Webinar Logistics

- Polls
- Chat
 - Reply all participants
- Q&A
- FAQ
- Resources
- Feedback



Host

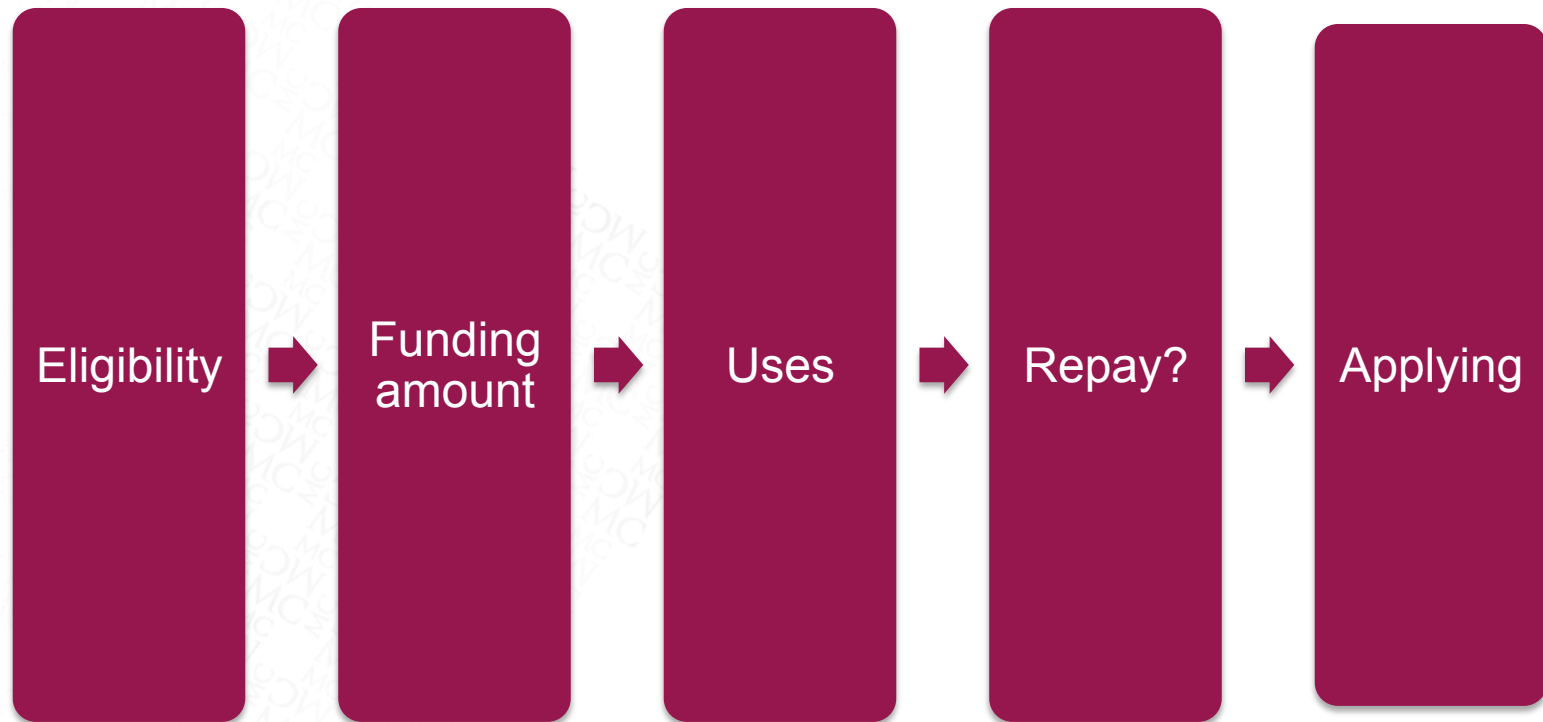
- Director of Sponsored Programs
- Small business owner
- Small business family
- 25+ years experience obtaining federal funding



Dr. Janey Sturtz McMillen

Overview

COVID-19 Relief Funding for Small Businesses



Poll Question #1

What type of small business?



Types of Funding

SBA Loans

- Paycheck Protection Program
 - June 30th, 2020
 - Keep workforce employed
 - 100% forgivable
- Economic Injury Disaster Loan
 - December 16th, 2020
 - Working capital
 - \$10,000 Advance loan
 - Forgivable



Types of Funding

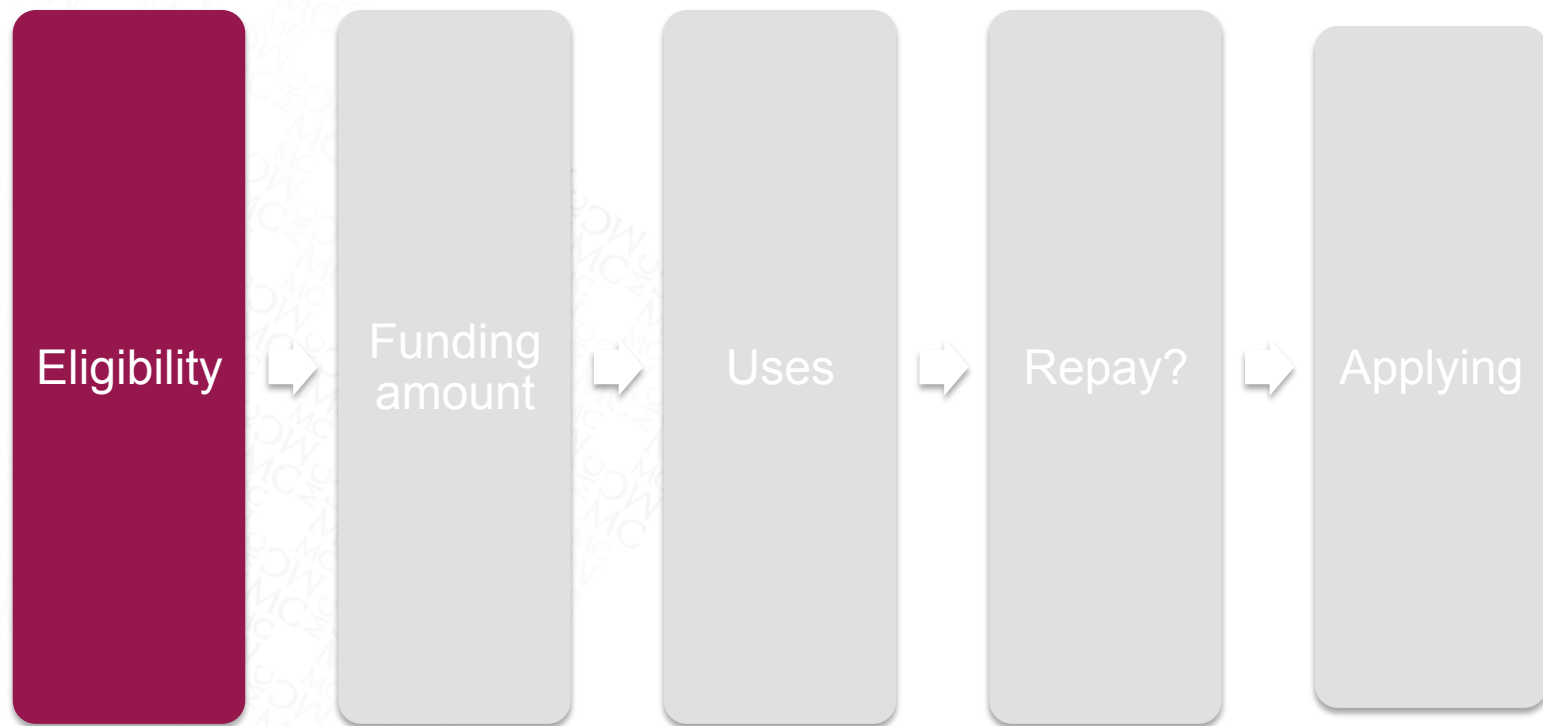
Other

- SBA Express Bridge Loans
 - Up to \$25,000
- SBA Debt Relief for Existing Loans
 - Principal, interest, & fees of current 7(a), 504, & microloans for 6 months
- NC COVID-19 Rapid Recovery Loan Program
 - Up to \$50,000 (cap 2 months of current revenue)



Eligibility

COVID-19 Relief Funding for Small Businesses



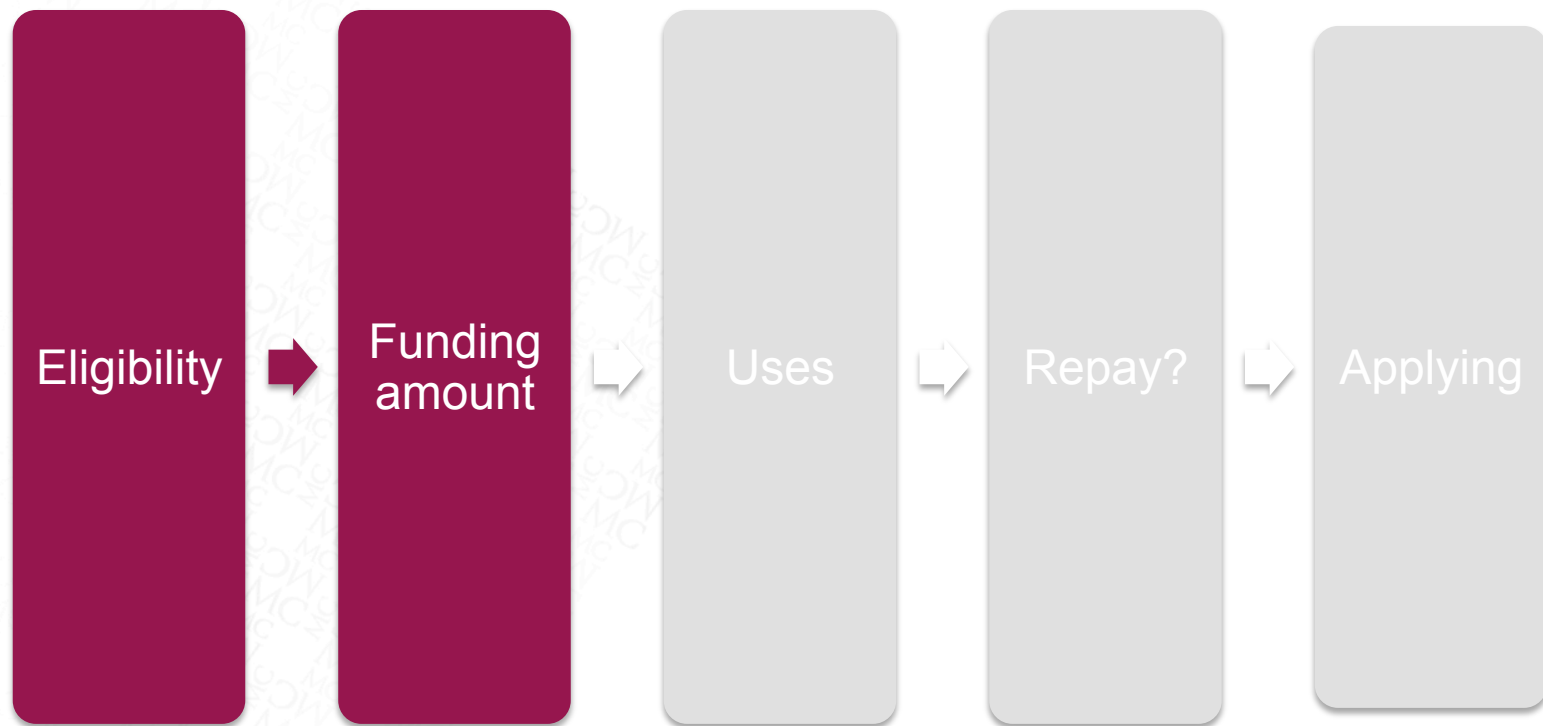
Who Can Apply?

- Any small business, 501(c)(3) non-profit, 501(c)(19) veterans organization, or Tribal business concern
 - 500 employees (full- and part-time) or
 - Meet industry size standard if 500+
- Hotel & food services industries employing <500 per location
- **Sole proprietors, independent contractors, self-employed**
- **Agricultural producers, farmers, and ranchers**
- **Agricultural and other cooperatives**



Funding Amounts

COVID-19 Relief Funding for Small Businesses



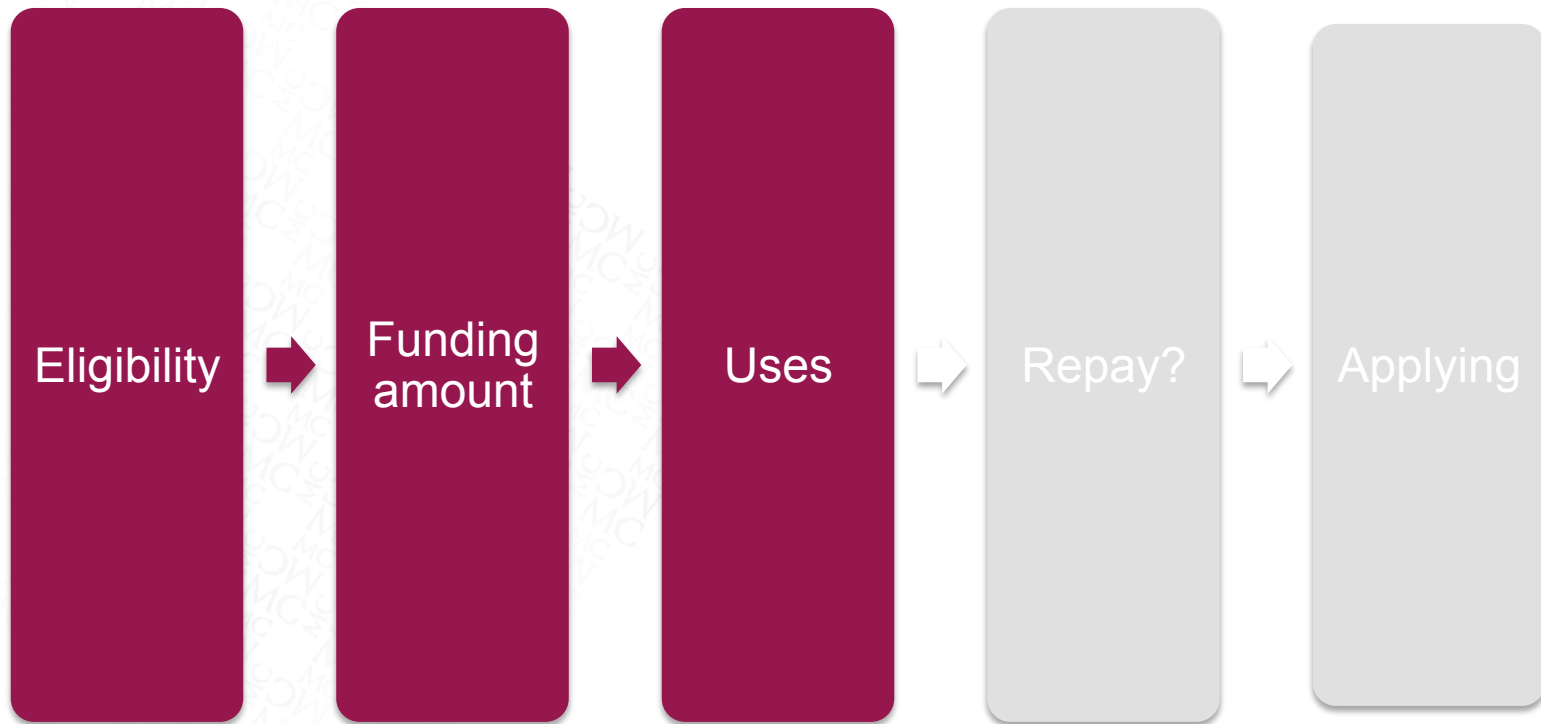
How Much Can I Request?

- Payroll Protection Program
 - Max amount equal to lesser of \$10 million or 2.5x average total 2019 monthly payroll costs
- Economic Injury Disaster Loan
 - Max amount \$2 million (secured) or \$25,000 (unsecured)
 - Exact amount based on economic injury suffered
 - \$10,000 Advance grant provides immediate relief while wait for proceeds of regular EIDL loan



Approved Funding Uses

COVID-19 Relief Funding for Small Businesses



What Can I Use This Loan For?

Payroll Protection Program

- Over eight-week period
- Employee payroll costs
 - Salaries, commissions, benefits, tips
 - \$100,000 a year max per employee
- Health care benefits
- Mortgage interest
- Rent, leases, utilities
- Interest on other debt obligations



What Can I Use This Loan For?

Economic Injury Disaster Loan

- Employee payroll costs
- Paid sick leave
- Production costs
- Rent or mortgages on business spaces
- Other items needed for business continuity



What Counts as Payroll Costs?

- Salary, wages, commissions, tips
 - \$100,000 per employee
- Employee benefits
- Sole proprietor or independent contractor
 - Wages, commissions, income, or net earnings
 - \$100,000 per year

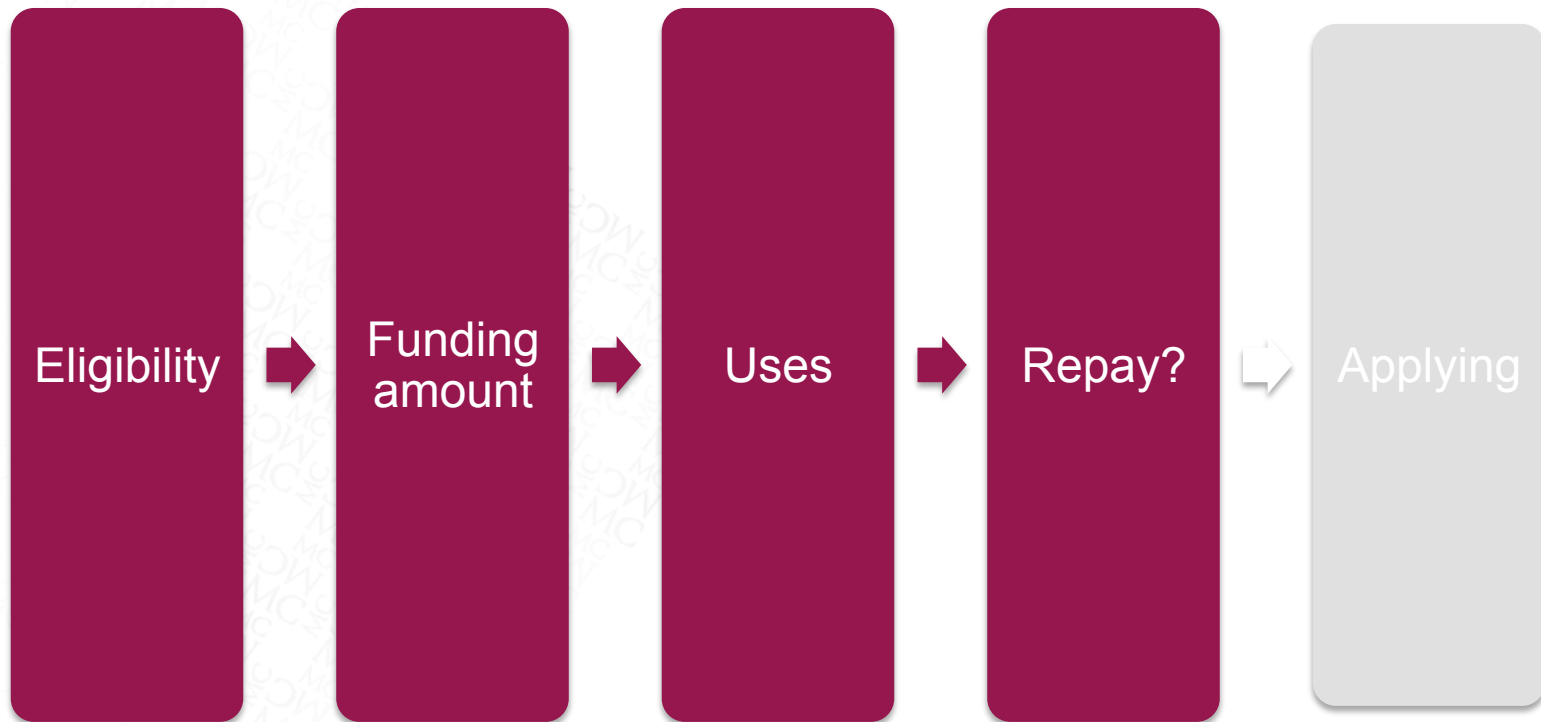


Let's Chat!



Repayment

COVID-19 Relief Funding for Small Businesses



Do I Have to Pay the Loan Back?

- Paycheck Protection
 - Forgivable “8 week period”
 - # employees same as before
 - Salaries & wages don't decrease more than 25%
 - Minimum 75% payroll
- Economic Injury Disaster
 - \$10,000 Advance forgivable
 - Based on number of employees as of 1/31/20
 - \$1,000 per employee



Loan Conditions

Paycheck Protection Program

- Repaid over two years
- Annual fixed rate 1%
- Payments deferred 6 months
 - Interest continues to accrue
- No collateral or guarantees



Loan Conditions

Economic Injury Disaster Loan

- Repaid over up to 30 years
- Annual rate not to exceed
 - 3.75% (small businesses)
 - 2.75% (non-profit organizations)
- Principal and interest payments deferred for one year
 - Interest continues to accrue
- Terms on case-by-case basis
 - Over \$25,000 requires collateral
 - Over \$200,000 requires guarantee



When and What Will I Owe?

Paycheck Protection Program

- Due in 2 years
 - No prepayment penalties or fees
- Calculation of amount forgiven after June 30
- Submit request to lender for forgiveness
 - Decision within 60 days



When and What Will I Owe?

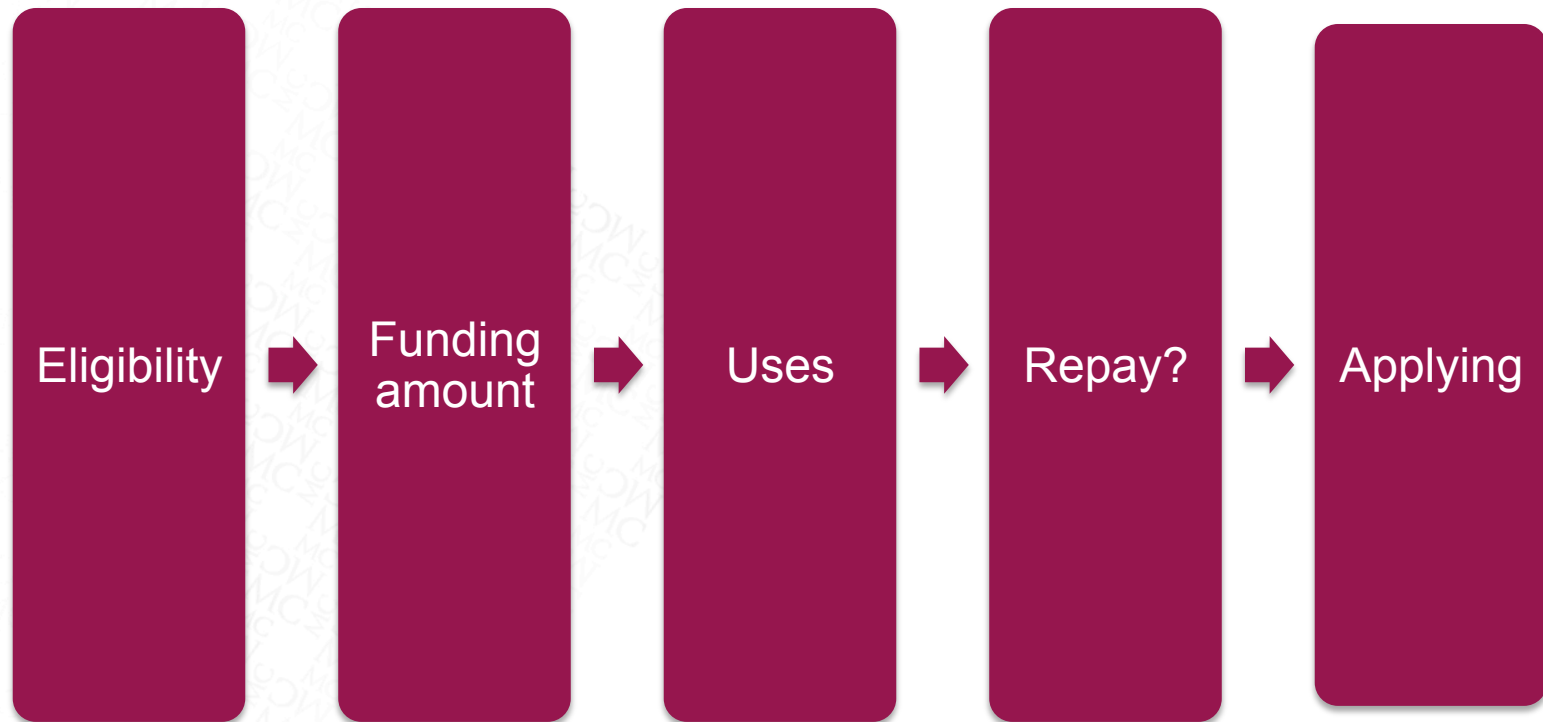
Economic Injury Disaster Loan

- Due in 30 years or less
 - No prepayment penalties or fees
- \$10,000 Advance loan doesn't have to be repaid if used for payroll, even if denied full EIDL loan later



Applying

COVID-19 relief funding for small businesses



Applying to PPP

- No need to reapply
- Borrower application form
 - Business contact info
 - Average monthly payroll
 - Number of jobs
 - Purpose of loan
 - Owners with 20% ownership status
- <https://www.sba.gov/document/sba-form--paycheck-protection-program-borrower-application-form>



Paycheck Protection Program Borrower Application Form

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

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other	DBA or Tradename if Applicable McMillen Coaching & Consulting
Business Legal Name	
McMillen and McMillen LLC	
Business Address	
5211 Boxwood Drive Apex NC 27502	
Business TIN (EIN, SSN)	Business Phone
832333655	919303-5579
Primary Contact	Email Address
Serena McMillen	mcmillenc@gmail.com

Average Monthly Payroll:	\$ 3000	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$ 3750	Number of Employees: 3
Purpose of the loan (select more than one):				
<input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> 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
Serena McMillen	CEO	50	123456789	5211 Boxwood Drive Apex NC
John McMillen	CFO	50	987654321	5211 Boxwood Drive Apex NC

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No

Submit PPP Application

- Application & documentation to approved lender
 - Any existing SBA 7(a) lender
 - Any federally insured depository institution
 - Any federally insured credit union
 - Participating Farm Credit System institution
 - SBA searchable database of approved lenders
 - <https://www.sba.gov/paycheckprotection/find>



Submit EIDL Application

- Check box for consideration of \$10,000 Advance loan
- If already applied, can reapply to receive emergency Advance
- Applications directly through SBA website

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

- Assigned loan officer



Resources

- Small Business Association
 - <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
- US Chamber of Commerce
 - <https://www.uschamber.com/report/guide-small-business-covid-19-emergency-loans>
- America's Small Business Development Center
 - <https://americassbdc.org/covid19/>
- NC Department of Commerce Resource Center
 - <https://www.nccommerce.com/news/solutions-covid-19/business-resources>
- NC COVID-19 Rapid Recovery Loan Program
 - <https://ncrapidrecovery.org/>
- COVID-19 Capital Relief Database
 - <https://bit.ly/COVID19CapitalRelief>

Questions & Answers



Conclusion

- Several options for COVID-19 relief funding
- Apply ASAP!!!
- Gather documents to streamline process
- Feedback-only a few minutes
- Recording & resources



Further Questions?

Thank you!

Janey Sturtz McMillen

Director of Sponsored Programs

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