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Your Economic Solution

## **BUSINESS INFORMATION CORONA VIRUS ASSISTANCE**

### **General Questions/Information for State of NJ:**

<https://cv.business.nj.gov>

State of NJ Business Portal

*Good site for your first point of contact; program information and FAQ's*

### **Unemployment Benefits:**

<https://myunemployment.nj.gov/before/about/howtoapply/applyonline.shtm1>

Online process for applying for unemployment benefits

### **Employers: Post urgent jobs needed asap:**

<https://jobs.covid19.nj.gov/intake>

use this online portal if you have an urgent need for workers as a result of the crisis

### **Unemployed: Available jobs portal:**

<https://jobs.covid19.nj.gov>

### **State of NJEDA Financial Assistance Programs**

<https://cv.business.nj.gov> : Business Assistance

<https://assistance.business.nj.gov> : Eligibility Wizard

## **FEDERAL DISASTER ASSISTANCE**

### **SBA ECONOMIC INJURY DISASTER LOANS/EMERGENCY ECONOMIC INJURY GRANTS**

<https://Disasterloan.sba.gov/ela/> for online application

Sba.gov/disaster for paper application OR

Call: 1-800-659-2955

Please note: SBA is currently accepting application for

**AGRICULTURAL BUSINESS ONLY**

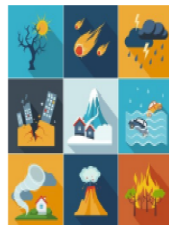
**LOAN AND GRANT PROGRAM:** Businesses can apply online or request a paper application; it is a 3 step loan process for loans up to \$2 million to alleviate economic injury and temporary loss of revenue due to the COVID-10 crisis; available to both small businesses and private, non-profits; Emergency advances of \$10,000 as grants

- Working capital
- Pay fixed debts, rents, payroll, accounts payable, any other bills
- Interest rate: 3.75% for small businesses; 2.75% for nonprofits
- Principal and interest deferred/forgiven upon request
- No fees

**\*\*Businesses apply for the Disaster Loan first, AND THEN request an advance up to \$10,000 through the Emergency Economic Injury Grant Program**

For an information sheet:

[disasterloan.sba.gov/ela/Documents/Three\\_Step\\_Process\\_SBA\\_Disaster\\_Loans.pdf](https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf)



*The Three Step Process*  
**Disaster Loans**

**About Disaster Loans**

The U. S. Small Business Administration (SBA) provides low-interest, long-term disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property. SBA disaster loans offer an affordable way for individuals and businesses to recover from declared disasters.

**STEP 1:  
Apply for Loan**

- Apply: 1) online; 2) in-person at a disaster center, or 3) by mail.
- Apply online at the SBA's secure website [disasterloan.sba.gov/ela](https://disasterloan.sba.gov/ela)
- As a business of any size, you may borrow up to \$2 million for physical damage.
- As a small business, small agricultural cooperative, small business engaged in aquaculture, or private non-profit organization you may borrow up to \$2 million for Economic Injury.
- As a small business, you may apply for a maximum business loan (physical and EIDL) of \$2 million.
- As a homeowner you may borrow up to \$200,000 to repair/replace your disaster damaged primary residence.
- As a homeowner or renter, you may borrow up to \$40,000 to repair/replace damaged personal property.

**STEP 2:  
Property Verified  
and  
Loan Processing  
Decision Made**

- SBA **reviews your credit** before conducting an inspection to verify your losses.
- An SBA verifier will **estimate** the total physical loss to your disaster damaged property.
- A loan officer will determine your **eligibility** during processing, after reviewing any insurance or other recoveries. SBA can make a loan while your insurance recovery is pending.
- A loan officer works with you to provide all the necessary information needed to reach a loan determination. Our goal is to arrive at a decision on your application within 2- 3 weeks.
- A loan officer will contact you to discuss the loan recommendation and your next steps. You will also be advised in writing of all loan decisions.

**STEP 3:  
Loan Closed and  
Funds Disbursed**

- SBA will prepare and send your Loan Closing Documents to you for your signature.
- Once we receive your signed Loan Closing Documents, an initial disbursement will be made to you within 5 days:
  - Physical damage:
    - \$25,000
  - Economic injury (working capital):
    - \$25,000 (In addition to the Physical damage disbursement)
- A case manager will be assigned to work with you to help you meet all loan conditions. They will also schedule subsequent disbursements until you receive the full loan amount.
- Your loan may be adjusted after closing due to your changing circumstances, such as increasing the loan for unexpected repair costs or reducing the loan due to additional insurance proceeds.

For more information or to find a local disaster center, contact SBA's Customer Service Center at 1-800-669-2955 (TTY: 1-800-877-8339).

[sba.gov/disaster](https://sba.gov/disaster)  
August 2018 v1

## **OTHER FEDERAL ASSISTANCE:**

### **PAYCHECK PROTECTION PROGRAM- *open until June 30,2020***

(Program administered thru SBA lenders)

#### **PHASE II Application Period now open with SBA lenders**

Cash flow assistance through 100% federally guaranteed loans to employers who maintain and bring back their payroll during the emergency; businesses under 500 employees; max. award of \$10 million (250% x avg. monthly payroll costs); payments deferred for 6 months; no fees; max term 10 years, max interest rate 4%; ***if maintain payroll, portion of loans is forgiven.*** *Non profits are eligible for this assistance;* Economic Disaster loans/grants can be refinanced into a larger PPP loan or other SBA loans; eligible costs are salaries, commissions, mortgage interest, health benefits, rent, utilities, interest on debt

Talk with a SBA lender for this program

**Applications now online at:** <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

### **SMALL BUSINESS DEBT RELIEF PROGRAM: Section 7(a), 504, microloans**

In conjunction with SBA lenders, there are three categories of debt instruments to help smaller and start up businesses: SBA 7(a) loans, 504 loans, and microloans; these programs are available to borrowers who lack credit elsewhere and need funds for working capital, business purchase, refinancing or fixed assets; the banks share risk with the SBA; microloans provide up to \$50,000 and come with technical assistance.

In Cumberland County, **CBAC and UCEDC**, two economic development nonprofit organizations can provide assistance through these programs

CBAC: Harry Stone 856-966-8181 [hstone@cbaclenders.com](mailto:hstone@cbaclenders.com)

UCEDC: Ellen McHenry [emchenry@ucedc.com](mailto:emchenry@ucedc.com)

### **EMPLOYEE RETENTION TAX CREDIT-**

***Can not be used if applying for Paycheck Protection Program***

If operations are suspended (fully or partially) or you've experienced a decline in gross receipts by more than 50% in a quarter, you are eligible for a 50% tax credit for the first \$10,000 of compensation for wages paid after March 12 and before Jan. 1 2021 for full time employees; this is a refundable credit applied against the employer portion of payroll taxes. Dept. of Treasury developing an advance payment of the tax credit

## FEDERAL RESERVE BANK – MAIN STREET LENDING PROGRAM

*Administered by SBA lenders*

MAIN STREET LENDING PROGRAM LOAN OPTIONS			
	Main Street New Loans	Main Street Priority Loans	Main Street Expanded Loans
Term	4 years	4 years	4 years
Minimum Loan Size	\$500,000	\$500,000	\$10,000,000
Maximum Loan Size	Lesser of \$25M or 4x 2019 adjusted EBITDA	Lesser of \$25M or 6x 2019 adjusted EBITDA	Lesser of \$200M, 35% of outstanding and undrawn available debt, or 6x 2019 adjusted EBITDA
Risk Retention by Lender	5%	15%	5%
Payment (year one deferred for all)	Years 2-4: 33.33% each year	Years 2-4: 15%, 15%, 70%	Years 2-4: 15%, 15%, 70%
Rate	LIBOR + 3%	LIBOR + 3%	LIBOR + 3%
Lender Transaction Fee (May be paid by Borrower)	100 basis points of principal loan amount	100 basis points of principal loan amount	75 basis points of principal loan amount
Borrower Origination Fee	100 basis points of principal loan amount	100 basis points of principal loan amount	75 basis points of principal loan amount

**EBITDA:** Earnings before interest, tax, depreciation and amortization ([more information](#))

**LIBOR:** London Interbank Offer Rate, a common benchmark interest rate index ([more information](#))

**NJEDA: PACKAGE OF PROGRAMS APPROVED BY GOVERNOR**

<https://www.njeda.com/about/Public-Information/Coronavirus-Inf>

*for information on the programs*

<https://cv.business.nj.gov>

*for eligibility wizard to determine best program for each business*

**APPLICATIONS AVAILABLE ONLINE WEEK OF 3/30 at the above web address**

**NEW ROUND II FUNDING AVAILABLE – APPLICATIONS JUNE 8, 2020**

**Small Business Emergency Assistance Grant Program** – A \$45 million program that will provide **grants** up to \$10,000 to small businesses of all types; to stabilize operations, recoup lost revenues, and reduce the need for layoffs or furloughs; \$1,000 per FTE up to max. \$10,000; no fees

**UPDATE: ROUND 2 FUNDING HAS BEEN APPROVED; APPLICATIONS AVAILABLE JUNE 8<sup>TH</sup>**

**Sole Proprietors and Home-based businesses now eligible; no limitations on business types;**

Check online at <https://cv.business.nj.gov>

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**This program fully subscribed – no additional revenue yet**

**APPLICATIONS OPEN ONLINE 4/13 AT 9:00 AM** <https://cv.business.nj.gov>

**Small Business Emergency Assistance Loan Program** – A \$10 million program that will provide direct working capital loans of up to \$100,000 to businesses with less than \$5 million in revenue with losses due to reduction of hours, complete closure, at least 20% reduction in revenues, supply chain disruption; 0% interest years 1-5; 3% thereafter; 10 year term, no fees; up to 12 months deferred—*screen shot of application is now on www.njeda.gov site*

**Community Development Finance Institution Emergency Loan Loss Reserve Fund** - A \$10 million capital reserve fund to take a first loss position on CDFI loans that provide low-interest working capital to microbusinesses. This will allow CDFIs to withstand loan defaults due to the outbreak, which will allow them to provide more loans at lower interest rates to microbusinesses affected by the outbreak.

**CDFI Emergency Assistance Grant Program** – A \$1.25 million program that will provide grants of up to \$250,000 to CDFIs to scale operations or reduce interest rates for the duration of the outbreak.

***NJ Entrepreneur Support Program*** – A \$5 million program that will encourage continued capital flows to new companies, often in the innovation economy, and temporarily support a shaky market by providing 80 percent loan guarantees for working capital loans to entrepreneurs.

***Small Business Emergency Assistance Guarantee Program*** – A \$10 million program that will provide 50% guarantees on working capital loans and waive fees on loans made through institutions participating in the NJEDA's existing Premier Lender or Premier CDFI programs.

***Emergency Technical Assistance Program*** – A \$150,000 program that will support technical assistance to New Jersey-based companies applying for assistance through the U.S. Small Business Administration.

## **NJ COMMUNITY CAPITAL: GARDEN STATE RELIEF FUND**

Fund for small businesses and non-profits with 3-50 full time employees; loans processed in 10-14 days; term up to 36 months; interest rate 3%; loan amounts of \$10-\$75,000; Online application @ [relief@njclf.com](mailto:relief@njclf.com)

*Please check the websites of UCEDC and CBAC to see when they will offer low interest loan programs for small businesses*

## **ASSISTANCE TO NONPROFIT ORGANIZATIONS FOR COVID-19 DISRUPTIONS**

### ***In addition to the SBA and NJEDA offerings:***

*(NJEDA Sm. Business Emergency Assistance Grants and SBA Disaster Loan/Grants are available to Nonprofits)*

### **Philadelphia Foundation/United Way**

PHL COVID-19 FUND: [phlcovid10fund.org/covid-19/](http://phlcovid10fund.org/covid-19/)

Grants to non-profits serving at-risk populations in the Philadelphia and Southern NJ region; grant funding to continue to provide services and expand local capacity to meet increased need

Application available on line at above website; fund operational

### **Community Fund of South Jersey**

South Jersey Response Fund: [www.southjerseyresponsefund.org](http://www.southjerseyresponsefund.org)

One time grants of \$3,000 to address community needs, including food banks and food distribution, homelessness, social services; 3 categories of grant assistance

1. Triage grants: community-based nonprofits with increased demand for services due to COVID-19
2. Treatment grants: human service non-profits that have to modify delivery mode due to reduced access to populations
3. Recovery grants: non-profits facing extreme difficulty due to lost revenue due

The Community Foundation of SJ is seeking funders for these grants; application process not quite operational at this time but will be forthcoming

**NJ Community Capital: GARDEN STATE RELIEF FUND**

Fund for small businesses and non-profits with 3-50 full time employees; loans processed in 10-14 days; term up to 36 months; interest rate 3%; loan amounts of \$10-\$75,000; Online application @ [relief@njclf.com](mailto:relief@njclf.com)

**M25 Initiative: FOOD INSECURITY GRANTS**

M25, A Cumberland County nonprofit organization, is offering grants up to a maximum of \$5,000 for service agencies and nonprofit organizations that are impacted by a demand for a higher level of service due to the emergency situation; online application at: <https://www.m25initiative.org/food-insecurity.html>

## CARE ACT/SBA PROGRAM DOCUMENTATION REQUIREMENTS

### Care Act Reporting Requirements:

1. 2019 IRS Quarterly 940, 941 or 944 payroll tax reports.
2. Last 12 months of Payroll Reports beginning with your last payroll date and going backwards 12 months. Maximum
  - a. Payroll report must show the following for the time period above:
    - i. Gross wages for each employee, including the officer(s) if paid W-2 wages. (no more than \$100,000 per employee)
    - ii. Paid time off for each employee.
    - iii. Vacation pay for each employee.
    - iv. Family medical leave pay for each employee.
    - v. State and Local taxes assessed on the employee's compensation for each employee.
3. 1099s for 2019 for independent contractors that would otherwise be an employee of your business.
  - a. Do NOT include 1099s for services.
4. Documentation showing total of all health insurance premiums paid by the Company Owner under a group health plan.
  - a. Include all employees and the company owners.
5. Document the sum of all retirement plan funding that was paid by the Company Owner (do not include funding that came from the employee's out of their paycheck deferrals).
  - a. Include all employees, including company owners.
  - b. 401K plans, Simple IRA, SEP IRAs.
6. Mortgage interest payment (but not any prepayment of or payment of principal on a mortgage obligation).
7. Interest on any other debt obligations that were incurred before the Covered Period.
8. Rent with formal lease in place.
9. Utilities (electricity, water, gas, transportation, telephone or internet)



### **Maximum Loan Amount, Interest Rate and Maturity for Loans with Remaining Balances:**

During the Covered Period, the maximum loan amount permitted for an eligible Covered Entity is the lesser of \$10,000,000 and an amount calculated based on a payroll formula that essentially equals 2.5x the average total monthly payroll cost incurred in the one-year period before the loan is made. The interest rate for loans borrowed by a Covered Entity under the program may not exceed four percent (4%). Any Paycheck Protection Loan that has a remaining principal balance after any applicable loan forgiveness (as covered in detail above) must have a maturity date no later than 10 years from the date on which the borrower applied for loan forgiveness.