



# Road to Recovery Series COVID Update

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April 21, 2020

# Paycheck Protection Program (PPP)

# Economic Injury Disaster Loan (EIDL)

payroll & approved operating expenses

working capital

## USES

no collateral required

## COLLATERAL

- no collateral on loans u/\$25K
- collateral required for loans o/\$25K SBA will take real estate as collateral when available

up to **100%** with approval if employee and compensation levels are maintained for 8 weeks after the loan is made

## FORGIVENESS

**100%** of up to \$10K EIDL advance (\$1,000 per employee up to \$10K)

**2.5X** average monthly payroll for the prior 12 months  
maximum **\$10M**

## AMOUNT

up to 2 months of operating expenses  
not to exceed **\$15,000**

**1%** on unforgiven portion  
**2** year fixed income

## TERMS

**3.75%** small businesses  
**2.75%** non-profits  
**30** year fixed note

no payments for first  
**6 months**

## DEFERMENT

no payments for first  
**12 months**

- all for-profits
- Sole proprietors & Independent contractor
- private non-profits

## ELIGIBLE ENTITIES

- Small business with 500 or fewer employees
- Sole proprietors & Independent contractor
- small agriculture coops & aquaculture
- private non-profits

SBA APPROVED LENDER

## APPLY

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



# What's Next.....

The new PPP funds will also be snapped up quickly. So be sure to act fast and stay on top of things. Reconsider the EIDL if you haven't applied already.

***Remember sole proprietors, self-employed are eligible for both the PPP and EIDL.***

Here's what you can do:

- Keep up with LFSBDC emails, Facebook page, website (lfsbdc.org)
- Keep watching your bank to see if they've re-opened applications for the PPP.
- If they're taking applications, apply even if they state they are out of money!
- Keep checking the SBA to see if they've reopened applications for the EIDL.
- Do not apply to more than one bank- the SBA flags it as fraudulent

[Pandemic Unemployment Insurance](#)

<https://www.vec.virginia.gov/html/pua.html>

# Other Potential Loan/Grant Options

- **US Chamber of Commerce.** <https://www.savesmallbusiness.com/#eligibility>
- [Virginia 30 Day Fund](#)
- [GOFUNDME Small Business Relief Initiative and Fund](#)
- **SheaMoisture** launched a [\\$1 Million Fund](#) to support entrepreneurs of color.
- **Spanx** [Red Backpack fund](#) is a \$5 Million fund targeting women entrepreneurs.
- **Facebook** is offering \$100 Million in cash grants and ad credits. Click [here](#).
- **Verizon** has grants up to \$10,000 to entrepreneurs of color and women-owned businesses. click [here](#).
- **Hello Alice** is offering \$10,000 grants to help small business owners click [here](#)
- **Tory Burch Foundation** has a useful list of resources (for both funding and advice) for small businesses found [here](#).

More details at:

<http://lfsbdc.org/coronavirus>

**Challenge yourself to think about new ways you can use your assets—whether it's finding a way to put your “brand” on a product you can sell now and deliver, or selling your “knowledge” online, or stepping up your email marketing.**



# What Can I Do Right Now?

Sit down and make a list: What are your assets?

- Your brand
- Your mailing list
- Your social media following
- Your inventory
- Your knowledge
- Your customer's loyalty
- Your vendor relationships
- Your reserve funds
- Your credit worthiness and credit facility
- Your bank relationship
- Your team's strengths and capabilities
- Your contractors' strengths and capabilities
- Your referral sources

# Financial To-Do List:

- 1. Identify ways to cut back** The time for a cleanse is now. Dig into your ongoing expenses, and identify the ones you can eliminate.
- 2. Plan for every outcome** There is a best-case scenario, a worst-case scenario, and everything that falls in between. You cannot avoid the outcome, but you can prepare yourself for it.
- 3. Review your debt** As uncertainty grows, so will the inquiries on debt settlement. Identify your current cash position, run through the numbers, and create a payment plan. Ask for deferments from creditors.
- 4. Find new sources of revenue** Ask yourself: “How can I operate a business and offer customers our services in this new business lifestyle?”
- 5. Manage your cash flow** Engage in new payment options to encourage cash flow. Offer early payment cashback if possible. Survival is the key element here. Always protect your cash position in this market.
- 6. Evaluate loan/grant decisions carefully.** Make sure you understand the perimeters. Will your business be able to handle extra loan payments in the future if a worse case scenario happens?

# Communication To-Do List:

**Make the most of current clients** It is a time to support one another. This as an opportunity to build loyalty with your clients and maintain the relationship.

1. Stop doing normal sales social media posts. These are not normal times. People want connections. Be personal. Express togetherness.
2. People are craving connection. Use video while on Zoom meetings. Use videos on social media. Keep communicating on a regular basis with your employees!!
3. People need positivity right now. What can your business do to help others? This can be essential personnel, other small businesses, a customer?
4. If you are good at something teach others how to do it. This may be a new revenue stream.
5. If you don't sell online or curbside you need to find a way to do it. Ask your customers what they are missing from your business and the ways they may be willing to purchase it differently from you.
6. If you are open – overcommunicate that you are open. Customers aren't sure whose open and whose not and social media posts once a day don't reach many people.

# Coming Soon!!

## Road to Recovery Series...

Register at: <http://lfsbdc.org/coronavirus>

Monday	4/27 at 1PM EST	<b>Intro to the Best eCommerce Platforms for Small Business</b>
Tuesday	4/28 at 1PM EST	<b>Marketing &amp; Promoting Your Business on the Web</b>
Wednesday	4/29 at 1PM EST	<b>Cybersecurity How to Best Protect Your Business Online</b>
Thursday	4/30 at 1PM EST	<b>3 Things You Can Do to Connect With Customers During Social Distancing</b>