

PAYCHECK PROTECTION PROGRAM ECONOMIC INJURY DISASTER LOAN SHUTTERED VENUE GRANT

Courtney Curatolo, Ph.D.

Director, Small Business Development Center at JCC

January 19, 2021



U.S. Small Business
Administration

Small Business Development Center at JCC

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ECONOMIC AID ACT

First Draw - Paycheck Protection Program

Second Draw - PPP

Apply for this funding until March 31, 2021

WHO IS ELIGIBLE?

- Small businesses; independent contractors; eligible self-employed individuals; sole proprietors; nonprofit organization; veterans' organizations; Tribal businesses; housing cooperative; small agricultural cooperatives; eligible 501(c)(6) organizations; destination marketing organizations; eligible nonprofit news organizations
- In operation February 15, 2020
- Under 300 employees
- For the 2nd draw of PPP, you must also prove you had a **25% revenue reduction** in at least one quarter of 2020 compared to the same quarter in 2019.

SEASONAL BUSINESSES

- If business was in operation for any 12- week period between February 15, 2019-February 15, 2020.
- Seasonal business is defined if you are not in business for more than 7 months in a calendar year or during the preceding calendar year, you had gross receipts for any 6 months of that year not exceeding 33.33% of gross receipts for the other 6 months of that year.
- To calculate your average payroll, select any 12 - week period you were in business.

WHO IS INELIGIBLE?

- Businesses that plan to apply for the **shuttered venue** funding cannot apply for the PPP program.
- If your business has permanently closed or you are in bankruptcy you are ineligible to apply for PPP.

HOW TO CALCULATE MAXIMUM LOAN AMOUNT

- Businesses can use either 2019 OR 2020 for **calculating maximum loan amount**. For those who did not apply for the first round of PPP, use 2020.
- Calculate average monthly payroll costs and multiple by **2.5**.

*IF you are in the accommodations or food services business with a NAICS code starting with 72, you can multiple by **3.5...if you are applying for the 2nd time**. If you are applying for the first time and are NAICS 72, then you would multiple by 2.5.

REQUIRED DOCUMENTS

- Payroll records, payroll tax filings, Form 1099, Schedule C or F, income and expenses for a sole proprietorship, and/or bank records.
- IF you applied the first time and are using the same lender, you will not need to resubmit these documents.
- Most banks I have spoken to believe their portals will be opening sometime this week to accept both First Draw and Second Draw applications.

WHAT CAN PPP BE SPENT ON?

- Payroll costs; including benefits, mortgage interest, rent, utilities, worker protection costs related to COVID-19; uninsured property damage costs caused by looting or vandalism; interest payments on any other debt obligations incurred before February 15, 2020.
- You can also pay for operations expenditures such as payments for any business software or cloud computing services that facilitates business operations; product or service delivery; the processing, payment, or tracking of payroll expenses; human resource; sales and billing functions; accounting or tracking of supplies, inventory, records and expenses.
- **60% MUST** be spent on payroll.
- **Employee Retention Tax Credit**-you can now use both the ERTC and the PPP but you cannot use them on the **same dollars**.

FORGIVENESS!

- You must submit an **application for forgiveness** within 10 months after the end of your loan period (date you receive the loan from your bank).
- If you receive **under \$150,000** - you will need to submit a forgiveness application and certify that you spent the money properly. You will not need to submit documentation to prove this information, but you need to save your records for 4 years.
- If you received the **EIDL Advance**, and already started paying it back to the bank, these funds will be returned to you.
- Tax Update: You can deduct expenses and you don't need to show PPP as income.

ECONOMIC INJURY DISASTER LOAN (EIDL)

- Applications can be submitted now at:
<https://covid19relief.sba.gov/#/>
- Businesses who applied previously and did not receive the Advance OR did not receive the full amount of \$10,000 do not need to reapply in order to receive the advance.
- If you did not apply previously, I recommend you do so now. (This is not a guarantee you will receive the Advance.)
- You can accept the Advance, but decline the loan.

SHUTTERED VENUE GRANT

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/shuttered-venue-operators-grant>

- Eligible applicants may qualify for SVO Grants equal to **45% of their gross earned revenue**, with the maximum amount available for a single grant award of \$10 million. **\$2 billion is reserved for eligible applications with up to 50 full-time employees.**
- Must have been in operation as of Feb. 29, 2020
- Venue or promoter must not have received a PPP loan on or after Dec. 27, 2020
- Eligible entities include: Live venue operators or promoters, theatrical producers, live performing arts organization operators, relevant museum operators, zoos and aquariums (who meet specific criteria), motion picture theater operators, and talent representatives.

QUESTIONS

Contact the Small Business Development Center:

716-338-1024

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