

# COVID-19

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## SMALL BUSINESS RESOURCE GUIDE



**Indiana**  
SMALL BUSINESS  
DEVELOPMENT CENTER



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# Indiana Small Business Development Center

The Indiana Small Business Development Center (Indiana SBDC) was created to have a positive and measurable impact on the formation, growth, and sustainability of small businesses in Indiana, and to help Hoosier Entrepreneurs start stronger, grow faster, and work smarter.

1. Northwest Indiana SBDC  
[Northwest@isbdc.org](mailto:Northwest@isbdc.org)  
219-644-3513

2. North Central Indiana SBDC  
[NorthCentral@isbdc.org](mailto:NorthCentral@isbdc.org)  
574-520-4126

3. Northeast Indiana SBDC  
[Northeast@isbdc.org](mailto:Northeast@isbdc.org)  
260-481-0500

4. Hoosier Heartland Indiana SBDC  
[HoosierHeartland@isbdc.org](mailto:HoosierHeartland@isbdc.org)  
765-454-7922

5. Central Indiana SBDC  
[Central@isbdc.org](mailto:Central@isbdc.org)  
317-940-3919

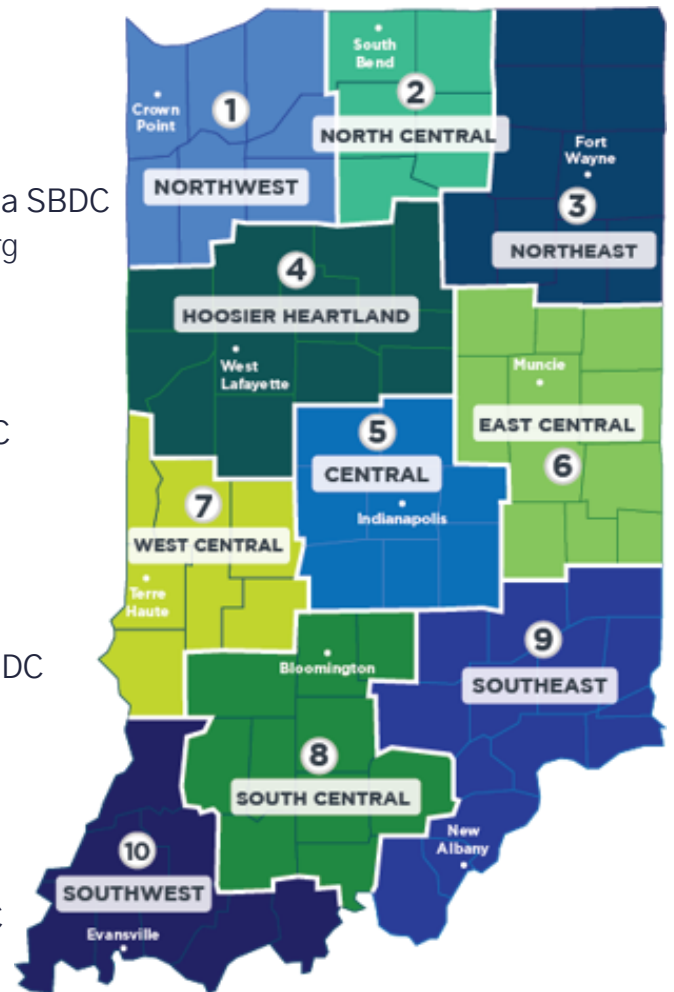
6. East Central Indiana SBDC  
[EastCentral@isbdc.org](mailto:EastCentral@isbdc.org)  
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[WestCentral@isbdc.org](mailto:WestCentral@isbdc.org)  
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[SouthCentral@isbdc.org](mailto:SouthCentral@isbdc.org)  
812-345-1141

9. Southeast Indiana SBDC  
[Southeast@isbdc.org](mailto:Southeast@isbdc.org)  
812-952-9765

10. Southwest Indiana SBDC  
[Southwest@isbdc.org](mailto:Southwest@isbdc.org)  
812-425-7232



# Paycheck Protection Program (PPP)

The Paycheck Protection Program (PPP) is a loan designed to provide a direct incentive for businesses to keep their workers on the payroll. Loans are processed through eligible SBA lenders. You should speak to your current lender about applying for PPP or use the [SBA eligible lender search tool](#) to be connected to an SBA lender.

## LOAN AMOUNT AND FORGIVENESS

Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.

SBA will forgive the loan if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. At least 75% of the forgiven amount must have been used for payroll.

## ELIGIBILITY AND TERMS

Any business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations are eligible to apply. Businesses with more than 500 employees can apply if they meet the SBA's size standards.

The loan interest rate is 1% with a two year term. Payments are deferred for 6 months. No personal collateral or guarantee is required for PPP. The PPP will be available through June 30, 2020.

The U.S. Department of Treasury PPP FAQ can be found at [home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf](https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf)

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## HOW TO APPLY

- STEP 1:** Find an eligible lender  
[tinyurl.com/ppplender](https://tinyurl.com/ppplender)
- STEP 2:** Complete the PPP application with your lender
- STEP 3:** Collect required payroll documentation
- STEP 4:** Submit application with your lender
- STEP 5:** Wait for notification of acceptance or denial
- STEP 6:** Request loan forgiveness from your lender

## Economic Injury Disaster Loans (EIDL)

If you have suffered substantial economic injury due to COVID-19 and are one of the following types of businesses, you may be eligible for an SBA Economic Injury Disaster Loan (EIDL).

- Small Business
- Small Agricultural Cooperative
- Most Private Nonprofit Organizations

### LOAN AMOUNT AND USE

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. Your loan amount will be based on your economic injury and your company's financial needs.

Substantial economic injury means the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster. EIDL may be used to pay fixed debts, payroll, accounts payable and other bills incurred during this public health emergency.

### ELIGIBILITY AND TERMS

The loan interest rates for small businesses and private nonprofits are 3.75% and 2.75%, respectively, with terms up to 30 years. The repayment term will be determined by your ability to repay the loan.


### HOW TO APPLY

**STEP 1:** Apply online at [SBA.gov/Disaster](https://SBA.gov/Disaster)

**STEP 2:** Provide any additional documentation requested

**STEP 3:** Receive approval or denial notification from the SBA

For additional information, please contact the SBA disaster assistance customer service center.

 1-800-659-2955

 [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

**[SBA.GOV/DISASTER](https://SBA.GOV/DISASTER)**

# Economic Injury Disaster Loan (EIDL) Advance

## ADVANCE AMOUNT AND USE

Small businesses that apply for EIDL are eligible to be considered for a loan advance up to \$10,000 while waiting for their application to be processed. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application. This loan advance will not have to be repaid whether you are approved for EIDL or not.

## HOW TO BE CONSIDERED

At the end of the EIDL application at [SBA.gov/Disaster](https://SBA.gov/Disaster), you will be asked whether or not you would like to be considered for advance funds. If you would like to be considered, then check that box and provide your bank information for direct deposit. If approved for an advance, funds can be made available within three days of a successful application.

## KEY TAKEAWAYS

- Must submit a successful EIDL application to be considered
- The loan advance does not need to be repaid whether you are approved for EIDL or not
- Funds can be made available within three days if approved

 **I would like to be considered for an advance of up to \$10,000.**

# Economic Injury Disaster Loans (EIDL) Application Tips

1. Be sure to provide an accurate email on your application. The SBA will be email after submission to request additional documentation.
2. Have your most recent tax returns, 2019 financials, and quarter 1 2020 financials on hand for when the SBA reaches out for additional documentation.
3. If you would like to be considered for the loan advance up to \$10,000 you must check the box in the application to be considered.
4. You can email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov) to confirm that your application was received, but they will not be able to provide you with the status of your application.
5. Ask for help. The [Indiana SBDC](#) and other [SBA resource partners](#) can help you work through the EIDL application. For technical issues, reach out to the SBA directly at 1-800-659-2955 or [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

## Express Bridge Loan (EBL)

The Express Bridge Loan (EBL) program allows SBA Express lenders to provide expedited financing to small businesses located in declared disaster areas. Express Bridge loans are intended to be interim loans. Businesses use these funds for disaster-related purposes while they apply for and await long-term financing.

### LOAN AMOUNT AND USE

Express Bridge Loans can be up to \$25,000. Only lenders that were already participating in the SBA Express program at the time of the disaster can issue Express Bridge loans. These lenders may issue Express Bridge loans only to eligible small businesses that had an existing banking relationship with the lender at the time of the disaster.

EBL can be used to for disaster-related purposes while you apply for and await long-term financing. EBL are intended to be interim loans.

### ELIGIBILITY AND TERMS

Small businesses as determined by the SBA Size Standards are eligible to apply.

Lenders may charge up to 6.5% over the Prime rate. The maximum EBL loan term is 7 years, and the program will be available through September 13, 2020.

Additional information can be found at [sba.gov/partners/lenders/7a-loan-program/pilot-loan-programs](http://sba.gov/partners/lenders/7a-loan-program/pilot-loan-programs).

### HOW TO APPLY

- STEP 1:** Speak with your lender to see if they are an SBA Express Lender
- STEP 2:** If yes, complete the required application with your lender
- STEP 3:** Submit application with your lender
- STEP 4:** Wait for notification of acceptance or denial



# Loan Comparison

## EIDL, PPP, EBL

	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)	SBA Express Bridge Loan (EBL)
<b>Eligibility</b>	Any business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations. Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.	Any business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations. Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.	Any business in operation before March 13, 2020, that meets the SBA's Size Standards (predicated or NAICS code and annual revenue).
<b>Lender</b>	SBA	Any SBA 7(a) lender, federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating.	SBA Express Lenders, must have an existing relationship
<b>Term</b>	30 years	2 years	Maximum of 7 years. Must be structured as a term loan.
<b>Amount</b>	up to 2 million	Up to two months of average monthly payroll costs from the last year plus an additional 25% of that amount - capped at \$10 million.	up to \$25,000
<b>Interest Rate</b>	3.75% for small businesses, 2.5% for private non-profits	1%	Not to exceed Prime + 6.5%, fixed or variable
<b>Security</b>	Unsecured up to 25K; loans of over 25K will need to give the SBA access to collateral, that does not mean that you need to have your loan fully collateralized, but if you have collateral it will be used.	None	None
<b>Payment Deferral</b>	1 year	6 months	N/A
<b>Forgiveness</b>	If approved for EIDL, any loan advance you received (up to \$10,000) will be applied to the loan. The advance does not need to be repaid.	The amount spent by the borrower during an 8-week period after the origination date of the loan on: payroll costs, interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020. Employee and compensation levels must be maintained and payroll cost capped at \$100,000 on an annualized basis for each employee. Any advance amount received under the Emergency Economic Injury Grant Program will be subtracted from the amount forgiven.	None
<b>Loan Availability Period</b>	January 31, 2020 – December 31, 2020	February 15, 2020 - June 30, 2020	March 13, 2020 - September 13, 2020
<b>Prohibitions</b>	Cannot be used to pay off existing debt.	Borrower cannot use EIDL and PPP for the same expenses.	Borrower may obtain only one EBL.
<b>How to Apply</b>	<u>Online: <a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a></u>	Contact your current lender or use SBA Lender Match to find a participating lender.	Contact your current lender.

## Additional Funding Resources

### 1. TALK TO YOUR EXISTING LENDER OR COMMUNITY BANK

If you have an existing lender or community bank, reach out to see if additional funding is available. If you have an existing loan, be sure to ask about payment deferment.

The SBA will pay the principal and interest of new 7(a) loans issued prior to September 27, 2020, and current 7(a) loans for a period of six months.

### 2. CONTACT YOUR LOCAL CHAMBER OR ECONOMIC DEVELOPMENT ORGANIZATION

Many local organizations are offering assistance to small businesses located within their region. Please contact your local Chamber of Commerce to see if programs are available.

### 3. UTILIZE ADDITIONAL LOAN AND GRANT RESOURCES

The Indiana SBDC is maintaining a list of additional loan and grant resources at [tinyurl.com/ISBDCFundingResources](https://tinyurl.com/ISBDCFundingResources). This list will be updated as we become aware of additional resources. Reference in the document to any specific product, process, or service, or the use of any trade, firm or corporation name is for the information and convenience of the public, and does not constitute endorsement, recommendation, or favoring by the Indiana SBDC.

### 4. SPEAK WITH AN ADVISOR

Indiana SBDC advisors are available to assist you with financial forecasting and recovery planning. Connect with a [regional office](#) nearest to you to meet with an advisor.

Additional advising resources can be found at [SBA.gov/Local-Assistance](https://SBA.gov/Local-Assistance)

# Indiana Unemployment Insurance

## Information provided by the Indiana Department of Workforce Development

### 1. If an employer temporarily lays off employees due to the loss of production, lack of demand for their products/services or out of precaution caused by COVID-19, will the employees be eligible for unemployment insurance benefits?

Indiana unemployment benefits are available to any individual who is unemployed through no fault of his/her own. If an employer must lay off employees due to the loss of production caused by the COVID-19, individuals may be eligible for unemployment benefits if they meet the monetary criteria and the weekly eligibility criteria. Employees must stay in contact with their employer and be available to work when called back.

### 2. How much is an individual entitled to receive in unemployment benefits?

To determine an individual's weekly payment, divide the total wages earned in the four quarters (12 months) prior to the last quarter the individual worked by 52. Then multiply the sum by 0.47. For example, if the individual earned a total of \$30,000 in the four quarters prior to the last quarter worked:  $\$30,000 \div 52 = \$576.92 \times 0.47 = \$271$  (weekly benefit amount). The weekly benefit amount should be rounded down to the next whole dollar amount and will not exceed \$390.

### 3. When will an individual receive his/her first unemployment insurance payment?

An individual should receive their first payment within three weeks if there are no issues on the claim for benefits. There is a one week waiting period for payment of unemployment insurance. This means that benefits are not paid for the first week of eligibility. Individuals must still file a voucher for that week.

For more information, visit Indiana Unemployment at the Indiana Department of Workforce Development website: [IN.Gov/DWD](http://IN.Gov/DWD)

# H6201 Families First Coronavirus Response Act

## Emergency Paid Sick Leave

### Covered Employers

- Private sector employers with fewer than 500 employees
- Public sector employers with more than 1 employee
- Exemption available to employers with fewer than 50 employees (applies only to #5 in qualifying reasons for leave below)

### Duration of Leave

- Employer must provide two weeks of paid sick leave for full-time covered employees
- Special rules apply for part-time employees

### Qualifying Reasons for Leave

1. Employee is subject to a Federal, State, or local quarantine related to COVID-19.
2. Employee has been advised by a health-care professional to self quarantine.
3. Employee is experiencing symptoms of COVID-19 and is seeking a medical diagnosis.
4. Employee is caring for an individual who is subject to quarantine pursuant to 1 and 2 above.
5. To care for a child or children whose school or care provider is unavailable due to COVID-19.
6. Employee is experiencing similar condition as specified by the Department of Health and Human Services, Department of Labor, or Department of Treasury.

### Required Wage Replacement

- Reasons 1-3: Employee's regular rate of pay- capped at \$510 a day and \$5,110 total
- Reasons 4-6: 2/3 of employee's regular rate of pay - capped at \$200 a day and \$2,000 total
- Special rules apply for part-time employees

### Applicability of Division G Tax Credits

Private sector employers with fewer than 500 employees may obtain a credit for wage replacement. Employers receive 100% payroll tax credit (refundable as needed) for required sick leave wages plus certain health care expenses of the employer. Special rules apply for self employed.

# H6201 Families First Coronavirus Response Act

## Emergency Family and Medical Leave

### Covered Employers

- Private sector employers with fewer than 500 employees
- Exemption available to employers with fewer than 50 employees

### Duration of Leave

- Employer must provide ten weeks of paid family and medical leave for employees that have been employed at least 30 days
- Special rules apply for part-time employees

### Qualifying Reasons for Leave

Employee is unable to work or telework due to a need for leave to care for a son or daughter under 18 years of age if the school or place of care has been closed, or the childcare provider is unavailable, due a public health emergency.

### Required Wage Replacement

Not less than 2/3 of regular rate of pay based on the number of hours scheduled to work. Capped at \$200 a day and \$10,000 total. Special rules apply for part-time employees.

### Applicability of Division G Tax Credits

Private sector employers with fewer than 500 employees may obtain a credit for wage replacement. Employers receive 100% payroll tax credit (refundable as needed) for required paid family and medical leave wages plus certain health care expenses of the employer. Special rules apply for self employed.

## Business Resiliency

Business resilience is the ability an organization has to quickly adapt to disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand equity. Below are steps that you can take now to safeguard your business.

### LOOK AT YOUR FINANCIALS AND CASHFLOW

How long can you sustain in case of a quarantine, lost wages, employee absenteeism (when you are paying for sick leave AND not bringing in revenue)? What do you need to bridge the gap? Plan on a 6–8 month drop in revenues, and map out your cash flow.

### CUT YOUR OVERHEAD

Take a look at your spending and cut the things you do not have to spend money on.

### COMMUNICATE

Keep staff and customers informed about your operations. Use tools like social media, Google Business, and your website to update your hours, answer questions, and share up-to-date information.

### UNDERSTAND YOUR INSURANCE

Business interruption insurance can help cover operating expenses, a move to a temporary location if necessary, payroll, taxes, and loan payments. Check with your insurance provider to understand coverage and what, if any, claims you may have.

### KEY TAKEAWAYS

- Take a look at your books– map your cash flow and cut overhead.
- Use online tools to communicate changes with your employees and customers.
- Talk to your insurance provider about potential business interruption insurance claims.

Continued on the next page.

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## Business Resiliency Continued

Business resilience is the ability an organization has to quickly adapt to disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand equity. Below are steps that you can take now to safeguard your business.

### LOOK AT YOUR SUPPLY CHAINS

Are your supply chains diversified or are you relying on one source for your products? Supply chain management is essential in any global pandemic. Travel, workforce absenteeism, and financials will impact supply chains across the world. It's important you have multiple providers of a resource that is the core of your business.

### DEVELOP AN INCIDENT RESPONSE PLAN

- How will you reach customers in case of closure?
- Can your employees work remotely?
- Can you still operate in case of employee absenteeism?
- Do you have back-up vendors in case of supplier disruption?

### CONSIDER FUNDING OPTIONS

Consider applying for EIDL, PPP, or EBL outlined on pages 4–9, or reaching out to your current lender for additional funding and payment deferrals.

### ASK FOR HELP

You don't need to do this alone. The Indiana SBDC has business advisors available to assist you with recovery planning, financial projections, and more. Connect with one of our 10 regional offices to meet with an advisor nearest to you.

### KEY TAKEAWAYS

- Don't be reliant on one supplier. Look for alternatives
- Plan how your business will survive a potential closure, absent employee, or supplier loss.
- Consider funding options like EIDL, PPP, or EBL to help your business survive.
- Ask for help!