

Small Business Administration (SBA) Loans & Grant Programs





Paycheck Protection Program (PPP) Overview



- Interest rate of 1% fixed; 5 year **term**
- **Up to 100% loan forgiveness is available! Loan payments are deferred 10 months after the end of the covered period starting the day the loan is disbursed (either 8 weeks or 24 weeks)**
- **Must have been in business with employees or 1099 independent contractors as of February 15, 2020**
- No collateral required; No government or lender fees
- **For most borrowers, the maximum loan amount of a PPP Loan is 2.5x average monthly 2019 or 2020 payroll cost**
- **APPLICATION DEADLINE: March 31, 2021**



PPP Eligible Entities



- **Newly Eligible:**
 - Housing cooperatives
 - Destination marketing organizations
 - Certain 501(c)(6) organizations such as Chambers of Commerce
 - Eligible news organizations
 - Any business with a NAICS code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employees less than 500 per location
- **Still Eligible:**
 - Business entities and Tribal businesses (e.g., partnerships, corporations, LLCs)
 - Sole proprietors, independent contractors, self-employed individuals
 - 501(c)(3) non-profit organizations
 - 501(c)(19) Veterans organizations



First Draw PPP v. Second Draw PPP



- **First Draw:** For eligible applicants that have not received a PPP loan
- Maximum loan amount = \$10M
- Borrowers must certify need.
- **Second Draw:** For eligible applicants that previously received PPP with **more targeted eligibility requirements**.
- Maximum loan amount = \$2M
- For the Accommodation and Food Services Sector (NAICS code 72), the maximum loan amount for a Second Draw PPP Loan is 3.5x average monthly 2019 or 2020 payroll costs up to \$2 million
- Second Draw PPP loan applicants must submit the information on SBA Form 2483-SD (Borrower Application) when applying to their lender.



PPP Second Draw Loans Eligibility



- **Received first draw PPP loan and used 100% of proceeds on eligible expenses**
- **Have 300 employees or less; and**
- **Suffered a 25% reduction in gross receipts**

PPP Application



Paycheck Protection Program Borrower Application Form Revised January 8, 2021

OMB Control No.: 3245-0407
Expiration Date: 7/31/2021

Check One: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Tradename (if applicable)	Year of Establishment (if applicable)
Business Legal Name		NAICS Code	Applicant (including affiliates, if applicable) Meets Size Standard (check one): <input type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)		Business TIN (EIN, SSN)	Business Phone
		Primary Contact	Email Address
Average Monthly Payroll:	\$	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:	\$
		Number of Employees:	
Purpose of the loan (select all that apply):	<input type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Operations Expenditures
		<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain):

Applicant Ownership

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

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
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?		
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.		
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 →		
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 →		
7. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?		
8. Is the Applicant a franchise?		
9. Is the franchise listed in the SBA's Franchise Directory? If yes, enter the SBA Franchise Identifier Code here:		

Clear Form

Save Form

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PPP Application



Paycheck Protection Program Borrower Application Form Revised January 8, 2021

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, eligible 501(c)(6) organization, or eligible destination marketing organization, employs no more than 300 employees; (4) if NAICS 72, employs no more than 500 employees per physical location; (5) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (6) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any EIDL loan received by the Applicant (Section 7(b)(2) of the Small Business Act) between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses for loans under the Paycheck Protection Program Rules.

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For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- The Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37)).
- The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.
- The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.
- The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).
- I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than three years and/or a fine of not more than \$1,000,000.
- I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant _____

Date _____

Print Name _____

Title _____



PPP Application Checklist



- o Completed Application
- o SBA Form 2483 (1/21)
- o Contact Name and Email Address
- o List of all owners (over 20%)
- o Indicate Business Type



PPP Application Checklist

- **Proof of Payroll or Net Income**

- **Independent Contractors/Sole Proprietors/Self-Employed without Employees**

- 2019 or 2020 IRS Form 1040 Schedule C (include draft if using 2020 to calculate loan amount but you haven't filed your 2020 taxes yet)
- If you are including an EIDL taken from 1/31/20-4/3/20, provide a bank statement showing the deposit into your business account
- Invoice bank statement, book of record, or a 1099 MISC that covered the period up to 2/15/2020

- **Sole Proprietors/Self Employed WITH Employees**

- Payroll/health insurance retirement benefits for employees: 2019 or 2020 IRS 1040 Schedule C
- Form 940 or 4 quarterly Form 941s
- State quarterly wage unemployment insurance tax reporting forms for each quarter
- If you are including an EIDL taken from 1/31/20-4/3/20, provide a bank statement showing the deposit into your business account



PPP Application Checklist



- **For corporations (& LLCs that file as corporations):**
 - For owners income: 2019 or 2020 IRS Form 1040 Schedule C ((include draft if using 2020 to calculate loan amount but you haven't filed your 2020 taxes yet)
 - Form 940 or 4 quarterly Form 941s
 - Form 1120 or Form 1120-S tax return to substantiate health insurance or retirement benefits to employees
 - If you are including an EIDL taken from 1/31/20-4/3/20, provide a bank statement showing the deposit into your business account
 - Invoice bank statement, book of record, or a 1099 MISC that covered the period up to 2/15/2020
 - Quarterly State wage unemployment insurance tax reporting forms (for each quarterly)
- **For partnerships (& LLCs that file as partnerships)**
 - 2019 or 2020 IRS Form 940 or 4 quarterly Form 941s
 - 1065 tax return (including K1's) to substantiate health insurance or retirement benefits to employees, and self-employment earnings for the partners
 - State quarterly wage unemployment insurance tax reporting forms for each quarter
 - Invoice, bank statement, book of record, or a 1099 MISC that covers the period 2/15/20



PPP Application Checklist



- For non-profits:

- 2019 or 2020 IRS Form 940 or 4 quarterly Form 941s
- Form 990 showing health insurance and/or retirement plan benefits to employees
- State quarterly wage unemployment insurance tax reporting forms for each quarter
- Parsonage report (if applicable)





Additional Documents

- Unexpired, government-issued driver's license or passport (for all owners over 20%)
- Voided check
- Documents needed for proof of 25% revenue reduction (for a second draw PPP)
 - Proof of receipt and exhausting previous first-time PPP loan
 - Examples of revenue reduction paperwork include:
 - 2019 and 2020 tax forms (IRS Form 1040 Schedule Cs)
 - 2019 and 2020 quarterly income statements (for the same quarter for 2019 and 2020)
 - If the business started between 1/1/2020-2/15/2020, quarterly income statements or bank statements for Q2, Q3, or Q4 compared to Q1
 - 2019 and 2020 bank statements (for the same quarter for 2019 and 2020)





PPP Loan Forgiveness Conditions

- First Draw and Second Draw Loans:
 - Full time equivalent (FTE) and salary/hourly wage levels are maintained
 - The loan proceeds are spent on payroll costs and other eligible expenses
 - 60% of the proceeds are spent on payroll costs
 - **Loans up to 100% forgivable if guidelines are met**





PPP Loan Forgiveness Procedures

- Forgiveness Application Submission: **Once all loan proceeds for which the borrower is requesting forgiveness have been used.**
- If borrowers do not apply for forgiveness within 10 months after the last day of the covered period, then PPP loan payments are no longer deferred
- Borrowers should contact their PPP lender and complete the correct form to apply for loan forgiveness.
- Borrowers must apply for forgiveness through their lender; lenders then submit borrower forgiveness decision to the SBA.
- The lender can provide either the SBA Form 3508, SBA Form 3508EZ, SBA Form 3508S, or a Lender Equivalent.
- Payroll and non-payroll [documentation](#) is required.





Key Provisions and Changes



- Borrowers can now set their PPP loan's covered period to be any length between **8 and 24 weeks** to best meet their business needs
- Loans cover additional expenses, including operations expenditures, property damage costs, supplier costs, and worker protection expenditures
- If borrowers have not already submitted for loan forgiveness, they may go back and include newly eligible expenses
- Greater flexibility for seasonal employers – as long as they were in operation for any 12-week period between 2/15/19 and 2/15/20
- Businesses that received PPP funds in the past can request an increase to their original PPP loan amount in certain cases



Key Provisions and Changes (continued)



- EIDL Advances will no longer be deducted from forgiveness payments
- Forgiven PPP loans are not taxable income
- Expenses paid with PPP loan funds are now tax deductible
- Borrowers should consult the IRS for details regarding tax implications
- All new borrowers (including farmers and ranchers) can use 2019 or 2020 as the base period for purposes of calculating their maximum loan amount



Next Steps and Resources

- PPP Borrowers can:
 - Contact their lender
 - If they do not have a lender, they can find one on Lender Match: www.sba.gov/LenderMatch
 - Visit www.sba.gov/ppp for the most up-to-date documents
- Additional Resources:
 - Contact their local SBA District Office or Resource Partner: www.sba.gov/local-assistance
 - Follow SBA on Twitter: @SBAgov





DCEO SBDC Network

Illinois Small Business Development Centers are located throughout the state and provide information, confidential business guidance, training and other resources to start-up and existing small businesses.

- These state-funded community centers help connect small businesses with information and assistance in applying for state and federal emergency relief programs, including over \$500 million in small business assistance programs launched by DCEO since March.

Businesses can contact the **First Stop Business Information Center** for questions on reopening guidelines, mitigations, and grant programs.

- Toll free helpline 800.252.2923 or email us at ceo.firststop@illinois.gov

Website: <https://www2.illinois.gov/dceo/SmallBizAssistance/BeginHere/pages/sbdc.aspx>



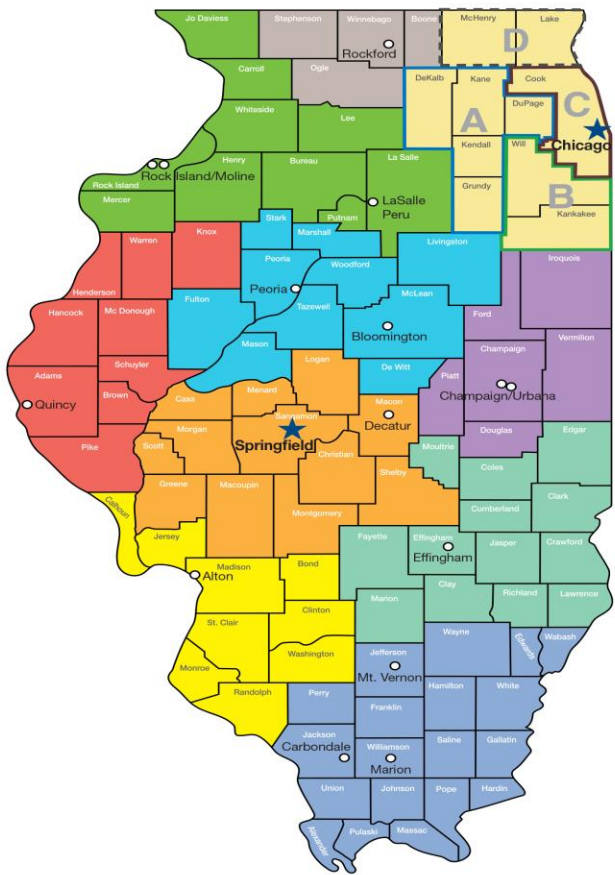
Technical Assistance & Community Navigators

Community Navigators: The state is working with 12 community navigators - grassroots organizations connected with other community services. Community navigators can help determine your eligibility for programs, assist with documents, and refer to other specialized services.

Community Navigator Partner Organization web address	Contact Name	Email	Spanish Speaking
Urban League https://chiul.org	Jason Johnson	jjohnson@chiul.org	
Springfield Urban League https://springfieldul.org	Beverly Hicks-Gibson	bhicksgibson@springfieldul.org	
Excel CDC https://www.hopeexcel.com	Chrystal Kyles	ckyles@hopeexcel.com	
The Resurrection Project http://resurrectionproject.org	Carlos Jaramillo	cjaramillo@resurrectionproject.org	X
HACES (Hispanic American Community Education and Services) https://www.haces.org	Ricardo Rosas and Martha Hernandez	rrosas@haces.org mhernandez@haces.org	X
NAIMA https://www.facebook.com/naimanfp	Judia Macias	judymacias@gmail.com	X
Carpentersville Family Resource Center https://bit.ly/3plsSmT	Maria Vela	cvillecfrc2020@gmail.com	X
Greater Auburn Gresham Development Center http://www.gagdc.org/index.html	Christa Hunt	christa@gagdc.org	
Southland Development Corporation https://www.southlanddevelopment.org	Liz Castaneda	liz.castaneda@southlanddevelopment.org	
Cook County Southland Juvenile Justice Council http://sjjcouncil.org	Jaclin Davis	jdavis@sjjcouncil.org	
Chamber 57 https://chamber57.org	Percy Scott	pscott@chamber57.org	
South Holland Business Association http://shba.org	Blevian T Moore	info@shba.org	



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visit us at illinois.gov/dceo

Questions?

Thank You!

Contact Information :



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Department of Commerce
& Economic Opportunity
JB Pritzker, Governor