

Available Resources for COVID-Impacted Businesses
Prepared for Columbia Chamber of Commerce
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Need guidance? [Connect with an SBA resource partner](#) for assistance preparing your financial records and creating a strategy for the weeks and months ahead.

Stay updated: Visit sba.gov/coronavirus for updates on the loan programs, guidance for businesses and employers, and other SBA resources.

Additional Resources for Small Businesses:

- **Funding:** [SBA 7\(a\), 504 and microloans](#), on which the SBA is offering [Debt Relief](#); or, [SBA Express Bridge Loans](#).
- **Subsidies for Current SBA Loan Payments** SBA will automatically pay the principal, fees, and interest that is owed on certain existing loans for six months. Interest will continue to accrue on the loans. Who is eligible? Current and future SBA 7(a), 504, and microloan loan holders. Future loan holders must have a loan issued prior to September 27, 2020. The [SBA COVID-19 response website](#) continues to be updated as more information becomes available. See SBA Debt Relief.
- **Tax Relief:** [IRS information](#) about tax relief for businesses.
- **Business License Relief.** IL Dept Financial and Professional Regulation (IDFPR) is providing relief from professional licensing requirements, including extensions for licenses due March through July and waivers from certain continuing education requirements. [IDFPR COVID-19 2020 Press Release](#).
- **Sales Tax penalties and interest Relief:** Late payment of sales taxes owed from February through April will be waived for eating and drinking establishments that incurred a sales tax responsibility of less than \$75,000 in CY2019. [Relief from Penalties for Late Sales Tax Payment COVID-19](#).
- **Additional State Reference Material:** [COVID-19 Stay At Home Executive Order No. 8](#) (extended to April 30th.); [Essential Business Checklist](#); [Essential Business Flowchart](#).
- **Local Resources:** The Monroe County Economic Development Corporation stands ready to assist with questions and/or help in accessing programs. Feel free to call Edie Koch at 618-806-4739 or ekoch@mciledc.com.

COVID-19 Relief Programs

LOANS:

STATE TREASURER SMALL BUSINESS COVID-19 RELIEF PROGRAM: Illinois small businesses can tap into \$250 M in low-interest bridge loans to help push through the COVID-19 pandemic. The Illinois State Treasurer's office will make funds available to Illinois banks and credit unions that wish to participate. Through this program, the Treasurer's Office would partner with approved financial institutions to provide loans -- either lower rate loans, or loans to a business or non-profit that would not otherwise qualify -- to Illinois small businesses impacted by the COVID-19 pandemic. More information at [Small Business COVID-19 Relief Program](#).

Eligible Businesses: Businesses or non-profits shut down or limited due to COVID-19 and have less than \$1M in liquid assets (OR) \$8M average annual receipts; (AND) are headquartered in IL and agree to use funds in IL.

Loan Amount: TBD.

Terms and Interest: Affordable loans not to exceed 4.75% .

Loan Uses: Bridge funding, pay fixed debts, payroll, accounts payable, and other bills.

How to apply: **Funds Available now.** Go to [Approved Lender List](#) and make contact with a lender for next steps.

LOANS (continued)

SBA SMALL BUSINESS PAYCHECK PROTECTION PROGRAM (PPP) LOANS:

The Paycheck Protection Program is **currently closed** after disbursing \$349B in funds in just 13 days because of outsized demand. By law, the SBA cannot do new loan approvals once the program experiences a lapse in appropriations. **Update: The Senate just passed an Economic Relief Package that would put \$300B back into the Paycheck Protection Program. Package goes to the House on Thursday.**

The PPP is implemented by the SBA with support from the Dept of the Treasury. For more information borrowers should visit [More Borrower Info on the PPP](#).

Eligible Businesses: Businesses with 500 or less employees who were in operation on February 15, 2020 to include nonprofits, veteran's organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors. Businesses with more than 500 employees are eligible in certain industries.

Loan Amount: Depending on your business situation, the loan size will be calculated in different ways. The maximum loan size is the lesser of \$10M or 2.5 times the average monthly payroll based on the prior year's payroll.

Terms and Interest Rate: For any amount not forgiven, max term is 10 years, max interest rate is 4%, zero loan fees, zero prepayment fee, no collateral or personal guarantees required. Loan payments deferred for 6 months. Loan will be fully forgiven when used to maintain payroll continuity from Feb 15 thru June 30, 2020. (due to high subscription it is anticipated that not more than 25% of the forgiven amount be for non-Payroll costs).

Loan Uses: Payroll costs, group health care benefits, employee salaries, interest on mortgages, rent, and utilities.

How to Apply: **As soon as funds are available again**, click here [Borrower Application](#) for the PPP loan application and submit with required payroll documentation to an approved vendor ASAP but no later than June 30th. You can apply through an 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. Looking for a lender? Search www.sba.gov/paycheckprotection/find.

SBA ECONOMIC INJURY DISASTER LOANS ADVANCE GRANTS (EIDL):

Due to limited appropriations funding, the application portal for the EIDL–COVID-19 assistance program (EIDL loans and EIDL Advances) is **temporarily closed**. Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis. SBA will provide those whose applications are approved with loans that will cover the business's short-term working capital needs. This is in addition to the EIDL Advance that small businesses and non-profits are eligible to receive as a result of the CARES Act. **UPDATE: Senate has passed an economic relief package that includes \$50B for the SBA's Disaster Relief Fund; goes to the House for a vote on Thursday.**

Eligible businesses: Small businesses who have been in operation since January 31, 2020 with 500 or fewer employees to include sole proprietorships with or without employees; independent contractors, cooperatives and employee owned businesses, tribal small businesses, private non-profits.

Loan Amount: Can apply for up to \$2 million in low-interest loans. An emergency "advance" of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 can be gotten within 3 days of applying for an SBA Economic Injury Disaster Loan.

LOANS (continued):

Terms and Interest Rate: The loan will have a 3.75 percent interest rate for small businesses and a 2.75 percent interest rate for nonprofits, and repayment can be deferred for six months. The maximum term of repayment is 30 years. The \$10,000 “advance” does not need to be repaid under any circumstances.

Loan Uses: To pay for expenses that could have been met had the disaster not occurred, such as payroll and other operating expenses. **Grant/Advance Uses:** May be used to keep employees on payroll; to pay for sick leave; meet increased production costs due to supply chain disruptions; or pay business obligations, including debts, rent and mortgage payments.

How to Apply: **When funds become available**, to apply for a COVID-19 Economic Injury Disaster Loan and Grant, businesses should apply directly with SBA [Click Here](#) .

ILLINOIS SMALL BUSINESS EMERGENCY LOAN FUND ILDCEO/IDFPR):

Eligible businesses: Businesses located in Illinois outside of the City of Chicago with fewer than 50 workers and less than \$3 million in gross revenue in 2019. Employee threshold based on average employment from October 2019 to December 2019. Seasonal businesses may base employment on average from January 2019 to December 2019. Business must have been in operation for at least one year and experienced at least a 25% decrease in revenues as a result of COVID-19. At this time, non-profits and farm businesses that qualify under USDA’s farm loan program are not eligible.

Loan amount: Borrowers may receive up to \$50,000, with borrower loan amounts determined by average monthly revenues prior to COVID-19.

Term and Interest rate: Emergency Loan offered as a 5-year term loan at 3% annual interest, simple. Successful applicants will owe nothing for six months and will then begin making fixed payments at a below market interest rate for the remainder of a five-year loan term. Loan may be prepaid without penalty.

Loan Uses: Loan funds must be used for working capital, and at least 50% of loan proceeds must be applied toward payroll or other eligible compensation including salaries, wages tips, paid leave, and group healthcare benefits with a commitment to hire or retain at least 50% of a business workforce for six months.

How to apply: **Funds Available Now.** ILDCEO is partnering with “ACCION” to provide access to this loan in your area. You can initiate an application with ACCION by clicking [here](#). Be prepared to provide proof of an Illinois business address and valid business license from an Illinois jurisdiction, bank statements dating back to October 2019 and most recent tax returns. Lenders are reviewing applications as quickly as possible, and work is being done to add additional lenders to the program. Once submitted, lenders will strive to make a loan decision within 10 days and make funds available within two days of receiving bank information from a business.

GRANTS:

DOWNSTATE SMALL BUSINESS STABILIZATION GRANT PROGRAM: To support small businesses in downstate and rural counties across Illinois, DCEO is repurposing \$20 million in CDBG funds to stand up the Downstate Small Business Stabilization Program.

Eligible Applicants: Cities, villages, or counties that are not categorized as HUD direct entitlement areas. (Monroe county and its municipalities are eligible). Applications will be made “in support of “qualifying businesses” in their respective areas employing 50 people or less. Funds will be passed through to the business via a Participation agreement.

Grant Amount: 60 days of verifiable working capital up to a grant ceiling of \$25K.

GRANTS (continued)

Terms: Grants do not need to be repaid as long as the qualifying business reopens, and retains or employs, permanent jobs as agreed in the participation agreement with the local government.

Qualifying businesses: Private for-profit small businesses who have been continuously operating since January 1, 2017 (at a minimum); (AND) employ at least (1) one worker other than the owner(s) (AND) no more than 50 (AND) considered “non-essential” by the Governor’s Executive Order without the ability for employees to work remotely are eligible. A solid commitment to reopen and retain or employ permanent jobs must also be made. On a case by case basis, an “exception” can be made for an “essential business” to be considered, if social distancing directives have made it impossible for the business to continue, it has subsequently closed and that situation is satisfactorily demonstrated in the application. For additional information on essential and non-essential business [Click Here](#). Under the program guidelines, there are some businesses that HUD has specified as ineligible for assistance, [Click Here](#) to see that list and/or talk to the appropriate Local Government contact for more clarifications.

Allowable use of “pass thru funds” by Qualifying Businesses: Small businesses economically impacted by the COVID-19 virus can use funds for working capital expenses such as employee salaries, general operating expenses, inventory, and advertising/marketing expenses.

How can Qualifying Businesses apply? Application process is rolling until funds are exhausted. Contact the appropriate county or local government in regard to interest. Businesses within the city limits of Columbia, contact Scott Dunakey sdunakey@columbiaillinois.com, 618-477-1097; businesses within city limits of Waterloo, contact Shawn Kennedy skennedy@waterloo.il.us, 618-939-8600 x207; businesses within the village limits of Valmeyer, contact Dennis Knobloch knobloch@htc.net, 618-520-1852; businesses within the village limits of Hecker, Maeystown, Fults, and unincorporated areas in Monroe County, contact Edie Koch ekoch@mciledc.com 618-806-4739. Contacts will give technical assistance on information/documents needed to prepare and timing, to be part of their respective local government applications.

How soon can you receive funds? DCEO’s goal is to execute grants within 30 days of application receipt after which funds will be accessible to local governments for pass through to businesses.

Hospitality Emergency Grant Program – ILDCEO/Accion: **Application cycle closed on April 1ST 5:00 P.M.** This was a \$14 million grant program designed to support shifts in operation in the food and beverage industry due to the impact of the COVID-19 and subsequent social distancing requirements. Through a lottery process, bars and restaurants could get up to \$25K for working capital, job training, or investment in new technology; hotels could get up to \$30K for working capital only. There were 12, 101 applicants, 708 awarded, 466 approved, \$6,130,000. To see complete list, go to: [Hospitality Emergency Grant Awardees](#).

Monroe County winners, thus far: Hampton Inn, Columbia; Marie’s Ice Cream Shop, Columbia; Freeda's On Main, Renault; The Corner Pub, Valmeyer.