

The CARES Act Includes 3 Programs for SMBs

HERE'S A BIRD'S EYE VIEW.

Paycheck Protection Program (PPP)

Nearly every small business qualifies—for the most part, you can get. Loan if you employ fewer than 500 people and you were in business before Feb 15, 2020.



How much you get depends on payroll.

Take the average monthly payroll expense from 2019 and multiply it by

2.5X

Payroll expenses are defined broadly

to include contractors, part-time workers and all forms of compensation plus healthcare and insurance premiums.

(Note that salaries are capped at \$100k.)



Chances are, your loan will be forgiven,

so long as you don't lay anyone off and you use the funds to cover approved costs, such as payroll, rent, utilities and mortgage interest

(Keep careful records!)

Economic Injury Disaster Loans (EIDL)

EIDL loans can be up to \$2 million with a 3.75% interest rate on a 10-year term.



The Small Business Association (SBA) is making it easier to qualify.

Business owners need only show evidence of one of the following: good cash flow, good credit score or collateral.

EIDLs

are funded solely by the SBA. Apply at SBA.gov or through a local SBA office.



You may have to be patient.

The good news is, the SBA is well suited to deliver emergency funded, but the bad news is, it can take some time—think 60 to 90 days—to get a decision from them, one way or the other.

Emergency Economic Injury Grants

While you're waiting for EIDL, you can apply for a much faster \$10,000 Emergency Economic Injury Grant.



This is as close to free money as it gets.

To get cash into SMBs faster, the SBA is offering \$10,000 grants to any business owner that applies for an EIDL. Best of all, you'll get a check in 3 days.

If you apply for an EIDL, go ahead and fill out the paperwork for a \$10k grant. (You can apply at SBA.gov.)



If you get an EIDL (related or unrelated to COVID-19) and/or an Emergency Grant between January 31, 2020 and June 30, 2020, you can also apply for a PPP loan.