



Small Business Development Center

at University of West Georgia
UNIVERSITY OF GEORGIA

The UGA Small Business Development Center at UWG is here to answer your questions and help you address any concerns you may have about your business including cash flow, payroll, marketing, the effect of the COVID-19 virus on your business and keep you up-to-date on the latest on the SBA Economic Injury Disaster Loan Program.

Contact your consultant to set up a virtual appointment or email carrollton@georgiasbdc.org.

SBA Economic Disaster Loan Information

Which businesses are eligible to apply?

SBA's Economic Injury Disaster Loans (or working with capital loans) are available to small businesses, small agricultural cooperatives, small aquaculture businesses and most non-profit organizations in Georgia.

This Includes:

- Businesses directly affected by the disaster
- Businesses that other services directly related to the businesses in the declaration
- Other businesses indirectly related to the industry that are likely to be harmed by losses in their community (Example: manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product.)

What is the criteria for a loan approval?

- **Credit History** - applicants must have a credit history acceptable to SBA.
- **Repayment** - SBA must determine that the applicant business has the ability to repay the SBA loan.
- **Eligibility** - The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons.

How much can I borrow?

- Eligible entities may qualify for loans up to \$2 million.
- The interest rates for this disaster are 3.75% for small businesses and 2.75% for nonprofit organizations with terms up to 30 years.
- Eligibility for these working capital loans are based on the size (must be a small business) and type of business and its financial resources.

How can I use the loan funds?

These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or for expansion.

HOW TO APPLY

- Applicants may apply online using the Electronic Loan Application (ELA) via SBA's secure website at <https://disasterloan.sba.gov/ela>.
- Paper loan applications can be downloaded from <https://www.sba.gov/funding-programs/disaster-assistance>. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.
- Disaster loan information and application forms may also be obtained by calling the SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard-of-hearing) or by sending an email to disastercustomerservice@sba.gov.

*Although a paper application and forms are acceptable, filing electronically is easier, faster and more accurate.

Other Facts:

- SBA's Economic Injury Disaster Loan (EIDLs) funds come directly from the U.S. Treasury.
- Applicants do not go through a bank to apply. Instead apply directly to SBA's Disaster Assistance Program at: DisasterLoan.sba.gov

- There is no cost to apply.
- There is no obligation to take the loan if offered.
- The maximum unsecured loan amount is \$25,000.
- Applicants can have an existing SBA Disaster Loan and still qualify for an EIDL for this disaster, but the loans cannot be consolidated.

Basic Filing Requirements

- Completed SBA loan application (SBA Form 5).
- Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates.
- Complete copies of the most recent Federal Income Tax Return.
- Schedule of Liabilities (SBA Form 2202).
- Personal Financial Statement (SBA Form 413).

Other information that may be requested:

- Complete copy, including all schedules, of the most recent Federal income tax return for principals, general partners or managing member, and affiliates (see filing requirements for more information).
- If the most recent Federal income tax return has not been filed, a year-end profit-and-loss statement and balance sheet for that tax year .
- A current year-to-date profit-and-loss statement .
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. (This is especially important for Economic Injury Disaster Loans.)

In addition to the above, we suggest contacting your lending institution to see if relief programs are being offered during this time: delaying payments; interest only payments.

To learn more about the EIDL program:

<https://disasterloan.sba.gov/ela/Information/EIDLLoans>

https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf

PAID SICK AND FAMILY LEAVE APPROVED

Small businesses-those with 500 or fewer employees-will be required to give employees two weeks paid sick leave (if they are sick or isolated because of the coronavirus health emergency or they have to watch a family member due to a school or child care closing) and up to 10 weeks paid family leave-but the government will reimburse businesses for the cost of that leave. The Families First Coronavirus Response

Act was passed Wednesday by the Senate on a 90-8 vote. The bill-previously passed in the House-has now been signed by President Trump.

Here are the details so far:

- An employee must have been employed for at least 30 days
- Sick leave: Full-time employees are entitled to up to two weeks pay and part-time employees up to the average hours they work in a 2-week period at 100% of their wages: up to \$511 per day if they are sick or quarantined or must self-isolate, or 67% of their wages, up to \$200 per day, if they have to care for a family member or child due to a school closing or a child care provider is closed due to a public health emergency. (I will try to clarify whether business owners who are on their own payroll would also qualify.)
- Family leave: Additionally, employees are entitled to 10 weeks paid leave at 67% of their wages, up to \$200 per day, if they have to care for a family member or child due to a school closing or a child care provider is closed due to a public health emergency, up to a maximum of \$10,000. Businesses with fewer than 50 employees could apply for a waiver of the family leave requirement if it would endanger the viability of the business itself.
- Employers who already provide paid sick leave must provide this IN ADDITION TO any sick leave already provided.
- Self-employed individuals are entitled to the same sick leave and family leave benefits and would be reimbursed by a tax credit against their self-employment tax.

THE GOVERNMENT PAYS: Employers would get quarterly tax credits through 2020 to reimburse them for this expense. These would be in the form of credits against their quarterly federal payroll taxes-however, if the credit exceeds the amount the employer owes, the business would receive a check from the government.

You may submit partial claims with the Department of Labor for workers who are temporarily laid off due to a lack of work.

[How Employers File Partial Claims](#)

Interim Guidance for Businesses and Employers

The following interim guidance may help prevent workplace exposures to acute respiratory illnesses, including COVID-19, in non-healthcare settings. The guidance also provides planning considerations if there are more widespread, community outbreaks of COVID-19.

[READ MORE](#)



U.S. Small Business Administration



Your Small Business Resource

Funded in part through a Cooperative Agreement with the U.S. Small Business Administration.



University of Georgia SBDC at the University of West Georgia offers low-cost business training and no-cost, confidential consulting for small business owners. Our website has thousands of resources for entrepreneurs wanting to grow their business. Call or go online today to get started.

678-829-5082 | alesley@georgiasbdc.org | www.georgiasbdc.org

Stay informed of relevant business topics and events by connecting with us on social media.



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