*Please note that SBA is unable to accept new applications at this time for the Paycheck Protection Program or the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program (including EIDL Advances) based on available appropriations funding.

The deadline for the Philadelphia COVID-19 Small Business Relief Fund micro-enterprise grants ($5,000) was April 15, 2020.

General

Am I able to receive multiple grants and loans from other sources if available?
Yes. You are encouraged to apply to all available grant and loan programs discussed on the webinar.

What if I owe taxes to the IRS or the City of Philadelphia?
Considering the financial impact of the COVID-19 pandemic, any funding that you can receive may be critical for the survival of your early childcare business and should not be predicated on your tax bill to the IRS. Furthermore, you do not need to contact the IRS to be approved for funding programs discussed on the webinar.

However, the Philadelphia COVID-19 Small Business Relief Fund grant application requires that applicants, at least, be on a payment agreement if you owe taxes to the City of Philadelphia. If you are on a payment agreement, your application will be considered for funding.

How can I get credit reports?
You can request free credit reports through Annual Credit Report.com (CLICK HERE) or Credit Karma (CLICK HERE).

A business credit report can be requested for free through Nav (CLICK HERE). They can also be requested for a fee through Dun & Bradstreet and Equifax.
Who can I contact if I need help?
PHMC consultants are available to help providers in Philadelphia navigate through the COVID-19 pandemic to stabilize your business. Please visit the Fund for Sustaining Quality website (CLICK HERE) and complete a TA request form for one-on-one technical assistance.

SBA Economic Injury Disaster Loan (EIDL) and Loan Advance

What is the SBA’s Economic Injury Disaster Loan (EIDL) and Loan Advance?
SBA’s EIDL offers loans up to $2 million with interest rates of 3.75% for businesses and 2.75% for nonprofits, and principal and interest payments deferred up to 4 years. These loans can be used to cover paid sick leave, increased costs, rent or mortgage payments, and maintain payroll.

Small business owners are eligible to apply for an EIDL loan advance of up to $10,000. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. This grant will not have to be repaid. EIDL applicants may request the advance through a check-box on the SBA EIDL application and this grant is available within 3 days of applying. An applicant does not have to fully qualify for the SBA EIDL Loan to receive the $10,000 grant.

How should I submit an application? What happens after I submit and how can I check the status of my application?
The EIDL application should be submitted through the SBA’s website (CLICK HERE). The online application is the fastest method to receive a decision about your loan eligibility. An SBA lender will contact you to request the additional documents as they are not required at the time of submission. It is important that you have these documents completed and ready to submit when requested by the SBA.

For information on the status of your loan application, contact the SBA Customer Service Center: 1-800-659-2955 (TTY: 1-800-877-8339) or email disastercustomerservice@sba.gov.

Will SBA do a personal or business credit check? Will they require collateral?
The SBA is waiving rules related to the personal guarantee and credit checks on SBA loan advances ($10,000) and loans of less than $200,000. However, the SBA may approve an applicant based solely on their credit score and shall not require an applicant to submit a tax return or a tax return transcript for such approval. Borrowers do not have to prove they could not get credit elsewhere. No collateral is required for loans of $25,000 or less. For loans of more than $25,000, general security interest in business assets will be used for collateral instead of real estate. The borrowers must allow the SBA to review its tax records. This is subject to change any time.

If I have two different locations with different EIN numbers can both apply?
Yes, if both organizations meet the criteria required by the SBA EIDL application. Please check the SBA’s website (CLICK HERE).

If I have two centers under one EIN, should I apply separately for each location or should I combine both centers under one application?
Businesses with more than one physical location that employ no more than 500 employees per location can apply under one application.
What if I already have one or multiple SBA loans? Would I still be eligible?
Yes, you would be eligible to apply despite having an existing SBA Loan. The good news is the SBA will pay all principal, interest and fees on all existing SBA loan products including 7(a), Community Advantage, 504/Certified Development Company business loans, and Microloan programs for six months. This is considered a deferment.

Is it best for me to apply for an SBA loan if I’m borderline in good shape since you must pay the loan portion back? Or should I apply for grants instead?
This is a case-by-case situation and not all businesses will need a loan. However, the original purpose of SBA’s EIDL was to provide working capital to help small businesses during or after a disaster until normal operations can continue. If you decide to apply for grants, please keep in mind that all EIDL applicants may request from the SBA an advance on the loan of up to $10,000. This grant is available within 3 days of applying and does not have to be paid back if the loan is denied.

I’m a new business established in 2019 and haven’t filed for 2019 taxes as of yet. Will I still be able to complete the applications?
Yes, you would be able to complete the applications. However, it is permissible to use your 2019 Profit & Loss Statement and Balance Sheet instead of your 2019 tax returns. The SBA may approve an applicant based solely on the credit score of the applicant and shall not require an applicant to submit a tax return or a tax return transcript for such approval. This could change at any time.

Can nonprofit organizations apply?
Yes, a 501(c)(3) with fewer than 500 employees can apply.

SBA Payroll Protection Program (PPP)

What is the Paycheck Protection Program (PPP)?
For the SBA PPP, small businesses with 500 or fewer employees can apply for zero-fee loans of up to $10 million to cover 8 weeks of payroll and other operating expenses like mortgage, rent and utility costs. Eligible businesses include sole proprietorship and independent contractors; it also includes nonprofits, veterans’ organizations and tribal businesses.

How can I submit a PPP application?
The application must be processed through an eligible lender. There are currently 3,174 lending agencies certified with the SBA to release PPP loans. Businesses can apply for these loans through existing SBA lenders or apply through their own bank if they are an SBA lending partner.

For more information on the application and to locate eligible lenders visit the PPP webpage (CLICK HERE).

Does PPP require a personal guarantee or collateral?
During the period (Feb 15, 2020 - June 30, 2020) covered by the PPP there is no requirement for the collateral for the loan nor does it require a personal guarantee. Lenders will also not be looking for whether the borrower sought and was unable to obtain credit elsewhere.

Does PPP have a loan forgiveness component?
The PPP does have a loan forgiveness component. For loans to be forgiven (equate to a grant), the rules must be followed. Loan forgiveness applies to eligible expenses made during the eight-week period after
the origination date of the loan. Loan amounts that have been forgiven (treated as grants) will not be taxable. No borrower will receive forgiveness without documentation submitted to the lender.

**Can nonprofit organizations apply?**
Yes, a 501(c)(3) with fewer than 500 employees can apply.

**Philadelphia COVID-19 Small Business Relief Fund**

**What is the Philadelphia COVID-19 Small Business Relief Fund? Who administers it and how can I apply?**
Administered by the City’s Department of Commerce and Philadelphia Industrial Development Corporation, the Philadelphia COVID-19 Small Business Relief Fund provides some small businesses impacted by the COVID-19 pandemic with immediate relief through a mix of grants and loans. Due to extraordinary demand and limited resources available, applications will only be accepted and reviewed from businesses applying for Microenterprise Grants of $5,000. **All Microenterprise Grant applications must be submitted by 11:59 p.m. on April 15.** Visit their website for the application and to learn more (**CLICK HERE**).

**How can I check on the status of my application?**
Please contact PIDC directly to check on the status of your application via email: business@phila.gov or by phone (215) 683-210.

**What about property taxes in Philadelphia? They were extended to the 30th?**
Property taxes are not considered as part of the application requirements for the Philadelphia COVID-19 Small Business Relief Fund.

**What if I owe taxes to the IRS or the City of Philadelphia?**
Considering the financial impact of the COVID-19 pandemic, any funding that you can receive may be critical for the survival of your early childcare business and should not be predicated on your tax bill to the IRS. Furthermore, you do not need to contact the IRS to be approved for funding programs discussed on the webinars.

However, the Philadelphia COVID-19 Small Business Relief Fund grant application requires that applicants, at least, be on a payment agreement if you owe taxes to the City of Philadelphia. If you are on a payment agreement, your application will be considered for funding.

**Do you have to have your 2019 taxes done to receive the grants?**
No, the Philadelphia COVID-19 Small Business Relief Fund application only requires that your 2019 tax returns be signed not done.

**If you have a multi-site and apply, do both sites have to be in Philadelphia county?**
The legal entity address may be located outside of Philadelphia, but any site (or sites) for which funding is requested must be located in Philadelphia.

**Family Child Care Questions**

**Do home daycares have to have liability insurance?**
Home daycares should have liability insurance if they are operating a high-quality program.
What are options for family childcare with private pay who have lost revenue?

Family Childcare businesses should consider applying for all funding programs discussed on the webinar. These include:

*Philadelphia Emergency Fund for Stabilization of Early Education (PEFSEE)*
[CLICK HERE](#) for the information on the Reinvestment Fund’s website. For questions, email [PEFSEE@reinvestment.com](mailto:PEFSEE@reinvestment.com).

*SBA Economic Injury Disaster Loans (EIDL)*
[CLICK HERE](#) for the application and additional information.

*SBA Paycheck Protection Program (PPP)*
[CLICK HERE](#) for application information and to locate eligible lenders.

*Philadelphia COVID-19 Small Business Relief Fund*
[CLICK HERE](#) for the application and additional information. Please note that the City’s Department of Commerce and Philadelphia Industrial Development Corporation are only accepting applications for micro-enterprise grants of $5,000. All Microenterprise Grant applications must be submitted by 11:59 p.m. on April 15.

Questions specific to webinar handouts

**Should liabilities reflect business or personal as well?**
Yes, Personal Financial Statement and Business Liabilities Forms should properly reflect your business and personal financial reality.

**Does each partner have to fill all forms out separately and submit them all together?**
Each partner, if they are 20 percent or more, should complete the forms that were discussed on the webinar. However, the forms will be submitted to the SBA at a later time. For now, have each partner complete the forms and submit when the SBA requests them as part of your loan application.

**Should profit and loss statements reflect just March and April? Or should we submit profit and loss for the year?**
It is advisable to generate 2019 Profit & Loss Statement and Balance Sheet that covers Jan 1 - Dec 31 (2019). And Year-to-Date from Jan 1 - March 1st (2020) to confirm revenue for your business. If you are unable to or don't have an accounting system, PHMC consultants are available to help providers in Philadelphia navigate through the COVID-19 pandemic to stabilize your business. Please visit the Fund for Sustaining Quality website ([CLICK HERE](#)) and complete a TA request form for one-on-one technical assistance.

**If I own a home with someone outside my business, do I list half the value of my home or the whole value?**
It is advisable that you list the entire value (market) of your home.

**For the Schedule of Liabilities form, what if you don't remember the origination date?**
The origination date can also be retrieved from a credit report in most cases. The best and most reliable way is to contact your creditor directly to acquire the origination date for any loans you may have.
Does nonprofit 501(c)3 need to report personal debt?
No, personal debts are not required to be reflected for nonprofit businesses.

If you have tax forms 1120S or 990PF do you still need Personal Financial Statement?
No, the Personal Financial Statement is specifically used to document the debts of the owner(s) of for profit businesses. Nonprofit organizations aren't treated the same as for profits. Nonprofits are required to complete 1120S and 990 forms.

On the Personal Financial Statement, is the total amount of the debt what is written on the line at the far right and then monthly payments listed on the sub-line?
On the Personal Financial Statement, use the LIABILITIES section to reflect the total amount of debt and use the subline (Mo. Payments) to list monthly payments toward your debt.

What is the difference between the Accounts and Notes Payable?
A note payable is a written promissory note. Under this agreement, a borrower obtains a specific amount of money from a lender and promises to pay it back with interest over a predetermined time period. The interest rate may be fixed over the life of the note, or vary in conjunction with the interest rate charged by the lender to its best customers (known as the prime rate). This differs from an account payable, where there is no promissory note, nor is there an interest rate to be paid.

Can you explain Accounts & Receivables and give examples?
Accounts receivable refers to money due to a seller, or in this case, an early childcare business, from buyers (subsidy, copays or private pay) who have not yet paid for their purchases. A note receivable is a written promise to receive a specific amount of cash from another party on one or more future dates. This is treated as an asset by the holder of the note, which is why it appears on the Asset side of the PFS. Overdue accounts receivable are sometimes converted into notes receivable, thereby giving the debtor more time to pay, while also sometimes including a personal guarantee by the owner of the debtor.

On 4506 Form, can you clarify #7. What's the best requesting year?
Each requesting organization will complete #7 on your behalf. Please complete only #1-5 on the 4506 Form.

Can you explain the liability form?
The Business Liability Form is used to document any debts that are directly tied to the business. Only the debts that are associated with the business is what the form is referring to; not your personal credit cards or other debts. If your child care business does not have any debt that is directly tied to the business, then you should not list any other debts that are personal in nature such as a credit card, auto loan, mortgage or student loan.

If you co-sign for a vehicle, should you add that also?
By co-signing a vehicle loan, you are legally responsible for the auto loan and it is considered a personal debt. Personal debts of any kind (credit card, auto loan, mortgage, student loan, etc) should be listed on the Personal Financial Statement.

Do you write your name or the Business name on the ACH form?
On the ACH/WIRE Transfer Agreement, write your Legal name (First and Last) on the first line. List the business name on the blank line to the right of your Legal name.
How far back do we go for the current year transactions?
It is advisable to generate 2019 Profit & Loss Statement and Balance Sheet and a Year-to-Date Cash Flow Statement (From January 1, 2020 to March 1, 2020) to confirm revenue.