



# ***mHUB CORONAVIRUS RELIEF PACKAGE OVERVIEW***

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## Disclaimer

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- Please contact your own attorney, accountant or tax professional with any specific questions you have related to the information provided that are of legal, accounting or tax nature.

## HELPFUL RESOURCES FOR SMALL BUSINESSES

- **Understanding the CARES Act:**

- Chamber of Commerce – [Coronavirus Emergency Loans Small Business Guide and Checklist](#) and [CARES Act Summary](#)
- Paycheck Protection Program - Applications are estimated to open on Friday, April 3<sup>rd</sup>
  - Details on the Program – [Fact Sheet](#)
  - Application to the Program – [Sample Application](#)

- **SBA Economic Injury Disaster Loan** – Application are open now

- Details on the Loan and Grant - [Small Business Administration](#)
- Application to the Loan and Grant – [Application](#)

- **Local Government Response**

- City of Chicago COVID-19 Response - [Employment and Financial Support](#)
- State of Illinois Response - [Resources for Business](#)

- **Additional Resources**

- Guide to Small Businesses Navigating COVID-19 - [Kauffman Foundation](#)
- Facebook is offering [Small Business Grants](#)

## SUMMARY OF FINDINGS

- Order of Consideration and Execution:
  1. For non-profits, put your name in for consideration of the Community Relief Funds: [Chicago Community COVID-19 Response Fund](#) and the [Illinois COVID-19 Response Fund](#)
  2. Apply for the [Alice Emergency Grant](#)
  3. Apply for the [EIDL Grant + Loan](#)
  4. Start by compiling all the necessary information to fill out this sample application - [Click Here](#). Application open on Friday, April 3rd. Once open, apply for the [Paycheck Protection Program](#). After 8 weeks of being approved for this PPP loan, you can then apply for [the Loan Forgiveness](#) associated with it, as well
  5. Consider Tax provisions (if you don't go for the PPP and Loan Forgiveness)
  6. Consider the [IL Small Business COVID-19 Relief Fund](#)
  7. Closely monitor the [A Better Chicago Emergency Relief Fund](#) and [Facebook Small Business Grant](#)
- Teams can apply for both an EDIL Loan and a Paycheck Protection Program (PPP) Loan, but there may be no duplication in use of Funds. Teams cannot receive both the Tax Provisions and one of the above loans (PPP & EIDL).

## ***Community Relief Funds***

## THE CHICAGO COMMUNITY COVID-19 RESPONSE FUND

*INTEREST FORM OPEN NOW - AMOUNT NOT MENTIONED*



- **Type:** Grant / Donation
- **Amount & Terms:** Not disclosed
- **Eligibility:** For nonprofits. Designated to support local nonprofits serving our region's most vulnerable neighbors
- **Uses:** Not disclosed
- **Other Notes:**
  - Applications are not currently open
  - Interest form can be found here - [Link](#)

*Led by the City of Chicago, United Way of Metro Chicago, and Chicago Community Trust.*

## ILLINOIS COVID-19 RESPONSE FUND

INTEREST FORM OPEN NOW - \$23M RAISED TO DATE AS OF 3/26/2020



- **Type:** Grant / Donation
- **Amount & Terms:** Not disclosed
- **Eligibility:** For nonprofits. Funds disbursed to nonprofit organizations across the state serving individuals, families and communities hit hardest by the COVID-19 pandemic. The non-profit activities will include:
  - Emergency Food and Basic Supplies, Interim Housing and Shelter, Primary Healthcare Services, Utility Assistance, Direct Financial Assistance for Household Expenses, Support for Children and Other Vulnerable Populations, Non-Profit Safety and Operations Assistance
- **Uses:** Not disclosed
- **Other Notes:**
  - Applications are not currently open
  - Interest form can be found here - [Link](#)

*Led by the Alliance of Illinois Community Foundations, United Way of Illinois, and State of IL.*

## ALICE COVID-19 BUSINESS FOR ALL EMERGENCY GRANT

*APPLICATION ARE OPEN NOW*



- **Type:** Grant
- **Amount & Terms:** \$10,000
- **Eligibility:** Hello Alice is offering \$10,000 grants being distributed immediately to small business owners impacted by coronavirus
- **Uses:** Not disclosed
- **Other Notes:**
  - Applications currently open - [Click Here](#)
  - In addition to the grant, teams will receive ongoing support from the Hello Alice Community.

*Led by Verizon, SVB, AWS, US Chamber of Commerce, and the Ebay Foundation*



***Economic Injury Disaster  
Loans (EIDL)***

## EMERGENCY EIDL GRANT

AVAILABLE NOW - SEC 1110 - \$10 BILLION



- **Type:** Grants
- **Amount & Terms:** Allows for an advance of up to \$10K within 3 days of application. These advances are not required to be repaid under the Act.
- **Eligibility:** A business (including non-profit) with less than 500 employees.
- **Uses:** Can be used for payroll, sick leave, increased costs to obtain materials, repaying obligations from revenue losses, making rent or mortgage payments.
- **Other Notes:**
  - Teams will work directly with the SBA for this grant and loan

*Link to the newly opened loan application: [Click Here](#)*

## EMERGENCY EIDL LOAN

AVAILABLE NOW - SEC 1110 - \$10 BILLION



- **Type:** Loan
- **Amount & Terms:** Separate from the Grant, loans are available to businesses for up to \$2 million at an interest not to exceed 4% and a term not to exceed 30 years. Any loans made under this program will waive the personal guarantee up to \$200,000.
- **Eligibility:** A business (including non-profit) with less than 500 employees, independent contractor, etc.
- **Uses:** Can be used for payroll, sick leave, increased costs to obtain materials, repaying obligations from revenue losses, making rent or mortgage payments.
- **Other Notes:**
  - Will not be required to repay advance if denied SBA loan.
  - Approved based on credit score of application. No tax return is required.
  - Teams will work directly with the SBA for this grant and loan.

Link to the newly opened loan application: [Click Here](#)

***Paycheck Protection  
Program (PPP)***

## PAYCHECK PROTECTION PROGRAM (PPP)

APRIL 3<sup>rd</sup> - SEC 1102 - \$349 BILLION AVAILABLE



- **Type:** Loan
- **Amount & Terms:** Equals monthly average of one-year payroll expenses from the loan date multiplied by 2.5, at maximum. Interest rate is a fixed 0.5%. Can be deferred no less than six months but no more than one year. The term is up to two years, for any portion of the loan that cannot be forgiven.
- **Eligibility:** Eligible orgs include non-profits, sole proprietors and independent contractors.
- **Uses:** Allowed uses are payroll, healthcare benefits, salaries, interest on mortgage, rent, utilities.
- **Other Notes:**
  - Personal guaranty and collateral requirement is waived.
  - Excluded – amounts paid in excess of a \$100,000 annual salary to an employee.
  - Teams will work with a bank of this loan.
  - *See the next slide – loan forgiveness – on how teams can have this loan forgiven.*
  - [Link to Sample Application](#)

*Full grant should be “forgiven” if business maintains current expense and operations. Debt not forgiven will be payable over a maximum of 10 years at a maximum 4% interest rate.*

## LOAN FORGIVENESS

APRIL 3<sup>rd</sup> - SEC 1106 - AMOUNT NOT MENTIONED



- **Type:** Grant
- **Amount & Terms:** Calculated using the 8-week period beginning on the date of loan origination (Paycheck Protection Program). Includes payroll, interest on mortgage, rent, utilities - forgiveness of the loan is calculated as these over the next 8 weeks.
- **Requirements:** To qualify for forgiveness, employers must maintain their pre-crisis level of full-time equivalent employees, or else face a reduction in forgiveness proportional to the reduction in headcount. Payroll filings, documentation verifying payments of mortgage, rent, and utilities, and certifications of a representative.
- **Other Notes:**
  - Decision within 60 days
  - Portions of loans not forgiven are payable over 2 years at 0.5% fixed interest rate
  - This loan forgiveness is directly tied to “Paycheck Protection”
  - Forgiveness in wages is up to \$100,000, per individual

*This grant could potentially cover up to 100% of the PPP Loan. This should not be difficult to fully cover, as 8 weeks of full expenses (including payroll) will be greater than 2.5 months of only payroll.*

## PAYCHECK PROTECTION PROGRAM (PPP)

APRIL 11<sup>TH</sup> - \$349 BILLION AVAILABLE



### **Summary:**

The PPP Loan will be at maximum, 2.5x a business's monthly payroll<sup>1</sup>. This loan is to be used for payroll costs, group healthcare benefits, insurance premiums, and interest on mortgages or other debt incurred prior, rent on any lease, and utility payments.

If employees are kept on payroll and salaries stay the same for eight weeks, the Loan Forgiveness program comes into effect, and the SBA will forgive the portion of the loan used for payroll, rent, mortgage interest, or utilities during those eight weeks. Up to 100% of the loan is forgivable. Full details can be found here: [PPP Overview Chart](#).

<sup>1</sup> Monthly Payroll (within the 1 year period before the date on which the loan is made) = Salary, wages, commission, and similar compensation, healthcare insurance premiums, and other group healthcare benefits, retirement pay, and state and local tax assessed on the compensation of employees. Any compensation in excess of \$100K is not included.

## TAX PROVISIONS – DELAY OF PAYROLL TAXES

APRIL 11<sup>TH</sup> - SEC 2301



- **Type:** Deferral
- **Amount & Terms:** N/A
- **Eligibility:** N/A
- **Uses:** The Act allows employers to defer 100% of the employer portion of social security taxes. This deferral applies to payroll taxes due for the period beginning on the date the Cares Act is signed into law and ending on December 31, 2020. Half of the deferred payroll taxes are due on December 31, 2021 with the other half due on December 31, 2022.
- **Other Notes:**
  - The payroll tax deferral is not permitted for those taxpayers that have a loan forgiven under the Small Business Interruption Loan-loan forgiveness program, as added by this Act.
  - There is risk here, as you will still owe these payments further down the line – 2021 + 2022
  - *Employers who receive Loan Forgiveness (above) are not eligible for this tax provision.*

*This is referring to the 6.2% a business pays for Social Security tax on Employee Wages.*



## ***Funds To Monitor***

## IL SMALL BUSINESS COVID-19 RELIEF PROGRAM

TBD - \$250 MILLION AVAILABLE



- **Type:** Loan
- **Amount & Terms:** Deposited funds would facilitate affordable loans (not to exceed 4.75%) to small businesses and non-profits.
- **Eligibility:** Eligible Illinois businesses or non-profits must: (1) have been shut down or limited due to COVID-19; (2) have less than \$1 million in liquid assets or \$8 million average annual receipts (per SBA standards); and (3) be headquartered in the state of Illinois or agree to use the funds in Illinois.
- **Uses:** Could be used to provide bridge funding, pay fixed debts, payroll, accounts payable and other bills.
- **Other Notes:**
  - Maximum loans of \$25M per financial institutions

*This is state of IL focused. Financial institutions get to choose the interest rates (below 4.75%).*

## A BETTER CHICAGO EMERGENCY RELIEF FUND

TBD - AMOUNT NOT MENTIONED

A BETTER CHICAGO

- **Type:** Grant / Donation
- **Amount & Terms:** Not disclosed
- **Eligibility:** Support to the nonprofits working on the frontlines during the COVID-19 pandemic.
- **Uses:** Not disclosed
- **Other Notes:**
  - Applications are not currently open

*Applications not open yet – they are still fundraising.*

## **FACEBOOK SMALL BUSINESS GRANTS**

TBD - \$100M



- **Type:** Grant and Ad Credits
- **Amount & Terms:** Not disclosed
- **Eligibility:** Small Businesses in over 30 countries
- **Uses:** Funding to support keeping your workforce going strong, helping with your rent costs, connecting with more customers, and cover operational costs.
- **Other Notes:**
  - Applications are not currently open – more guidance to come.

*Applications not open yet, but here is the newly released page: [Facebook for Business](#)*