



**COMMUNITY FOUNDATION**  
of Middlesex County

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## Expert Advice on Funding for Nonprofits

We are sharing some resources from experts on the funding that is now available for nonprofit organizations through the Small Business Administration (SBA). We hope this information will help you navigate through these unforeseen economic conditions.

blumshapiro will be hosting a webinar focused on providing the latest information available on the status and requirements of the Paycheck Protection Program (PPP) and the SBA Economic Injury Disaster Loan Program (EIDL).

- [Click here for the webinar](#)
- [Paycheck Protection Program \(PPP\) Frequently Asked Questions](#)



### SBA PPP Program information shared by MahoneySabol

- [Borrower Information Fact Sheet](#)
- [Borrower Paycheck Protection Form](#)



### Economic Injury Disaster Loan Program (EIDL) - Paycheck Protection Program (PPP) Comparison prepared by Marcum Accountants Advisors



Economic Injury Disaster Loan Program (EIDL)	Paycheck Protection Program (PPP)
<b>Maximum Loan Amount</b>	
The maximum loan size is \$2 million with an optional advance of up to \$10,000 from the SBA, to be distributed within 3 days. Applicants are not required to repay this advance if they are subsequently denied a loan.	The maximum loan size is \$10 million calculated based on 2.5 times average monthly payroll costs for the 12 months preceding the loan origination date. Payroll includes salaries, commissions, tips, certain employee benefits (including health insurance and retirement benefits), state and local taxes and certain types of compensation to sole proprietors or independent contractors. Payroll costs do not include compensation of an individual over \$100k annually (the first \$100k is eligible).
<b>Interest Rate</b>	
3.75% for businesses, 2.75% for exempt organizations	0.5%
<b>Loan Term</b>	
Up to 30 years	2 years
<b>Payment Due Date</b>	
First payment plus accrued interest is due one year after the loan origination date.	First payment plus accrued interest is due at least six months after the loan origination date. Can be deferred up to one year.
<b>Qualified Loan Use</b>	
Financial obligations and operating expenses that could have been met had the business not been impacted by the coronavirus disaster.	Payroll costs, group healthcare benefits, insurance premiums, and interest on mortgages or other debt incurred prior to February 15, 2020, rent on any lease in force prior to February 15, 2020 and utility payments.
<b>Lender</b>	
U.S. Small Business Administration (SBA)	A Bank that does SBA 7(a) Loans, underwritten by the SBA
<b>Collateral Required</b>	
The SBA will place a UCC lien against the assets of the business for loans over \$25,000 but will not preclude eligibility for the loan if sufficient collateral is not available.	No collateral is required from either the business or its owners
<b>Personal Guarantees Required</b>	
For loans over \$200,000, owners of greater than 20% of the business, managing members of LLCs, and managing partners of LPs will have to provide personal guarantees, although no liens will be taken against real estate owned by the guarantor.	None
<b>Loan Forgiveness Program</b>	
None	Loan proceeds will be eligible for forgiveness based on the amount spent by the business during an 8-week period after the origination date of the loan on payroll costs (including health insurance and other employee benefits), interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020.
	<b>Limitation on Loan Forgiveness:</b> The amount to be forgiven is reduced based on failure to maintain the average number of full-time equivalent employees as compared to the period from either February 15, 2019, through June 30, 2019, or January 1, 2020, through February 29, 2020, as selected by the business. The amount forgiven is also reduced to the extent that compensation for any individual making less than \$100,000 per year is reduced by more than 25% measured against the most recent full quarter. Reductions in the number of employees or compensation occurring between February 15, 2020, and 30 days after enactment of the CARES Act will generally be ignored to the extent that reductions are reversed by June 30, 2020. Debt forgiven under the program will not constitute cancellation of indebtedness income for federal tax purposes.

The U.S. Small Business Administration (SBA) website is filled with information and guidance. [CLICK HERE](#)

Please note that we cannot provide legal, accounting, or financial advice. You are encouraged to consult your professional advisors as you consider whether any of the available programs are a fit for your organization.



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