



# Getting Technical: SBDC Offers Direct Assistance to Small Businesses Applying for COVID-19 Funding

City of Glendale | Verdugo Jobs Center

Glendale Chamber of Commerce | Montrose Verdugo City Chamber

SBDC at Pasadena City College



April 16, 2020



# Introductory Comments from Glendale Mayor

Mayor Vrej Agajanian



# How the City of Glendale is Supporting Small Business

- 1) Eviction Moratorium
- 2) Protecting Essential Businesses & Employees
- 3) Keeping You Updated

- Sign-up for Our Newsletter: Link [here](#).
- Check our Website for Emergency Business Resources
  - 1) <https://www.glendaleca.gov/government/departments/economic-development/emergency-business-resources>

## 4) Supporting Local

Sign Up for the Restaurant Directory here:

<https://www.glendaleca.gov/government/departments/economic-development/emergency-business-resources/restaurant-director>



# The Glendale Chamber of Commerce

Alex Bruno

Chair of the Board of Directors for the Glendale  
Chamber of Commerce

Judee Kendall

President/CEO for the Glendale Chamber of  
Commerce

(818) 240-7870

[info@glendalechamber.com](mailto:info@glendalechamber.com)



# The Glendale Chamber of Commerce

- Advocating for Glendale businesses since 1910
- Marketing opportunities for member businesses
- Educational programs to build leadership and business skills:
  - Leadership Glendale
  - Glendale Young Professionals
- Networking opportunities to help build and grow your business
- Annual events for community involvement and business building
- Ribbon cutting, grand opening and business anniversary events for new and existing businesses
- Committees and staff available to meet the needs of members



# Verdugo Jobs Center

Judith Velasco  
Executive Director at the Verdugo Job  
Center

818-937-800

[askVJC@glendaleca.gov](mailto:askVJC@glendaleca.gov)



# VJC Services- Rapid Response

Rapid Response is a proactive, business-focused program designed to assist companies facing potential layoffs or closures.

- Offered by the Verdugo Jobs Center, which is administered by the City of Glendale and provides no-cost job search assistance, skills training, and business services to the individuals and businesses in the cities of Burbank, Glendale, and La Canada Flintridge.
- Provides intervention assistance to employers to help avert potential layoffs, and connects employees facing job losses with valuable information and resources.
- Tailored to each company.
- Services delivered by state and local workforce development agencies in partnership with the America's Job Center of California<sup>SM</sup> (AJCC) network.

**The Verdugo Jobs Center offers Rapid Response services to all businesses in the Verdugo area of Glendale, Burbank, and La Cañada Flintridge.**



# COVID-19 Information Covered in Rapid Response

- Employee Resources
  - Unemployment Insurance
  - Disability Insurance
  - Paid Family Leave
  - Post-Layoff Health Coverage
  - Job Search Assistance

- Work Sharing Program

To set up a virtual Rapid Response session, contact the Verdugo Jobs Center at (818) 937-8000 or email [gwashingtonglendaleca.gov](mailto:gwashingtonglendaleca.gov)



# Montrose Verdugo City Chamber of Commerce

Raffi Ashdjian

President, Montrose Verdugo City Chamber of  
Commerce

Victoria Malone

Executive Director, Montrose Verdugo City Chamber  
of Commerce

(818) 249-7171

[mvcc@montrosechamber.org](mailto:mvcc@montrosechamber.org)



# City of Glendale Economic Development

**chooseglendale@glendaleca.gov**

**[www.glendaleca.gov](http://www.glendaleca.gov)**

**(818) 548-2005**

@ChooseGlendale





*#MyGlendale*



# SBDC at Pasadena City College

Don Loewel

Director, Pasadena Small Business  
Development Center

(626) 585-3105

[pccsbdc.org](http://pccsbdc.org)





## COVID-19 RESPONSE FOR SMALL BUSINESSES



Funded in part through a Cooperative Agreement with the U.S. Small Business Administration. Funding is not an endorsement of any product, opinion, or service. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Small Business Administration.

Funded in part through a Grant with the Governor's Office of Business and Economic Development.

Contact Us

1-626-585-3105 | [sbdc@pasadena.edu](mailto:sbdc@pasadena.edu) | [pccsbdc.org](http://pccsbdc.org)



# Welcome

from Pasadena City College  
Small Business Development Center (SBDC)



Helping Businesses Start, Grow and Recover





# What is the SBDC?

## Who We Are

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The SBDC is a proud resource partner of the U.S. Small Business Administration (SBA).

1,000 locations nationwide stimulating economic growth through our support for small business

## What We Do

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We provide **business consulting, training and resources** to small businesses in funding, business planning, management and marketing **no cost, no catch.**

# Agenda



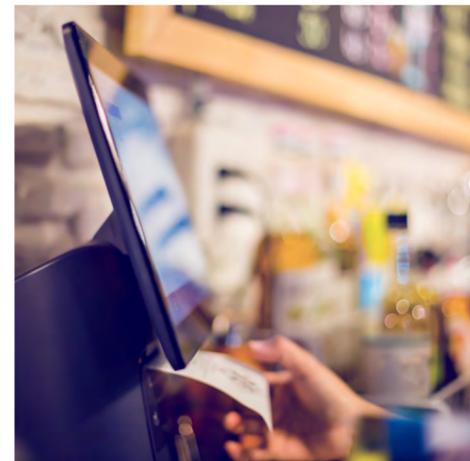
## Economic Injury Disaster Loan (EIDL)

Operating expenses during Covid-19 disaster  
Funded by US Treasury through SBA



## Paycheck Protection Program (PPP)

New from the CARES Act  
Funded through SBA lending partners



## SBA Express Bridge Loan & Debt Relief

For existing federal loan holders

# Economic Injury Disaster Loan (EIDL)

## What can I use the funds for?

Intended to provide working capital to keep businesses operating

✓ Operational costs affected by COVID-19

✓ Fixed debt, payroll, COGS, A/P

Funds may not be used to replace lost sales, refinance debt or expand.

Up to **\$2M**      Up to **3.75%**      Up to **30 years**      **11 month**  
2.75% APR for non-profits      Deferment (interest accrues)



# Economic Injury Disaster Loan

## Business Eligibility



- Business must have been affected by COVID-19
- Less than 500 employees
- Corporations, sole proprietors, independent contractors
- Non-profits under IRS exemption 501 (c) (d) or (e)
- Faith Based – Secular Social Services only
- Ineligible: religious, cannabis, gambling concerns

# ELIGIBILITY

## What You'll Need



- Credit score and history (they will pull credit)
- Info for principals with 20% or more ownership
- 12 months COGS (period ending 1/31/2020)
- 12 months operating expenses
- # of employees as of 1/31/2020 (IDC's do not count)

## Guarantee & Collateral



- No personal guarantee up to \$200,000
- Loans over \$25,000 require collateral
- Lack of collateral will not impact approval
- SBA will want you to pledge what is available



# EIDL – How to Apply

[covid19relief.sba.gov](https://covid19relief.sba.gov)



Paper Applications Visit: [sba.gov/disaster](https://sba.gov/disaster)

Send Completed Application to:

U.S. Small Business Administration, Processing and Distribution Center,  
14925 Kingsport Road, Fort Worth, Texas 76155

To obtain application by phone: 1-800-659-2955 Deaf or hard-of-hearing: 1-800-877-8339

The PCC SBDC is Here to Help Your Business - No Cost, No Catch  
1-626-585-3105 | [sbdc@pasadena.edu](mailto:sbdc@pasadena.edu) | [pccsbdc.org](http://pccsbdc.org)

SBA U.S. Small Business Administration OMB Control #3247-0408 Expiration Date: 09/30/2020

## Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

### COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION

DISCLOSURES BUSINESS INFORMATION BUSINESS OWNERS INFORMATION ADDITIONAL INFORMATION SUMMARY

#### STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

#### ELIGIBLE ENTITY VERIFICATION

**Choose One:**

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/document/support-table-size-standards/>.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/document/support-table-size-standards/>.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c)(d), (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit organization or doing business under State law, or a faith-based organization.

**Review and Check All of the Following:**  
Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

- Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
- Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- Applicant is not in the business of lobbying.
- Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

If you have questions about this application or problems providing the required information, please contact our Customer Service Center at 1-800-659-2955 or (TTY: 1-800-877-8339) [DisasterCustomerService@sba.gov](mailto:DisasterCustomerService@sba.gov).

[Continue >](#)

APPLICATION DEADLINE  
**Dec. 31, 2020**

# EIDL Advance - Up to \$10,000

**Step -4 Additional Information**

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

9. Provide Bank information so funds may be dispersed.

**Where to Send Funds**

Bank Name \*

Account Number \*

Routing Number \*

10. Certify true and correct information is being submitted by checking the box and click Next.

On behalf of the individual owners identified in this application and for the business applying for the loan:

I/We authorize my/our insurance company, bank, financial institution, or other creditors to release to SBA all records and information necessary to process this application and for the SBA to obtain credit information about the individuals completing this application.

If my/our loan is approved, additional information may be required prior to loan closing. I/We will be advised in writing what information will be required to obtain my/our loan funds. I/We hereby authorize the SBA to verify my/our past and present employment information and salary history as needed to process and service a disaster loan.

I/We authorize SBA, as required by the Privacy Act, to release any information collected in connection with this application to Federal, state, local, tribal or nonprofit organizations (e.g. Red Cross Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my/our SBA application, evaluating eligibility for additional assistance, or notifying me of the availability of such assistance.

I/We will not exclude from participating in or deny the benefits of, or otherwise subject to discrimination under any program or activity for which I/we receive Federal financial assistance from SBA, any person on grounds of age, color, handicap, marital status, national origin, race, religion, or sex.

I/We will report to the SBA Office of the Inspector General, Washington, DC 20416, any Federal employee who offers, in return for compensation of any kind, to help get this loan approved. I/We have not paid anyone connected with the Federal government for help in getting this loan.

CERTIFICATION AS TO TRUTHFUL INFORMATION: By signing this application, you certify that all information in your application and submitted with your application is true and correct to the best of your knowledge, and that you will submit truthful information in the future.

WARNING: Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729-3; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

I hereby certify UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES that the above is true and correct.

[Click for additional statements required by laws and executive orders](#)

[< Back](#) [Next >](#)

- Intended to provide fast cash for operating expenses
- ✓ Must be requested in EIDL application – check the box!!
- ✓ Must be sent within 3 days of application
- ✓ EIDL approval is not required to be approved for an advance
- ✓ Advance is forgiven if declined for EIDL or used for allowable expenses

If you submitted an EIDL application before March 30, 2020, you must RESUBMIT your application to access the Advance.



# Paycheck Protection Program

## What can I use the funds for?

Designed to help businesses keep their workforce employed

- ✓ Payroll, wages, benefits, retirement, payroll taxes
- ✓ Rent, lease, utilities
- ✓ Interest on mortgage or debt incurred prior to Feb. 15, 2020

Funds may only be used for allowable expenses

Up to  
**\$10M**   **1% APR**   **2 years**   **6 months**  
Deferment (interest accrues)



# Paycheck Protection Program (PPP)

## Business Eligibility



- Less than 500 employees, IDCs do not count
- Corps, sole proprietors, self employed, IDC's\*, startups
- Non-profits under IRS exemption 501 (c)(3) and (19)
- Faith Based – Secular social services only
- Ineligible: illegal, Fed default in 7, gambling, household

## ELIGIBILITY

## What You'll Need



- SBA Lending Partner
- PPP Application – SBA Form 2484
- Payroll documentation-W2's and 941's from 2019
- IDCs – 2019 Form 1040 Schedule C and 941

## Guarantee & Collateral



- No personal guarantees
- No collateral requirements
- Credit elsewhere does not apply

\* Independent Contractor program launches Friday, 3/10

# PPP– How to Apply

## SBA Approved Lenders

Any existing SBA 7(a) lender, any participating, federally insured depository institution or federal credit union. Other regulated lenders will be available once approved and enrolled. <https://www.sba.gov/paycheckprotection/find>



Applications Opened  
**April 3, 2020**

**Paycheck Protection Program Borrower Application Form**

OMB Control No.: 3245-0407  
Expiration Date: 09/30/2020

**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 (sec. 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.

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

*If questions (1) or (2) below 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?	<input type="checkbox"/>	<input type="checkbox"/>
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 currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the Applicant received 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.	<input type="checkbox"/>	<input type="checkbox"/>

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

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input type="checkbox"/>

SBA Form 2483 (04/20)

**APPLICATION DEADLINE**  
**June 30, 2020**

## How Much Can I Borrow?

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- Loans can be up to 2.5 x the borrower's average monthly payroll costs incurred during the year prior to the loan date.
  - Capped at \$100K per employee
  - Not to exceed \$10 million
  - IDCs do not count. Apply on their own
- Not Operational in 2019?
  - 2.5x average monthly payroll costs for Jan & Feb 2020
- What About Seasonal Employers?
  - 2.5x average monthly payroll costs for Feb. 15, 2019–June 30, 2019

## Know Your Payroll

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PPP Key Q&A



## What Are the Included Payroll Costs?

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The sum of payments of any employee compensation that is a:

- ✓ salary, wage, commission, or similar compensation
- ✓ payment of cash tip or equivalent
- ✓ payment for vacation, parental, family, medical, or sick leave
- ✓ allowance for dismissal or separation
- ✓ payment required for the provisions of group health care benefits, including insurance premiums
- ✓ payment of any retirement benefit
- ✓ payment of state or local tax assessed on the compensation of the employee

## How Much Can I Borrow?

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- Not Operational in 2019?
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- What About Seasonal Employers?
  - 2.5x average monthly payroll costs for Feb. 15, 2019–June 30, 2019

## Know Your Payroll

PPP Key Q&A



## Sole Proprietors and Independent Contractors

With Employees:

- ✓ Net Profit - 2019 Form 1040 Schedule C, Line 31
  - ✓ Up to \$100,000
- ✓ Taxable wages & tips - 2019 Form 941, line 5c
  - ✓ Up to \$100,000 per employee
- ✓ Employer health insurance contributions - 2019 Form 1040 Schedule C, Line 14
- ✓ Retirement contributions - 2019 Form 1040 Schedule C, Line 19

Without Employees:

- ✓ Net Profit - 2019 Form 1040 Schedule C, Line 31
  - ✓ Up to \$100,000

\*\* Regardless of whether you have filed 2019 tax returns yet

# PPP – Loan Calculations



**\$250,000** loan max

If your annual payroll is

**\$1,200,000**

$$1,200,000 \div 12 \times 2.5 = \$250,000$$



**\$625,000** loan max

If your annual payroll is

**\$3,000,000**

$$3,000,000 \div 12 \times 2.5 = \$625,000$$

# PPP Forgiveness

Can the forgiveness amount be reduced?

If there's a reduction in the number of employees or a reduction of greater than 25% in wages paid to employees.

What If I Bring Back Employees or Restore Wages?

Reductions in employment or wages shall not reduce the amount of loan forgiveness IF by June 30, 2020 the borrower eliminates the reduction in employees or reduction in wages.

## How Much Can Be Forgiven?

Equal to the amount you spend on these items during the 8-week period following the date of origination on your loan:

- ✓ Payroll, Rent and Utilities
- ✓ Interest on business mortgage
- ❑ The loan forgiveness cannot exceed the principal
- ❑ 75% Rule: At least 75% of loan expenditures must be made to payroll to qualify for loan forgiveness



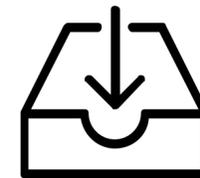


# SBA Small Business Debt Relief Program



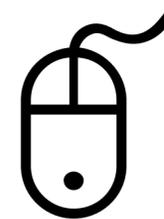
## WHO IS ELIGIBLE?

Businesses with new and current 7(a), 504 loans and microloans issued before September 27, 2020.



## WHAT DOES SBA COVER?

SBA automatically pays principal, interest and additional fees for 6 months.



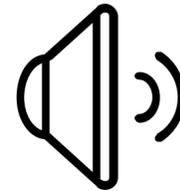
## HOW DO I APPLY?

Automatic deferral. You can still apply for PPP and EIDL.

We're  
Here to Help



Accurate Information



Answers to Your Questions



Step-by-Step Guidance

Contact Us!

1-626-585-3105 | [sbdc@pasadena.edu](mailto:sbdc@pasadena.edu) [pccsbdc.org](http://pccsbdc.org)