

KNOW BEFORE YOU CLOSE KEEP YOUR BUSINESS, KEEP YOUR EMPLOYEES

WITH THESE STATE AND FEDERAL EMERGENCY LOANS & ASSISTANCE PROGRAMS



STATE OF FLORIDA EMERGENCY FUNDING

Florida Small Business Emergency Bridge Loan Program

The Florida Small Business Emergency Bridge Loan Program provides short-term, interest-free loans to businesses impacted by COVID-19. Administered by the Florida Department of Economic Opportunity (DEO) in partnership with the Florida SBDC Network and Florida First Capital Finance Corporation (FFCFC), the bridge loan program is a short-term, interest-free loan program designed to help businesses bridge the gap between the time damage is incurred and when a business secures other financial resources, including payment of insurance claims or longer-term U.S. Small Business Administration loans.



Eligibility

1. Qualified for-profit, **privately held small businesses that maintain a place of business in the state of Florida**. All qualified applicants must have been established prior to March 9, 2020.
2. The business applicant **must demonstrate that the business has suffered a significant economic injury and unable to pay current ordinary and necessary operating expenses** as a result of COVID-19.
3. Qualified small business applicants **must be an employer business with 2 to 100 employees** (*For purposes of this eligibility requirement, a minimum of two employees means the aggregate number of W-2 employees, "1099 employees" (i.e. independent contractors), and leased employees*)



Loan Details

1. **Amount:** Up to \$50,000 per eligible small business. Loans of up to \$100,000 may be made in special cases as warranted by the need of the eligible small business.
2. **Term:** 1 year.
3. **Limitation:** Only one loan may be made per eligible business. All previous bridge loans received MUST be paid in full.
4. **Interest Rate:** Loans will be interest-free for the loan term (1 year). The Interest rate will be 12% per annum on the unpaid balance thereafter, until the loan balance is repaid in full. Loan default is subject to a normal commercial collection process.
5. **Application Period:** Applications will be accepted by qualified Florida small businesses under this program through May 8, 2020, contingent on the availability of funds

APPLY ONLINE:

www.floridadisasterloan.org

For questions and assistance completing the application, please contact the Florida Department of Economic Opportunity

EMAIL FloridaBusinessLoanFund@deo.myflorida.com

TOLL-FREE (833) 832-4494

STATE OF FLORIDA EMPLOYER ASSISTANCE PROGRAM

Short Time Compensation Program for Employers

The Short Time Compensation program helps employers retain their workforce in times of temporary slowdown by encouraging work sharing as an alternative to layoff. The program permits prorated reemployment assistance benefits to employees whose work hours and earnings are reduced as part of a Short Time Compensation plan to avoid total layoff of some employees. The benefits of STC are employers are spared the hardship of full unemployment and the expense of recruiting, hiring and training of new employees once high production resumes. Employers who must permanently reduce their workforce can use the program as a transition to layoff. Affected employees may continue to work at reduced levels with an opportunity to find other employment before the expected layoff. **This is not a loan. No repayment required.**



Program Details & Eligibility

- The employer must describe a plan for giving notice, if feasible, to an employee whose workweek is to be reduced, together with an estimate of the number of layoffs that would have occurred absent the ability to participate in STC.
- If you are a client company trying to apply for a plan for leased employees, contact the leasing company. They will need to file a plan separately on behalf of their employees.
- Reduced hours must be used as a temporary solution to avoid a layoff. The employer must submit a Short Time Compensation plan application to the Short Time Compensation Coordinator, Reemployment Assistance Services
- Individuals participating in an employer-sponsored training may also be eligible to participate in the short-time compensation program.
- Participating employees must be full-time (at least 32 hours per week prior to Short Time Compensation reduction), permanent employees (not seasonal) and the employees must have a set number of hours (excluding overtime) that they work each week in order to participate. Employees paid piece rate, on commission, or who are hired to do certain jobs regardless of the time required are not eligible for participation.
- Short Time Compensation benefits are payable when normal hours of work are reduced from 10-40 percent. If normal work hours exceed 40, the percentage will be based on 40 hours.
- Each week that Short Time Compensation benefits are claimed, at least 10 percent of the employees from the total staff or within a particular unit must be working reduced hours. (Two employees is the minimum for a staff or unit of less than 20 employees.
- 14 Days after submitting application employee will be assigned a case worker.

To apply for the Short Time Compensation Program, please visit www.floridajobs.org/or call 1-800-204-2418

FEDERAL SBA EMERGENCY FUNDING PROGRAMS

The CARES Act (The Coronavirus Aid, Relief, and Economic Security Act)

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses and nonprofits keep workers employed amid the pandemic and economic downturn. Known as the **Paycheck Protection Program**, the initiative provides 100% federally guaranteed loans to eligible organizations. Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward.

Paycheck Protection Program



The Paycheck Protection Program (PPP) is a new \$350 billion loan program at the SBA for small businesses, self-employed, and gig workers to help them from going under due to the COVID-19 pandemic. If employers maintain payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities, the loans would be forgiven.

The Paycheck Protection Program will be available through June 30, 2020.

Paycheck Protection Program

Eligibility

- Any business concern, nonprofit organization, veteran's organization, or Tribal business concern that employs no more than 500 employees (or the size standard in a number of employees established by the Administration for the industry in which such business operates)
- Small businesses in the hospitality and food industry with more than one location could also be eligible at the store and location level if the store employs less than 500 workers. This means each store location could be eligible.
- Sole proprietors
- Independent contractors
- Self-employed individuals

How the Process Works

All current 7(a) lenders are eligible lenders. Plus, the Department of Treasury will authorize new lenders to help expedite the processing and delivery of capital to small businesses.

How to Apply

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. For more information, visit www.disasterloan.sba.gov.

Terms

- The size of the loan is 250% of an employer's average monthly payroll cost during the period Feb. 15, 2019 to June 30, 2019, capped at \$10 million
- Employee compensation, including salaries, wages, commissions, or similar compensation; cash tips or equivalents; vacation, parental, family, medical, or sick leave; payment required for providing group health care benefits (including insurance premiums); payment of retirement benefits; and payroll taxes.
- Any compensation or income of a sole proprietor or independent contractor no greater than \$100,000 in one year
- Payment of interest on mortgage obligations, rent, utilities, and interest on pre-existing debt obligations
- 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 .5%.

U.S. SBA Economic Injury Disaster Loan (EIDL)

Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private nonprofit organizations may apply for low-interest loans through the U.S. Small Business Administration's Economic Injury Disaster Loan (EIDL) Program. If your business has suffered substantial economic injury, you may qualify for an EIDL. EIDLs provide working capital to help businesses survive until normal operations resume after a disaster. The SBA can provide up to \$2 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. Additional details include:

- The interest rate is 3.75% for small businesses and 2.75% for nonprofits
- Repayment options up to 30 years
- Eligible applicants: hotels, restaurants, retailers and wholesalers
- Ineligible applicants: Religious organizations, agricultural enterprises, casinos, racetracks, real estate development companies
- There are no minimum requirements for eligible applicants; the business must have been in place once the disaster was declared (this includes startups) and no application fee
- Loans over \$25k collateral (with or without equity) is required; if any applicant already has an SBA loan, they can still apply for the disaster loan.
- There are resources available for those applicants that will need translation assistance.
- Turnaround time to receive a response (whether you are approved or denied) is 18-21 days. Once the closing loan documents are signed funds will be transferred.
- Should your application be denied you do have the ability to ask for reconsideration for the loan.

Eligibility

1. Have suffered and able to demonstrate "substantial economic injury" directly attributed to the event.
2. Be unable to meet its obligations and to pay ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.
3. Not have credit available elsewhere.
4. Have a good credit history acceptable to SBA.
5. Demonstrate the ability to repay all loans.
6. Pledge collateral where it is available.



Required Documents

1. Tax Information Authorization (IRS Form 4506T) completed and signed by each applicant, each principal owning 20% or more of the applicant business, each general partner or managing member; and, for any owner who has greater than 50% ownership in an affiliate business. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management
2. Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business; an explanation if not available
3. Schedule of Liabilities listing all fixed debts (SBA Form 2202)
4. Monthly Sales Figures (SBA Form 1368)
5. Personal Financial Statement (SBA Form 912) completed, signed, and dated by the applicant, each principal owning 20 percent or more of the applicant business, and each general partner or managing member
6. Sign the Fee Disclosure Form and Compensation Agreement (SBA Form 159)

Economic Injury Disaster Loan (EIDL) \$10,000 Emergency Grant Cash Advance

The CARES Act creates a new \$10 billion grant program, leveraging SBA's Office of Disaster Assistance Infrastructure, to provide small businesses with quick, much-needed capital.

Eligibility

- Private nonprofit organizations, small agricultural cooperatives
- Businesses; cooperatives; ESOPs; and tribal business concerns with 500 or fewer employees Independent contractors
- Sole proprietors (whether or not self-employed)

How it can be used

- Any allowable purpose under the EIDL program
- Provide paid sick leave, maintain payroll, and meet increased costs
- Make rent or mortgage payments, and repaying unmet obligations.

How the process works

- Eligible applicants who apply for an EIDL may request up to \$10,000 be immediately disbursed. The amount need not be repaid, regardless of the loan decision.
- EIDL borrowers may apply for the Paycheck Protection Program, but when determining loan forgiveness, the advance EIDL grant is taken into consideration.
- The legislation requires SBA to disburse the funds within three days of receiving the application.

HOW TO APPLY FOR THE SBA DISASTER LOANS

- **VISIT** www.disasterloan.sba.gov/ela
- **CALL** toll free number 1-800-696-2955
- **EMAIL** disastercustomerservice@sba.gov



Available to take phone calls and answer questions 24/7

Business can get an EIDL and a Paycheck Protection Program

Small businesses can get both an EIDL and a Paycheck Protection Program loan as long as they don't pay for the same expenses.

However, be sure to check with your financial advisor or lender before taking both types of loans if you are not sure of the specifics.

SBA Disaster Loan Virtual Office Hours

Monday - Friday
9:00 A.M – 5:00 P.M.

Skype: <https://meet.lync.com/sba123/aaharris/0S1GVCJ7>

Phone: (202) 765-1264

Conference ID: 162817288

SBA Disaster Loan Virtual Office Hours in SPANISH

Monday - Friday
1:00 pm - 3:00 pm

Skype: <https://meet.lync.com/sba123/aaharris/ZVB7FP6N>

Phone: (202) 765-1264

Conference ID: 812319792

Limited to 250 callers at one time. Participants may call at any time and are welcome to enter and exit at will. Callers will be muted upon entry and will be taken in the order they are received.