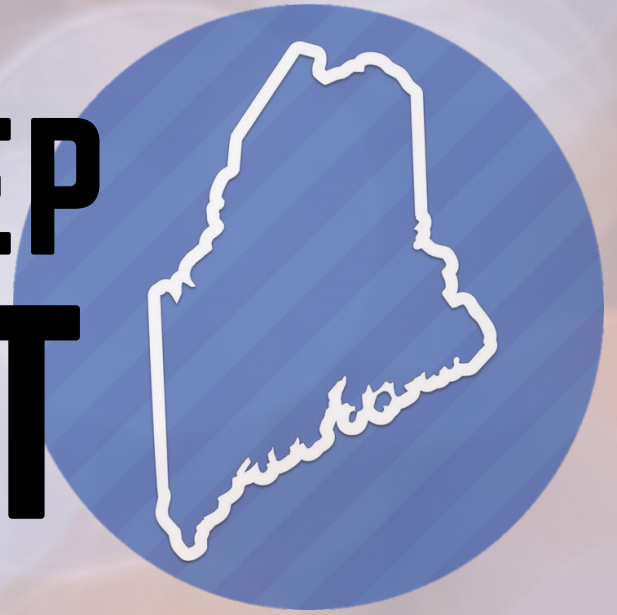


2021

# GRANT-PREP PACKET



FOR COVID-19 GRANT & LOAN PROGRAMS

A multi-organization collaboration designed to equip business owners in preparation for upcoming relief fund applications.

This is a living document which will be updated as more information becomes available.



# PREPARE THE FOLLOWING INFORMATION PRIOR TO APPLYING:

## **Your Basic Business Information:**

- Owners' name(s) and percentage of ownership
- Business Name
- Business Address
- Business Type: *Sole Prop., Partnership, C-Corp, S-Corp or LLC*
- Business E-mail address
- Business Phone number
- DUNs Number: Get one [HERE](#).
- State Sales Tax Number: Get one [HERE](#).
- EIN (employer identification #): Get one [HERE](#).
- A NAICS Code: Get one [HERE](#).
- The number of people in your household in 2019 and the county you lived in.
- Adjusted Income from your 2019 IRS Form 1040 (Line 8b)
- The number of people in your household in 2020 and the county you lived in.
- Adjusted Income from your 2020 IRS Form 1040 (Line 11)

## **Your 2019 Tax Information: (PDF format)**

- 2019 Taxes with Schedule C
- 2019 Profit and Loss Statement for each quarter and year-end.
- 2019 Payroll costs for each quarter and year-end.
- Copies of grants or loans received in 2019, if any (for reference)

## **Your 2020 Tax Information: (PDF format)**

***Don't panic if you haven't filed your 2020 Taxes yet. Reach out to us to discuss your options.***

- When available and completed, a PDF of your 2020 Taxes with Schedule C
- A PDF of your 2020 Profit and Loss Statement for each quarter and year-end.
- Proof of loss in 2020 – documentation will be required, Determine the percentage of loss.  
*To qualify for assistance, demonstrate at least a 25% reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same quarter(s) in 2019.*
- 2020 Payroll costs for each quarter and year-end.
- Copies of grants or loans received in 2020, if any (for reference)
- Copies of Forgiveness paperwork for Paycheck Protection Program or Economic Injury Disaster Loan, if received.

# RESOURCES:

## SBA Paycheck Protection Program

For information on the PPP, click [HERE](#) (or see page 3 of this packet).

Click [HERE](#) to learn how the new Cares Act package affects your current PPP loan, or what you need to know before applying for the first time.

To apply for the PPP, you must use an SBA lender in your area.

### Participating lenders:

Bangor Savings Bank (207) 564-3311

Camden National Bank (207) 564-4961

Machias Savings Bank (207) 561-3917

Skowhegan Savings Bank (207) 942-5582

## Economic Injury Disaster Loans

For more information on the EIDL Loan program, click [HERE](#) (or see page 4 of this packet).

To access the SBA Capital Financial System (if you currently have an SBA loan), click [HERE](#).

## DECD/SBA Micro-Enterprise Grants

Grants of up to \$10,000 for businesses with five or fewer employees, with an owner whose income is in the low to moderate range as defined by the Department of Housing and Urban Development (HUD). A meeting with a Maine SMDC business advisor is required to apply. Click [HERE](#) for eligibility and application information or see page 4 of this packet.

## SHUTTERED VENUE OPERATORS (SVO) GRANT

The program includes \$15 billion in grants to shuttered venues, to be administered by the SBA. Eligible applicants may qualify for grants equal to 45% of their typical gross earned revenue, not to exceed \$10 million. \$2 billion is reserved for eligible applications with up to 50 full-time employees. Grant program should be active by end of January, 2021. For details, see page 5 of this packet or click [HERE](#).



## Contact us, we're here to help!

Penquis and Maine Stream Finance, the Piscataquis County Economic Development Council, the Piscataquis Chamber of Commerce and the Katahdin Chamber of Commerce partnered to bring you this information. This is a living document which will be updated as more information becomes available. We are here to help you through each step of the process.

### MaineStream Finance

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Click [HERE](#) for Covid-19 Resource Page

### Piscataquis Chamber of Commerce

Denise Buzzelli  
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### PCEDC

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### Katahdin Chamber of Commerce

Peter Jamieson  
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### Destination Moosehead Lake

Grace Bardsley  
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destinationmooseheadlake@gmail.com



# Paycheck Protection Program

## Overview:

Deadline to apply is March 31st or until funds are gone;

- Each business may receive up to 2.5 times its average monthly payroll costs, up to a \$2 million limitation;
- Maximum term is 10 years;
- Maximum interest private lenders can charge is 4%;
- No collateral or personal guarantee required;
- No prepayment penalties;
- Typical SBA loan fees are waived for a loan obtained through this program;
- Borrowers are eligible for 100% loan forgiveness if certain criteria is met. (See Uses, below)

*NOTE: First time PPP applicants and low income applicants will be prioritized before 2nd-round applicants.*

## Eligibility:

- For profit, 501c3 and 501c6 organizations.
- Seasonal businesses have more flexibility in choosing their time frame for payroll costs.
- Businesses not in existence by February of 2020 do not qualify.

*New businesses with no 2019 financials may be asked to provide 2020 Q1 data to compare with 'Covid-19' Qs 2-4 to determine eligibility.*

## Uses; how to calculate:

- 2.5x of average monthly payroll for employees who make up to \$100K
- 3.5x for restaurants and other hospitality businesses with the NAICS code 72
- 60% of PPP loan funds must be used for payroll expenses.  
Remaining to be used on eligible expenses  
(mortgage interest, rent, utility payments, supplier costs, PPE, HR, software, accounting)  
Click [here](#) for info on how to make correct calculations.
- Employees must remain on your payroll.
- Funds must be spent within an 8 - 24 week period, depending on the date your funds are deposited.
- A sole-proprietors income will be determined using Schedule C's bottom line.
- Click [here](#) to determine if new PPP funds CAN or MUST be used to pay off an existing EIDL loan.

## Required Documents:

- 2019 - official tax filing
- 2020 - Accounting records from accountant or software (like Quickbooks) or 3 months of bank statements.

## Improvements in forgiveness:

- Grants from EIDL loans are no longer deducted from forgiveness amount.
- PPP loan proceeds not taxable.
- Expenses covered by PPP are tax deductible.
- Simplified forgiveness for loans under less than \$150,000

## Two paths for applicants:

### FIRST TIME PPP Applicants

- > 500 employees or less
- > \$35 Million set aside  
*prioritizing businesses with <10 employees*

### 2nd Draw

- > 300 employees or less
- > Must prove a 25% reduction (*receipts or gross sales*) in quarter of choice 2019 vs 2020
- > Max. loan of \$2 million
- > All funds from round 1 must be used
- > New forms required, however in some cases businesses may be permitted to increase their first PPP loan rather than apply for a new loan.

BEWARE OF SBA SCAMMERS

- ONLY SHARE YOUR INFORMATION WITH A TRUSTED ADVISOR, YOUR BANK, OR SBA DIRECTLY - AVOID UNSOLICITED PHONE CALLS



# Economic Impact Recovery Loans (EIDL)

## Overview:

EIDL is open NOW - deadline is December 31, 2021

- This is a LOAN, not a grant.
- Low interest FIXED rates of 3.75% applicable to for profit businesses and 2.75% for nonprofits
- 30 year term
- First payment deferred for 12 months
- Collateral required if loan exceeds 25K

Note: EIDL Advance grant of up to \$10,000 is NOT currently available.

## Eligibility:

- Businesses with less than 500 employees are eligible.
- Can be combined with the PPP.



**PPP Interaction: CAN be combined with the PPP, however both cannot be used to cover the same payroll expenses (no double-dipping). Previous EIDLs can be refinanced by a PPP loan.**

## Uses:

- Can be used for working capital or operating expenses.



# DECD/SBA Micro-Enterprise Grants

## Overview:

- Must be a Maine business and resident
- Must demonstrate a revenue loss as a direct consequence of COVID-19.  
Funds cannot duplicate those received from other federal, state or local programs (including other CDBG funds).
- Must have five or fewer employees including the owner(s).
- Must have been in business as of December 1, 2019.
- Must have a DUNS Number, which can be obtained [here](#).
- Owner's Household income must be low/moderate as defined by HUD as verified by 2019 or 2020 tax return.  
Please see income eligibility by [county](#). Total annual household income must not exceed these limits.

**PPP Interaction:**  
**CAN be combined with the PPP, but approval amount for one will be reduced by the total of the other funds.**

## How to Apply:

Funds are available on a first-come, first-serve basis.

Business owners must meet with a Maine SBDC business advisor to determine eligibility and submit an application.

Connect with a business advisor [here](#).

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## SBA Save Our Stages Shuttered Venue Operator (SVO) Grant

### Overview:

- True grant - no loan portion or need to apply for forgiveness
- Application Portal should be open by end of January.

### Eligible Entities include:

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization operators
- Relevant museum operators, zoos and aquariums who meet specific criteria
- Motion picture theater operators
- Talent representatives
- A business entity owned by an eligible entity that also meets the eligibility requirements
- Must have been in operation as of Feb. 29, 2020
- Venue or promoter must not have received a PPP loan on or after Dec. 27, 2020

### Qualifying Amounts:

*Either:* An eligible entity that was in operation on Jan. 1, 2019, the lesser of an amount equal to 45% of their 2019 gross earned revenue or \$10 million

*Or:* An eligible entity that began operation after Jan. 1, 2019, the lesser of the average monthly gross revenue for each full month you were in operation during 2019 multiplied by 6, or \$10 Million.

### Allowable use of funds:

- Payroll costs
- Rent & utility payments
- Scheduled mortgage payments (not including prepayment of principal)
- Scheduled debt payments (not including prepayment of principal) on any indebtedness incurred in the ordinary course of business prior to 02-15-20
- Worker protection expenditures
- Payments to independent contractors (not to exceed \$100K in annual compensation per contractor)
- Other ordinary and necessary business expenses, including maintenance costs
- Administrative costs (incl. fees and licensing)
- State and local taxes and fees
- Operating leases in effect as of 02-15-20
- Insurance payments
- Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production. (May not be primary use of funds.)

### PPP Interaction:

**CANNOT be combined with PPP.**

**You may apply for both, but ultimately only choose one.**

**For additional information, email [SVOGrant@sba.gov](mailto:SVOGrant@sba.gov).**

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