

COVID RESOURCES FOR BUSINESS

Current as of **April 6, 2019**

Table of Contents:

SBA COVID Loan Comparison Chart	Page 2
SBA Paycheck Protection Program in Detail	Page 3
SBA Economic Injury Disaster Advance Loan in Detail	Page 5
SBA Express Bridge Loan in Detail	Page 6
Local Assistance Programs	Page 7
Indiana Unemployment Insurance COVID Employer FAQ	Page 8

SBA Website for All COVID Funding Options and Resources-

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Other Resources:

Department of Labor Families First Coronavirus Response Act (FFCRA or Act) Website:

<https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>

Key Contacts:

Local Resources -

- City of Crawfordsville, 765-364-5160
City's COVID Updates Web Portal:
<https://www.crawfordsville.net/department/index.php?structureid=84>
- Crawfordsville/Montgomery County Chamber of Commerce, 765-362-6800
Web Portal #alltogethernow: <https://www.crawfordsvillechamber.com/businesshub54.html>

Free Business Counseling and Other Business Assistance -

Hoosier Heartland Indiana Small Business Development Center, 765-454-7922

Loan Comparison

EIDL, PPP, EBL

	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)	SBA Express Bridge Loan (EBL)
Eligibility	Any business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations. Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.	Any business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations. Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.	Any business in operation before March 13, 2020, that meets the SBA's Size Standards (predicated or NAICS code and annual revenue).
Lender	SBA	Any SBA 7(a) lender, federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating.	SBA Express Lenders, must have an existing relationship
Term	30 years	2 years	Maximum of 7 years. Must be structured as a term loan.
Amount	up to 2 million	Up to two months of average monthly payroll costs from the last year plus an additional 25% of that amount - capped at \$10 million.	up to \$25,000
Interest Rate	3.75% for small businesses, 2.5% for private non-profits	1%	Not to exceed Prime + 6.5%, fixed or variable
Security	Unsecured up to 25K; loans of over 25K will need to give the SBA access to collateral, that does not mean that you need to have your loan fully collateralized, but if you have collateral it will be used.	None	None
Payment Deferral	1 year	6 months	N/A
Forgiveness	If approved for EIDL, any loan advance you received (up to \$10,000) will be applied to the loan. The advance does not need to be repaid.	The amount spent by the borrower during an 8-week period after the origination date of the loan on: payroll costs, interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020. Employee and compensation levels must be maintained and payroll cost capped at \$100,000 on an annualized basis for each employee. Any advance amount received under the Emergency Economic Injury Grant Program will be subtracted from the amount forgiven.	None
Loan Availability Period	January 31, 2020 – December 31, 2020	February 15, 2020 - June 30, 2020	March 13, 2020 - September 13, 2020
Prohibitions	Cannot be used to pay off existing debt.	Borrower cannot use EIDL and PPP for the same expenses.	Borrower may obtain only one EBL.
How to Apply	<u>Online: https://covid19relief.sba.gov/#/</u>	Contact your current lender or use SBA Lender Match to find a participating lender.	Contact your current lender.

SBA Paycheck Protection Loan Information

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

You can apply through any existing SBA 7(a) 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 in the program.

Lenders began processing loan applications on April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020.

Who Can Apply

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.

Small businesses in the hospitality and food industry with more than one location could also be eligible if their individual locations employ less than 500 workers.

To Apply for the Paycheck Protection Program
FIND A LENDER

Loan Information

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

You can apply through any existing SBA 7(a) 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 in the program.

Lenders may begin processing loan applications as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020.

Loan Details and Forgiveness

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a maturity of 2 years and an interest rate of 1%.

Click here to download a copy of the [PPP borrower application form](#) to see the information that will be requested from you when you apply with a lender.

SBA Economic Injury Disaster Advance Loan

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.

This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application. This loan advance will not have to be repaid.

Apply for the Loan Advance [here](#).

SBA Express Bridge Loan Pilot Program

Allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster Loan. If a small business has an urgent need for cash while waiting for decision and disbursement on an Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

Terms

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan



COVID FUNDING RESOURCES

Please watch for announcements coming soon on the City's new COVID funding assistance programs for small business

Indiana Unemployment Insurance
EMPLOYER FREQUENTLY ASKED QUESTIONS for COVID-19 work-related issues
Updated April 5, 2020

Q1. If I lay people off due to COVID-19, will it affect my Merit rate / tax rate next year?

A1. Layoffs due to COVID-19 will not be charged to contributory employers, but will be mutualized to the entire contributory employer pool. More information regarding this will be sent to employers soon. Layoffs by reimbursable employers will be charged to the employer dollar-for-dollar, in the same manner they have always been charged, but a retroactive credit of 50% of the charges will be applied to the account once reimbursement is received under the federal CARES Act.

Q2. Is DWD going to waive penalties and interest for late filing of Quarterly Wage reports and for contribution payments first quarter 2020?

A2. Yes. DWD will waive penalties and interest for 31 days. Reports and payments made on or before 05/31/2020 will not be assessed any penalty or interest.

Q3. If I lay-off workers and pay their healthcare insurance coverage through COBRA, how does that impact unemployment insurance (UI) benefits?

A3. If you pay for your employees' COBRA coverage, this is considered deductible income and must be reported to DWD and could impact the amount of UI benefits a claimant is eligible to receive.

Q4. If I reduce my employees' hours but they are still employed, are they still eligible for UI benefits?

A4: They may be eligible for benefits, but part-time employment during the week claimed will reduce the amount of benefits paid for that week. If employees do work while receiving benefits, those employees must report any money earned on the voucher for the week they worked (not the week they ultimately get paid for the work). Failure to report money they earned is fraud and can result in denial of benefits, collections actions, and criminal prosecution.

Q5. If I pay my employees a bonus during the period of separation, will they be eligible for UI benefits?

A5. Maybe. If you make payments to your employees while they are collecting UI, they may have to declare the payment as deductible income. Sick pay, vacation pay, severance pay, payment in lieu of notice, and holiday pay are all deductible income for the claimant. Bonuses are wages for tax purposes, but they are not deductible income for the claimant, thus they do not impact the employee's UI benefits.

Q6. If my employees are independent contractors or I am self-employed, are regular unemployment insurance benefits available?

A6. No. Independent contractors and the self-employed are not engaged in covered employment for the purposes of UI, so benefits would not be available. They are likely eligible for Pandemic Unemployment Assistance (PUA) under the federal CARES Act. More information on that program will be provided as soon as available.

Q7. If I am a church or church daycare, will my workers be eligible for UI benefits?

Q7. No, employees of churches and church daycares are not engaged in covered employment, for the purposes of UI, so benefits would not be available.

A7. They may be eligible for Pandemic Unemployment Assistance (PUA) under the federal CARES Act. More information on that program will be provided as soon as available.

Q8. Is the one-week waiting period for UI benefits being waived?

A8. Yes. The one-week waiting period for payment of UI was waived by the Governor's Executive Order on March 26, 2020. The waiver is retroactive to the week of March 8, 2020. This means that benefits will be paid for the first week the individual is eligible. This week of benefits may not appear immediately in the claimant's account, but DWD is working diligently to get this week added on each eligible claim.

Q9. Can I receive and respond to UI claims electronically?

A9. Yes. For additional information about the DWD SIDES E-Response program, go to <https://www.in.gov/dwd/sides.htm>.

Q10. How can an employer file an appeal if they do not have access to a fax machine?

A10. If you receive a base period separation notice, 640R, and the workers are applying for UI benefits due to a COVID-19 layoff, you do not need to respond. Only complete and return the Unemployment Insurance Protest (Employer) form, 640P, if the reason for separation is Quit or Discharged for Cause. If you cannot fax any required 640P, you may mail the form

Indiana Department of Workforce Development
10 North Senate Ave. SE 005
Attn: 640P
Indianapolis, IN 46204

If you are responding to a Determination of Eligibility and you do not have access to a fax machine, you may file an appeal by emailing your appeal to AppealsDepartment@dwd.in.gov or by mailing your appeal to:

Indiana Department of Workforce Development

10 North Senate Ave.
Attn: Appeals Department
Indianapolis, IN 46204

For more information on filing your appeal, please go to the Indiana DWD website
<https://www.in.gov/dwd/2356.htm>

Q11. How do I know if I am an essential business?

A11. The Governor has set up a call center to address employer questions on essential businesses. This is for business and industry questions only: 877-820-0890 or covidresponse@iedc.in.gov.

Q12. Do I have to provide information on unemployment insurance to my employees prior to lay off or separation from employment?

A12. Yes, you have a legal obligation to provide unemployment insurance benefits information prior to layoff or separation from employment. This notice can be provided to your employees as a letter, email, text message, or flyer/poster. DWD is asking for assistance from employers. If you have the means to assist your employees by allowing them to file from a computer from your business, please assist as you can. Any assistance you can provide in getting these important benefits to your employees is greatly appreciated.

Below is approved language:

Unemployment Insurance (UI) benefits are available to workers who are unemployed and who meet the requirements of state UI eligibility laws. You may file a UI claim in the first week that employment stops or work hours are reduced.

For assistance or more information about filing a UI claim or questions about the status of your UI claim once filed, visit www.Unemployment.IN.gov. You will need to provide the state UI agency with the following information in order for the state to process your claim:

- A valid email account – your email address will become your Uplink Username.
- Driver's license or valid ID, address, Social Security number, date of birth and phone number.
- Last employer's name, mailing address, phone number, dates of employment and reason you are unemployed.
- Bank routing number and account number if choosing direct deposit as your payment option (NOTE: Key2Benefits prepaid MasterCard® is also available).