PHILADELPHIA COVID-19

BUSINESS RELIEF FUND: A HOW TO GUIDE

For Early Childhood Education Providers
Objectives

• Participants will be able to understand financial terminology to ease the process of applying for funding relief

• Participants will be provided the tools to answer three essential questions

• Presenters will explain documents and available funding sources for Early Childhood Professionals in the Philadelphia area

  • Philadelphia COVID-19 Small Business Relief Fund
  • Philadelphia Emergency Fund for Stabilization of Early Education
  • SBA Economic Injury Disaster Loan
  • SBA Payment Protection Program
Robert Gundling, Ed.D.
Senior Consultant, Better Futures

Jahi B. Davis, MBA
Senior Consultant, Better Futures

Latoya Riggins
Host & Consultant, Better Futures
Thank You

We want to begin by thanking you for registering for this webinar session and spending time with us. Our hope is you that find your time with us beneficial to you and those you serve.
Guest Speaker
MaryKay Mahar
Senior Director, Early Learning
PHMC COVID-19 Business Support

The Fund for Quality, Fund for Sustaining Quality, and Early Childhood Education Fiscal Hub are shifting to support the short and long-term business needs of child care providers due to the COVID-19 pandemic. Support includes:

• **Business Support Resources**
  – Ask a Question - **coming soon**!
  – Webinars
  – Guidance documents
    • Philadelphia ECE Loan and Grant Comparison

• **Technical assistance**
Karen Bustard
Program Analyst, Lending & Investments
Philadelphia Emergency Fund for Stabilization of Early Education (PEFSEE)

Fiscal Hub Presentation
April 6, 2020

*Funded through grants from the William Penn Foundation and Vanguard and is administered by Reinvestment Fund.
PEFSEE Overview

- Website: reinvestment.com/pefsee/
- General Inquiries: PEFSEE@reinvestment.com

- Eligibility:
  - Centers, FCCH, GCCH serving 0-5 populations
  - Other organizations providing early intervention and home visiting programs

- Awards:
  - Maximum: $20,000 per provider
  - Priority Uses: Payroll/staffing, mortgage/rent

- Application Process:
  - Online application, accepted on rolling basis. First round opens on Monday, April 6, 2020
  - See website for more details and sign-up to receive an alert when application opens
Overview
of Relief Programs
The SBA’s Economic Injury Disaster Loan (Grant) program provides small businesses with working capital grants and loans of up to $2 million to small business owners in all U.S. states.

The Philadelphia COVID-19 Small Business Relief Fund offers grants or zero-interest loans to Philadelphia small businesses impacted by the COVID-19 pandemic.

The Philadelphia Emergency Fund for Stabilization of Early Education (PEFSEE) aims to ensure that Philadelphia’s early learning sector can weather the COVID-19 crisis. PEFSEE will provide grant funds to minimize the loss of capacity and expertise in the sector so that children and families continue to have access to high quality early learning opportunities once this crisis has passed.
Paycheck Protection Program
The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.
This program is for any small 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 affected by coronavirus/COVID-19.
Philadelphia COVID-19 Small Business Relief Fund

Providing some small businesses impacted by the COVID-19 pandemic with immediate relief through a mix of grants and loans.

Philadelphia Emergency Fund for Stabilization of Early Education

Up to $2,000,000

Loan advances up to $10,000

Up to $20,000

U.S. Small Business Administration

Disaster assistance

Up to $5,000
SBA Disaster Loan Application
<table>
<thead>
<tr>
<th>Relief program</th>
<th>Eligibility</th>
<th>Amount available per business</th>
<th>What you’ll need to apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Injury Disaster Loan and Loan Advance (EIDL)</td>
<td>Applicant is a business with less than 500 employees</td>
<td>$2,000,000 loan</td>
<td>• <strong>Personal Financial Statement</strong> (Form 413)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>IRS Form</strong> (4506T) Tax Authorization</td>
</tr>
<tr>
<td></td>
<td>Applicant is a sole proprietor, with or without employees</td>
<td>$10,000 loan advance</td>
<td>• <strong>Most recent Federal income tax returns</strong></td>
</tr>
<tr>
<td></td>
<td>Independent contractor</td>
<td></td>
<td>• <strong>Schedule of Liabilities</strong> (SBA Form 2202)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>The Application</strong> must be completed and signed. Sole Props complete (Form 5C)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Combined Annual Operating Expenses for the Twelve(12) Months Prior to the Date of the Disaster (January 31, 2020)</td>
</tr>
</tbody>
</table>

*Each principal owning 20 percent of more of the business, and each general partner or managing member must apply.*
<table>
<thead>
<tr>
<th>Relief program</th>
<th>Eligibility</th>
<th>Amount available per business</th>
<th>What you'll need to apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Injury Disaster Loan and Loan Advance (EIDL)</td>
<td>Applicant is a non-profit organization</td>
<td>$2,000,000 loan</td>
<td>• <strong>IRS Form</strong> (4506T) Tax Authorization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$10,000 loan advance</td>
<td>• <strong>Most recent Federal income tax returns</strong> or a copy of the IRS tax-exempt certification and three most recent years of Statement of Activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>Schedule of Liabilities</strong> (SBA Form 2202)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>The Application</strong> must be completed and signed. (Form 5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)</strong></td>
</tr>
</tbody>
</table>
Overview of Documents
## Current Outstanding Business Debts

Complete this form detailing all business debt. The more detail and complete your business debt schedule is, the easier it will be for the underwriter to accurately assess your eligibility.

<table>
<thead>
<tr>
<th>Creditor/Lender Name</th>
<th>Type of Debt*</th>
<th>Current Outstanding Balance</th>
<th>Current Contracted Monthly Payment</th>
<th>Interest Rate</th>
<th>Credit Limit (if applicable)</th>
<th>Origination Date</th>
<th>Has forbearance/deferment been approved for this facility?***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital One</td>
<td>Credit Card</td>
<td>$5,000</td>
<td>$125</td>
<td>21%</td>
<td>$10,000</td>
<td>Nov 1, 2005</td>
<td>N/A</td>
</tr>
</tbody>
</table>
# IRS 4506 Form

**Request for Copy of Tax Return**

- **Do not sign this form unless all applicable lines have been completed.**
- **Request may be rejected if the form is incomplete or illegible.**
- **For more information about Form 4506, visit www.irs.gov/form4506.**

**Tips:** You may be able to get your tax return or return information from other sources. If you had your tax return completed by a paid preparer, they should be able to provide you a copy of the return. The IRS can provide a Tax Return Transcript for many returns free of charge. The transcript provides most of the line entries from the original tax return and usually contains the information that a third party (such as a mortgage company) requires. See Form 4506-T, Request for Transcript of Tax Return, or you can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Get a Tax Transcript..." or call 1-800-908-9948.

### Lines 1a - 5

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Name shown on tax return. If a joint return, enter the name shown first.</td>
</tr>
<tr>
<td>2a</td>
<td>If a joint return, enter spouse’s name shown on tax return.</td>
</tr>
<tr>
<td>3</td>
<td>Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)</td>
</tr>
<tr>
<td>4</td>
<td>Previous address shown on the last return filed if different from line 3 (see instructions)</td>
</tr>
<tr>
<td>5</td>
<td>If the tax return is to be mailed to a third party (such as a mortgage company), enter the third party’s name, address, and telephone number.</td>
</tr>
</tbody>
</table>

### Line 6

- **Tax return requested:** Form 1040, 1120, 941, etc., and all attachments as originally submitted to the IRS, including Forms(s) W-2, W-3, or electronic returns. Copies of Forms(s) 1040, 1040A, or 1040EZ are generally available for 7 years from filing before they are destroyed by law. Other returns may be available for a longer period of time. Enter only one return number. If you need more than one form, include the number(s) of the other forms(s) of return.

**Caution:** If the tax return is being mailed to a third party, ensure that you have filled in lines 6 and 7 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your tax return to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party’s authority to disclose your return information, you can specify this limitation in your written agreement with the third party.
**Personal Financial Statement**

**U.S. Small Business Administration**

**7(a) / 504 Loans and Surety Bonds**

As of ____________

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or, with respect to a surety bond, to assist in recovery in the event that the contractor defaults on the contract. Submission of this information is required as part of your application for assistance. Failure to provide the information would impact the agency's decision on your application.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner’s spouse and any minor children), and (5) any person providing a guarantee on the loan.

Return completed form to:
- For 7(a) loans: the Lender processing the application for SBA guarantee
- For 504 loans: the Certified Development Company (CDC) processing the application for SBA guarantee
- For Surety Bonds: the Surety Company or Agent processing the application for surety bond guarantee.

<table>
<thead>
<tr>
<th>Name</th>
<th>Business Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City, State, &amp; Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Business Name of Applicant**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>(omit cents)</th>
<th>LIABILITIES</th>
<th>(omit cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Accounts Payable</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Notes Payable to Banks and Others</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Installment Account (Auto)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mo. Payments</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Installment Account (Other)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mo. Payments</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loan(s) Against Life Insurance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mortgages on Real Estate</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unpaid Taxes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Describe in Section 4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other Liabilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Describe in Section 7)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Liabilities</td>
<td></td>
</tr>
</tbody>
</table>
# ACH/WIRE Transfer Agreement

Complete the entire form. Missing or incorrect information could delay your transfer.

## Your Information

<table>
<thead>
<tr>
<th>Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>Telephone Number:</td>
</tr>
<tr>
<td>City, State, ZIP:</td>
<td></td>
</tr>
</tbody>
</table>

## Financial Institution Information

<table>
<thead>
<tr>
<th>Institution Name:</th>
<th>Account Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>Account Number:</td>
</tr>
<tr>
<td>City, State, ZIP:</td>
<td>ABA Routing Number:</td>
</tr>
</tbody>
</table>
Paycheck Protection Program

Paycheck Protection Program
Borrower Application Form

Check One:
- Sole proprietor
- Partnership
- C-Corp
- S-Corp
- LLC
- Independent contractor
- Eligible self-employed individual
- 501(c)(3) nonprofit
- 501(c)(19) veterans organization
- Tribal business (see 31(b)(2)(C) of Small Business Act)
- Other

DBA or Tradename if Applicable

Business Legal Name

Business Address

Business TIN (EIN, SSN)

Business Phone

( ) -

Primary Contact

Email Address

Average Monthly Payroll: $  

x 2.5 + EIDL, Net of Advance (if Applicable)  

Equals Loan Request: $  

Number of Employees:

Purpose of the loan  
(select more than one):
- Payroll
- Lease / Mortgage Interest
- Utilities
- Other (explain): ______________

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

<table>
<thead>
<tr>
<th>Owner Name</th>
<th>Title</th>
<th>Ownership %</th>
<th>TIN (EIN, SSN)</th>
<th>Address</th>
</tr>
</thead>
</table>

If questions (1) or (2) below are answered “Yes,” the loan will not be approved.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or indirect loan or PPP loan from a lender other than the SBA?</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Gather
Documents
Start with your Budget

An operating budget will help organize your finances. And assists with calculating average money payroll for PPP.
Request Credit Reports

A credit report assists with completing Schedule of Liabilities.
Complete Personal Financial Statement

**Personal Financial Statements** compile all of your data sources.
Complete IRS 4506-T Form

The 4506-T Form should be completed and signed.
Start the SBA Disaster Loan Application

The **SBA application** can be completed in about 45 minutes.
Start the SBA PPP Application

The **PPP application** can be completed in about 5 minutes.
Downloadable Documents

- Annual Budget Template
- Profit & Loss Statement (Universal)
- Schedule of Liabilities (Business Debt Schedule) (Universal)
- ACH/WIRE Transfer Agreement (Universal)
- 4506T Form (Universal)
Required Documents

• Personal Financial Statement
  (Universal)

• Most Recent Tax Returns
  2019
  (PIDC)

• 4506T Form

• Schedule of Liabilities
  (Business Debt Schedule)
  (Universal)
• Limited Professional Development Resources exist for leaders of an Early Childhood Education Program related to budgeting and applying for financial assistance, grants and/or loans

• The comfort level of Owners, Administrators and Directors of Early Childhood Education businesses is often in favor of operations at the detriment of business practices
The Child Care and Development Block Grant Act of 2014 states...

“The State/Territory develop and implement strategies to strengthen the business practices of child care providers to expand the supply and improve the quality of child care services”
Administration for Children and Families and other federal agencies have begun to develop and distribute a Business Practices Professional Development Resource.
Question & Answer
Thank You
Contact PHMC

• **Business Support Resources**
  – Ask a Question – coming soon!
  – Webinars http://www.sustainingquality.org/ask-a-question
  – Guidance documents
    • Philadelphia ECE Loan and Grant Comparison

• **Technical assistance**
  – http://www.sustainingquality.org/ask-a-question
Contact PIDC

• **Business Support Resources**
  – business@phila.gov

• **Phone**
  – 215.683.2100
Contact Reinvestment Fund

• **Website**
  – http://reinvestment.com/pefsee/

• **General Inquiries**
  – PEFSEE@reinvestment.com

• **Phone**
  – 215.574.5975
Contact SBA EIDL

- Website
  - http://disasterloan.sba.gov/ela/
Contact SBA PPP

• Website
Request Free Credit Reports

• Website
  – www.annualcreditreport.com

• Website
  – www.creditkarma.com
Don’t forget to leave a survey

Thank you!