

Notes from call with Robert Coffey regarding SBA Disaster Loans 3/20/20

For Small Businesses and Privately Held Non-Profits who are suffering from Economic Distress during the COVID -19 Crises.

Go to www.sba.gov/disaster to apply.

Most Small Businesses will need:

- SBA Form 5 Application
- Copy of most recent tax returns that have been filed with all schedules (explanation if you don't have them)
- If most recent tax returns have not been filed please have a year end profit and loss statement and a balance sheet for the year
- Tax Information Authorization (IRS Form 4506T)
- Personal Financial Statement (SBA Form 413)
- Schedule of Liabilities listing all fixed debts (Can use SBA Form 2202)
- May ask for a current year to date profit and loss statement

Non-Profits will need:

- SBA Form 5
- Copy of complete tax return or IRS Tax Exempt Certificate with complete copy of Organization's 3 most recent years' "Statement of Activities"
- Schedule of Liabilities
- Tax Information Authorization (IRS Form 4506T)

Sole Proprietors will need:

- SBA Form 5C
- Tax Information Authorization (IRS Form 4506T)

May Need:

- Current paystub dated within 1 month of application
- Federal Income tax forms with all schedules

General Information

- If in doubt about whether you are eligible to apply – just apply anyway.

- Application Timing:
 - Approval processing time – 18 to 21 days
 - Funding – once the loan is approved, closings will be set as soon as possible (No attorneys will be needed for these closings)

- Err on the side of caution when requesting the funds. Apply for as much as you may possibly need (a year or 18 mos worth of funds – just in case). You can always return the funds or choose not to take the disbursement if things turn around more quickly than anticipated. Easier to return funds than to apply for more.

- Independent Contractors are 1099. They file a Schedule C – so they can apply as a Sole Proprietor

- If you have outstanding debt with the SBA – you can still apply for the Disaster Loan and they will make case by case determinations

- Funds from the SBA Disaster Loans can be used for:
 - Fixed Debts
 - Payroll
 - Accounts Payable
 - Other expenses that would be paid if this disaster had not happened

- Funds cannot be used:
 - To replace lost income
 - For business expansion
 - For business improvements

Businesses not eligible: (Please double check before including this info)

- Religious Organizations
- Charitable Organizations
- Casino/Race Tracks
- Agricultural Enterprises