

Webinar 4.3.2020 - Economic Injury Disaster Loans and Paycheck Protection Program with the Small Business Administration, the Kansas Department of Commerce, and the Kansas Small business Development Center.

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QUESTIONS?

- What URLs should I access to learn more?

Answer – Please visit <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

- Do these loans apply to LLC business' that have two independent contractors that are commission only?

Answer – Contractors are eligible to apply to these programs.

- For both programs, are there thresholds for number of employees and annual revenue to qualify?

Answer – We are using the standard SBA operating rules, so any business that has 500 employees or fewer are eligible. For example, if you own multiple hotels and together you have over 500 employees, in most circumstances that would not be considered, in this circumstance, those considerations have been waived. Every hotel or franchise can be considered individually and on their own merit in this case.

- Can an EIDL loan be used on pre-existing liabilities?

Answer – No. This program is only designed to help with economic injury losses for the time frame of Feb. 15, 2020 to June 30, 2020.

- Are banks accepting applications today for the PPP Program?

Answer – Yes. That program was made live this morning, 4.3.2020.

- What is the web site to apply for EIDL Grant?

Answer -www.sba.gov

- Would a company be eligible for PPP if you are a small business that operates independently, but owned in majority by a corporation?

Answer - Yes. This is different than most SBA loans, in that this allows individual hotels and franchises to apply separately.

- What is the maximum amount for these loans?

Answer – For these loans the maximum amount for the EIDL program is \$2,000,000.00. For the PPP Program it is \$10,000,000.00, up from the normal loan maximum of \$5,000,000.00

- Does the payroll calculation take 1099 contractors into account or does it only cover w-2 employees?

Answer – 1099 contractors are eligible in this program to state their loss of revenue that is payroll related.

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- Is payroll based on w-2 employees? If a company is an LLC is there a way to get payments to the members of the LLC?

Answer – The application is made to be extremely simple and asks what “average Payroll” is lost. This is a good faith program where we rely on the businesses to submit their average payroll for the month. That is another reason this program is through your lender. They should have a good feel for what that answer is.

- What is the turnaround time on the EIDL loans?

Answer – This program is supposed to be a short turnaround and I would tell a business to expect funding in days or weeks, certainly not months. I know we have already released some funds to borrowers.

- Should I expect a confirmation email after I submit my application on the SBA website?

Answer – There will be no confirmation email sent. The confirmation number should be what’s looked for.

- Where can I apply for these loans?

Answer – You can apply for the Payroll Protection Program (PPP) loan through your local lender. You can apply for the Economic Injury Disaster Loans (EIDL) at [www.sba.gov](http://www.sba.gov).

- Are only certain banks able to provide SBA loans?

Answer – While this is typically the case, the government has moved to allow ALL banks the eligibility to provide SBA funding at this time.

- How long is the EIDL program available?

Answer – This loan program has a finite date of June 30, 2020. Please keep in mind that the funding for this program is also finite and once it is gone, the program will cease to exist. Unless there is another stimulus or another circumstance that allows us to re-open.

- If I’m declined by the SBA, can I appeal as the borrower?

Answer – Yes. The borrower can appeal if they think they are eligible and have been declined.

- What are the loan terms?

Answer – For the EIDL loan program it is 3.75% for up to 30 years; For the PPP program it is 1% for up to 2 years.

- Can you apply for both programs? EIDL and PPP?

Answer – Short Answer, Yes. However, the loans can not be used for the same purpose. For example, if you use the PPP program to help pay wages, you can use the EIDL program for lease or utility payments.

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- If we used PPP funds for payroll in May and June, can we use EIDL funds for payroll in July and August?

Answer – That is not the intention of the program and there could be a violation of funds there. This is meant to be a one quarter, short term funding.

- Is this loan retroactive or what is the specific date we can look towards for application?

Answer – February 15, 2020. Is the date where you can start looking for damages related to these programs.

- When looking at average monthly payroll. Do we look at base rate only? Or do we include benefits, payroll taxes, etc?

Answer – Your average estimated cost for all payroll can be included. Health benefits can be included. Dental and Vision cannot. We highly encourage you to speak to your lender about this question because this is a broad answer, but everything can be included.

- What proof is required with the PPP and how can we provide that?

Answer – A tax document from 2018 that can support your payroll contention, would be perfect, W-2's a ledger sheet, something that you have that you can defend that shows or confirms the number you are requesting.

On the EIDL side, tax documentation from 2018 would be the best document for that request.

- Type of employees the PPP covers?

Answer – Key date is Feb. 15, 2020. Any and all folks that we on payroll as of that date would be your first consideration. If your business is seasonal, we encourage you to go to your busiest month and use that. Part time employees absolutely qualify. Contractors would not be considered an employee, as we encourage them to apply on their own.