



Small Business COVID-19 Relief Options

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Agenda

- A. SBA Small Business Relief Program
 - i. SBA Economic Injury Disaster Loan (EIDL)
 - ii. SBA Paycheck Protection Program (PPP)
- B. Resource Available for Small Business
- C. Q & A

Economic Injury Disaster Loan (EIDL)

- Program started on January 31, 2020 and is scheduled to end on December 31, 2020;
- Provide immediate economic relief to small businesses that has been affected by COVID-19;
- Eligibility
 - a) Sole Prop, Independent Contractors, Self Employed, Private Non Profit, Veteran Organization;
 - b) Less than 500 employees; In certain industries that have more than 500 employees, have to check size standard for their respective industries.
 - c) Agricultural businesses includes those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).

Economic Injury Disaster Loan (EIDL)

- Use of Proceed – Working Capital
 - a) Payroll cost inclusive of benefits, such as health care;
 - b) Accounts payable;
 - c) Rent;
 - d) Fixed debt obligation;
 - e) Other bills that can't be paid.

NOTE: Can not be used for refinancing existing debts;
It does not cover lost sales/income either.

Economic Injury Disaster Loan (EIDL)

- Loan term –
 - a) Term can be up to 7, 15, or 30 years depend on a number of factors;
 - b) Loan amount can be up to \$2M;
 - c) Interest Rate – 3.75% for businesses / 2.75% for non-profits;
 - d) Collateral – Unsecured up to \$25K and anything over, it will require collateral available;
 - e) Payment Deferral – 1 year term however interest continue to accrue;
 - f) Fee – No Fee.

Economic Injury Disaster Loan (EIDL)

- Special feature
 - a) Emergency Advance – UP TO \$10K;
 - b) \$1K per employee;
 - c) Must have been in operation as of 01/31/2020;
 - d) If application denied, don't have to pay back;
 - e) Proceed has to be used toward payroll, pay sick leave to employees, rent, fixed obligations that can't be paid due to COVID-19.

Economic Injury Disaster Loan (EIDL)

- To Apply: <https://covid19relief.sba.gov/>

The screenshot shows the SBA website for the COVID-19 Economic Injury Disaster Loan application. At the top, the browser address bar shows 'covid19relief.sba.gov/#/'. The SBA logo and 'U.S. Small Business Administration' are on the left, and 'OMB Control #3245-0406' and 'Expiration Date: 09/30/2020' are on the right. A grey banner reads 'Disaster Loan Assistance' and 'Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters'. Below this is a red heading 'COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION'. A horizontal progress bar contains five steps: 'DISCLOSURES' (document icon), 'BUSINESS INFORMATION' (house icon), 'BUSINESS OWNERS INFORMATION' (person icon), 'ADDITIONAL INFORMATION' (document icon), and 'SUMMARY' (checkmark icon). The 'DISCLOSURES' step is highlighted with a blue circle. Below the progress bar is the section 'STREAMLINED PROCESS REQUIREMENTS' with three paragraphs of text. At the bottom of the page is the heading 'ELIGIBLE ENTITY VERIFICATION'.

covid19relief.sba.gov/#/

SBA U.S. Small Business Administration

OMB Control #3245-0406
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

Economic Injury Disaster Loan (EIDL)

June 21, 2020

SBA Disaster Assistance Update Nationwide EIDL Loans / COVID-19

Loans Approved	1,775,539	Dollars Approved	\$113,307,061,331
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STATE	APPROVED	DOLLARS	STATE	APPROVED	DOLLARS
New Mexico	8,632	\$ 520,059,923	Utah	14,159	\$ 963,713,157
New York	135,099	\$ 9,181,208,301	Vermont	3,976	\$ 231,485,410
North Carolina	44,443	\$ 2,619,790,412	Virginia	37,787	\$ 2,465,993,666
North Dakota	3,617	\$ 248,024,500	Washington	37,808	\$ 2,595,030,955
Ohio	39,714	\$ 2,407,272,320	West Virginia	4,396	\$ 258,362,300
Oklahoma	17,498	\$ 1,093,212,242	Wisconsin	20,349	\$ 1,198,179,400
Oregon	23,876	\$ 1,461,554,641	Wyoming	3,178	\$ 199,621,300
Pennsylvania	50,117	\$ 3,099,081,982	American Samoa	70	\$ 4,247,300
Rhode Island	5,596	\$ 349,627,700	District of Columbia	4,517	\$ 368,692,399
South Carolina	22,857	\$ 1,294,749,345	Guam	901	\$ 55,022,700
South Dakota	4,618	\$ 291,686,095	N. Mariana Islands	169	\$ 11,090,000
Tennessee	25,411	\$ 1,517,709,655	Puerto Rico	9,477	\$ 545,862,800
Texas	149,792	\$ 9,584,177,957	U.S. Virgin Islands	933	\$ 56,922,300

Figures as of 6/20/20



Paycheck Protection Program (PPP)

- Started on March 13, 2020 and is scheduled to end on June 30, 2020 or until funds made available are exhausted;
- Provide incentive for small businesses to keep their employees on payroll;
- Not a direct loan with SBA, have to apply with participating SBA Lenders on Guam;
- Special Incentive:
 - a) Loan Forgiveness if employers keep all employees on payroll for eight week after receiving the loan; 60% of loan proceed has to be contribute to payroll while 40% can be used for non payroll cost.

Paycheck Protection Program (PPP)

- Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard);
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
 - 500 employees, or
 - That meets the SBA industry size standard if more than 500 or
 - Any business with a NAICS Code that begins with 72 or (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location or
 - Sole proprietors, independent contractors, and self-employed persons.

Paycheck Protection Program (PPP)

- Use of Proceed –
 - a) Eligible Payroll cost –
 - i. Salary, Wages, Commission or similar compensation (cap at \$100K);
 - ii. Payment of cash tips or equivalent;
 - iii. Payment on vacation, parental, family, medical, or sick leave;
 - iv. Allowance for dismissal or separation;
 - v. Payment required for group health care benefits, including insurance premiums;
 - vi. Payment of any retirement benefits;
 - vii. Payment of State and local tax assessed on the compensation of employees.

Paycheck Protection Program (PPP)

- Use of Proceed – (Cont.)
 - a) Following expenses in place on or before Feb 15, 2020
 - i. Interest on mortgage;
 - ii. Rent;
 - iii. Utilities;
- Only one PPP per borrower, can't re-apply after application has been processed.

Paycheck Protection Program (PPP)

- Loan term –
 - a) Term can be up to 5 years;
 - b) Loan amount can be up to 250% of average payroll cost from past year;
 - c) Interest Rate – fixed rate for businesses;
 - d) No collateral and personal guarantee;
 - e) Fee – No fee;
 - f) Payment Deferral – 6 months however interest continue to accrue.

Paycheck Protection Program (PPP)

- Exclusion
 - a) Any compensation of an employee whose principal place of residence is outside of US;
 - b) Compensation of an individual employee in excess of annual salary of \$100K, prorated as necessary;
 - c) Federal Employment Taxes imposed or withheld – Employer and employee's share and income taxes required to be withheld from employees;
 - d) Qualified sick and family leave wages for which a credit is allowed under Section 7001 and 7003 of FFCRA (Public law 116-127).

Paycheck Protection Program (PPP)

- Calculation of Maximum Loan Amounts
 - a) For self employed without employees
 - ✓ 2019 Form 1040 Schedule C line 31 net profit
 - (-) Amount over \$100K
 - (/) By Twelve = Average monthly net profit amount
 - (X) 2.5 times
 - (+) any outstanding amount of EIDL if seeking refinance
 - (-) SBA EIDL advance

NOTE: <https://home.treasury.gov/system/files/136/How-to-Calculate-Loan-Amounts.pdf>

Paycheck Protection Program (PPP)

- To Apply:
 - a) Complete loan application form:
<https://www.sba.gov/sites/default/files/2020-04/PPP%20Borrower%20Application%20Form.pdf>
 - b) Payroll Information documentation – IRS Form 941, W3SS, 1099 Misc. Quarterly Report;
 - c) Other document required by financial institution
 - d) Each lender will require different documentation, please contact SBA lenders to find out.

Paycheck Protection Program (PPP)

States and Territories

State	Loan Count	Net Dollars
AK	10,523	\$1,226,779,393
AL	63,121	\$6,133,082,094
AR	41,449	\$3,288,704,224
AS	156	\$7,300,565
AZ	77,469	\$8,520,213,630
CA	550,786	\$67,151,771,059
CO	101,038	\$10,270,215,384
CT	58,257	\$6,628,795,320
DC	11,825	\$2,119,014,772
DE	12,046	\$1,472,184,589
FL	368,459	\$31,243,298,708
GA	145,623	\$14,163,368,242
GU	2,036	\$194,161,761
HI	24,036	\$2,474,132,157
IA	56,603	\$5,048,619,299
ID	29,336	\$2,553,027,684
IL	192,727	\$22,233,685,117
IN	76,056	\$9,402,888,512
KS	50,522	\$4,958,578,474
KY	46,966	\$5,202,162,958

State	Loan Count	Net Dollars
LA	70,573	\$7,269,488,528
MA	108,925	\$14,199,057,483
MD	77,288	\$9,901,301,566
ME	26,400	\$2,228,185,817
MI	116,671	\$15,812,206,905
MN	94,676	\$11,109,492,485
MO	88,740	\$9,075,510,168
MP	440	\$38,159,067
MS	44,121	\$3,142,240,687
MT	22,583	\$1,753,302,235
NC	116,858	\$12,293,397,048
ND	19,319	\$1,757,412,007
NE	41,361	\$3,406,735,275
NH	23,011	\$2,523,897,886
NJ	139,919	\$16,972,372,250
NM	21,201	\$2,218,565,298
NV	40,060	\$4,068,833,898
NY	305,774	\$37,764,342,889
OH	134,574	\$18,210,830,774
OK	62,805	\$5,410,350,463

State	Loan Count	Net Dollars
OR	60,060	\$6,864,040,749
PA	160,452	\$20,554,873,017
PR	34,538	\$1,761,241,545
RI	16,620	\$1,865,533,955
SC	60,871	\$5,674,918,865
SD	21,752	\$1,651,402,470
TN	89,170	\$8,817,129,390
TX	372,077	\$40,535,431,650
UT	49,343	\$5,210,457,754
VA	104,963	\$12,480,799,669
VI	1,620	\$120,386,515
VT	11,473	\$1,176,053,186
WA	96,589	\$12,151,909,685
WI	82,715	\$9,811,664,163
WV	16,830	\$1,783,456,999
WY	12,985	\$1,026,717,474
To be confirmed	169	\$6,106,158

Resource Available For Business



www.pacificsbdc.com

- Guam SBDC offers:
 - a) FREE one on one counseling;
 - ❖ Fred Granillo
 - ❖ Jane Ray
 - ❖ Angel Paulino
 - b) Trainings
 - Start up / Business Mgmt



Q & A

Send in your questions in the chat box or contact us directly!

GUAM SBDC

Phone: (671) 735-2590

Email: sbdc@pacificsbdc.com

SBA Guam Office

(671) 472-7419

guamgeneral@sba.gov