Small Business Workshop: Applying for Federal Relief Funds

April 10, 2020
Agenda

Welcome
Overview Paycheck Protection Program and Economic Injury Disaster Loan
Local Business Resources
Question and Answer
Conclude
In addition to traditional SBA funding programs, the CARES Act established several new temporary programs to address the COVID-19 outbreak.

**Paycheck Protection Program**
This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.

**EIDL Loan Advance**
This loan advance will provide up to $10,000 of economic relief to businesses that are currently experiencing temporary difficulties.

**SBA Express Bridge Loans**
Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to $25,000 quickly.

**SBA Debt Relief**
The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.

https://www.sba.gov/funding-programs/loans/coronavirus-relief-options
Paycheck Protection Program Overview

PPP Loan Background and Application Window
- April 3-June 30, 2020

Who is Eligible?
The following types of companies with fewer than 500 employees:
- Small Businesses
- 501(c) 3 Nonprofits
- 501(c)19 Veteran’s Organizations
- Tribal Business Concerns
- Sole Proprietorship
- Independent Contractor
- Self-Employed Individuals
Paycheck Protection Program Overview

Who is Eligible?

In Addition: Some special rules MAY make you eligible*

- Accommodation and Food Services Sector (NAICS 72)*
- Operate as a franchise or receive financial assistance from SBIC*

500-employee rule is applied on a per physical location basis
What Am I Eligible For?
Loans can be up to 2.5 x the borrower’s average monthly payroll costs, not to exceed $10 million

Eligible expenses could include:
- Payroll costs
- Interest on the mortgage
- Payments on utilities
- For borrowers with tipped employees, additional wages paid to those employees
Paycheck Protection Program Overview

How Much of My Loan Will Be Forgiven?

- Money used primarily to keep your workers on payroll for the 8 weeks following receipt of the loan may be forgiven.

- A borrower is eligible for loan forgiveness equal to the amount spent on the following items during the 8-week period beginning on the date of the origination of the loan:
  - Payroll costs
  - Interest on the mortgage
  - Payments on utilities
  - For borrowers with tipped employees, additional wages paid to those employees

How could the forgiveness be reduced?

The amount of loan forgiveness could be reduced if there is a reduction in the number of employees or a reduction of greater than 25% in wages paid to employees.
Paycheck Protection Program Overview

What will banks be looking for in determining eligibility?

- Borrower was in operation before February 15, 2020 and had employees for whom they paid salaries and payroll taxes or paid independent contractors
- Other items could include payroll filings, Forms 1099-MISC, income/expense
- Good faith certification that:
  - The current economic conditions makes the loan request necessary to support ongoing operations
  - Borrower will use to retain workers and maintain payroll or make mortgage, lease, and utility payments
  - Borrower does not have an application pending for a loan duplicative of the purpose and amounts applied for
  - From Feb. 15, 2020 to Dec. 31, 2020, the borrower has not received a loan duplicative of the purpose and amounts applied for
How do I Calculate My Average Monthly Payroll Costs?

Included Payroll Costs - Excluded Payroll Costs = Payroll Costs

**Included Payroll Cost**

For Employers:
- 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
  - 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

For Sole Proprietors, Independent Contractors, and Self-Employed:
- 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 in an amount that is not more than $100,000 in one year, as pro-rated for the covered period
**How do I Calculate My Average Monthly Payroll Costs?**

**Included Payroll Costs - Excluded Payroll Costs = Payroll Costs**

**Excluded Payroll Cost**

- Compensation of an individual in excess of an annual salary of $100,000, as prorated for the period February 15, to June 30, 2020
- Payroll taxes, railroad retirement taxes, and income taxes
- Any compensation of an employee whose principal place of residence is outside of the US
- Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response 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 Overview

Where Do I Apply?

- Check with your lending institution first
- Small Business Administration has a searchable list of participating banks at: https://www.sba.gov/paycheckprotection/find
- Local Banks you might try:
  - Alliance Credit Union
  - Central Bank of St. Louis
  - Commerce Bank
  - Enterprise Bank & Trust*
  - First Community Credit Union
  - Midland Bank
  - Midwest Regional Bank
  - PNC Bank
  - Scott Credit Union*
  - St. John’s Bank & Trust
  - Together Credit Union
  - US Bank*
  - West community Credit Union

*Lenders we know are accepting applications from small businesses that are not current clients*
Paycheck Protection Program (PPP) Application Process

Documents to Verify Loan Amount:

1) Copies of payroll tax reports filed with the IRS (including Forms 941, 940, state income and unemployment tax filing reports) for the entire year of 2019 and first quarter of 2020

2) Copies of Payroll reports for each pay period for the preceding 12 months. Such reports should include gross wages including PTO (which may include vacation, sick and other PTO). This includes payroll reports through pay period preceding the origination of the subject application.

3) Documentation reflecting the health of insurance premiums paid by the company under a group health plan including owners of the company for the immediately preceding 12 months prior to the date of the SBA loan origination. Copies of the monthly invoices should suffice.

4) Documentation of all retirement plan funding by the employer for the immediately preceding 12 months. Copies of workpapers, schedules, and remittances to the retirement plan administrator should be sufficient.
Paycheck Protection Program (PPP)
Application Process

What are the steps?
Our current PPP process is seven steps. These steps may change over the next few days as we receive additional guidance from the SBA.

Initial application and certification
You fill out some basic information about your business, payroll expenses and needs, and certify your information is correct. For some applicants, we may require certification from additional owners.

Application review
U.S. Bank reviews your business’ application. This step may require you to submit supplemental documentation and verification, based on your business situation.

Document submission
U.S. Bank will request specific documentation required for your loan, which you can upload to our loan portal. This will include tax returns and payroll history. Other documents will depend on your business specific needs.
Paycheck Protection Program (PPP) Application Process

Payroll review
U.S. Bank will review payroll based on the documentation provided. We may request additional documentation or clarification as we go through this process.

Submittal to SBA
U.S. Bank submits the application to the SBA for review.

E-signing
Once loan is confirmed by the SBA, you sign the documents electronically.

Disbursement
U.S. Bank distributes the funds via ACH to your account within 24 hours of signing if you are a current business client. Within 48 hours to non business clients.
Paycheck Protection Program (PPP) Application Process

For additional information, please reach out to:

Brian C. Buster  
VP Commercial Lender  
St. Johns Bank  
bbuster@stjohnsbank.com

Elizabeth Wade  
U.S. Bank Business Banker  
Cell: 636-233-7930  
elizabeth.wade@usbank.com
SBA EIDL PROGRAM

HOW TO APPLY
The U.S. Small Business Administration is offering low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

SBA’s Economic Injury Disaster Loans offer up to $2 million in assistance.

EIDL loans may be used to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact.

- The interest rate is 3.75% for small businesses
- Interest rate for non-profits is 2.75%

For questions, please contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov
STEPS TO COMPLETE THE EIDL APPLICATION

Apply at: https://covid19relief.sba.gov/#/

- Disclosures
- Business Information
- Business Owners Information
- Additional Information
- Summary & Submit
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:

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at https://www.sba.gov/size-standards.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at https://www.sba.gov/size-standards.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has 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 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, or a faith-based organization.
Review and Check All of the Following:

- Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):
- Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
- Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- Applicant is not in the business of lobbying.
- Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

If you have questions about this application or problems providing the required information, please contact our Customer Service Center at 1-800-659-2955 or (TTY: 1-800-877-8339) DisasterCustomerService@sba.gov.
BUSINESS INFORMATION

Business Legal Name *
Trade Name *
EIN/SSN for Sole Proprietorship *
Organization Type*
Is the Applicant a Non-Profit Organization? *
Yes
No
Is the Applicant a Franchise? *
Yes
No
Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *
Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *
Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster
Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)
Combined Annual Operating Expenses for the Twelve(12) Months Prior to the Date of the Disaster (January 31, 2020) for All Secular Social Services Provided by the Faith Based Entity
List the Secular Social Services Provided by the Faith Based Entity
State *
County
Zip *
Business Phone *
Alternative Business Phone
Business Fax
Business Email *
Date Business Established *
Current Ownership Since *
Business Activity *
Detailed Business Activity*
Number of Employees (As of January 31, 2020) *
BUSINESS OWNERS INFORMATION

Is Your Business Owned by a Business Entity?*
Owner/Agent 1
  First Name*
  Last Name*
  Mobile Phone*
  Title/Office*
  Ownership Percent*
  Email*
  SSN*
  Birth Date *
  Place of Birth*
  U.S. Citizen*

Residential Street Address*
  City*
  State*
  Zip*

(Add Additional Owner) – if applicable
• Answer 3 questions
• Provide information for anyone that assisted in completing the application, whether you paid a fee for service or not
• Check the box if you would like to be considered for an advance of up to $10,000
• Provide bank information to send funds including bank name, account number, and routing number
• Read the statement and check the box to certify that the information you provided was “true and correct”
SUMMARY & SUBMIT

• Review the information on the summary page to ensure all information is true and correct
• If everything is correct then you will submit
Zero-interest loan program

- For small businesses in the city of St. Louis and St. Louis County
- Businesses are eligible to apply for loans of up to $5,000 for working capital
- Port Authority $1 M Contribution
  - County Businesses
  - Priority in Promise Zone and Lemay areas

Additional Programs:

- Discretionary Grants – details coming
- Technical Assistance for SBA Funding
Your PTAC Professionals are here and ready to help you to identify bid opportunities with government contracts, one-on-one virtual counselling, and resources to grow your businesses.

• Important resources
  • BETA SAM  Disaster Recovery Registry
  • Army Corps of Engineers
  • FEMA Website

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Missouri Procurement Technical Assistance Center
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Kirkwood, MO 63122
(314) 400-7378
dcrobertson@missouri.edu
http://missouribusiness.net/ptac
Website

www.mosourcelink.com
COVID-19: The Resource Navigator

https://www.mosourcelink.com/l/coronavirus-business-resources/partners
Small Business Financing during COVID-19

Need more resources for your business? Call our hotline at 816-235-6500.

Last update: 4/8/2020

Small Business Financing during COVID-19

Need help figuring out the best way to manage your business finances through the coronavirus pandemic?

Explore the questions and topics below . . .
around cash flow, cash management and disaster relief funds to get a quick summary of what program or path might be right for you.

Fill out the Financial Assistance Request form.
We can help determine if you are ready to apply for financial assistance and which program(s) (local, state or federal) might be the best fit.

Talk with a counselor.
The Missouri SBDC, Kansas SBDC, Women’s Business Center and SCORE can help you with financial projections to determine your cash-flow needs and repayment ability, how you can be the best-qualified applicant for assistance, as well as other help and questions you might have about your business.

We’re here to help you determine if you are ready to apply for financial assistance and which program(s) (local, state or federal) might be the best fit.

Tell us more about your business and what you need.

Help my business find funding.

!!! ACTION UPDATE !!! 3/30/2020
Curious about the recently passed CARES Act and what it means for your business? Download the Small Business Owner’s Guide to the CARES Act.

www.mosourcelink.com/covidfinance
COVID-19 Financial Assistance Request

1. Please enter your name. *
   First Name
   Last Name

2. What is your company's name?

3. What is your preferred email address to receive our email communications? *

4. What is your work phone number?
   ex: (xxx) xxx-xxxx

5. Please enter your business five digit zip code. *

6. How many full-time jobs (35 hours or more per week) does your business have? Include yourself if you work full-time. *
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<td>Congresswoman: Something Extra Live Podcast Recording with Strategizer</td>
<td>Winning Government Contracts: The First Make Your Website Work for You</td>
<td>Work Remote from Home Startup Talent Showcase</td>
<td>OWN IT, A Summit for Women’s Leadership Payroll for Small Business</td>
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[www.mosourcelink.com/calendar](http://www.mosourcelink.com/calendar)
Provide a helpdesk, hotline and triage center to help entrepreneurs connect with you

866-870-6500
Caitlin Jones
Network Navigator, MOSourceLink

funding mentors connections marketing business planning

www.mosourcelink.com/myplan
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