

## Federal Resources for Small Businesses

Below is a brief overview of the federal loan and grant programs for Small Businesses included in the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act. Please discuss with your financial advisor to determine which program(s) may be right for your business.

### Paycheck Protection Program (PPP)

#### First Draw PPP Loans

##### Overview:

- **This program closed on May 31, 2021.** Existing borrowers may be eligible for [PPP loan forgiveness](#).

##### Loan Details:

- Maximum loan: \$10 million
- The full principal amount of the loan may qualify for forgiveness
- Interest rate of 1% and maturity of five years
- Any borrower who received a First Draw PPP loan in 2020 is not eligible to receive another First Draw PPP Loan, but may be eligible for a Second Draw PPP Loan.
  - **Note:** Existing First Draw PPP borrowers that did not receive loan forgiveness by December 27, 2020 may:
    1. reapply for a First Draw PPP Loan if they previously returned some or all of their First Draw PPP Loan funds, or
    2. under certain circumstances, request to modify their First Draw PPP Loan amount if they previously did not accept the full amount for which they are eligible

##### Loan Calculation:

- Maximum loan size of 2.5X average monthly 2019 or 2020 payroll costs (up to \$10 million)
- For small businesses in industry **NAICS code 72** (Accommodation and Food Services), maximum loan size of **3.5X** average monthly 2019 or 2020 payroll costs (up to \$10 million)

##### Full Forgiveness Terms:

- First Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:
  - Employee and compensation levels are maintained;
  - The loan proceeds are spent on payroll costs and other eligible expenses; and
  - At least 60 percent of the proceeds are spent on payroll costs.

##### Eligibility:

- The following entities affected by COVID-19 may be eligible:
  - Sole proprietors, independent contractors, and self-employed persons
  - Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
    - **500 employees, or**
    - That meets the SBA industry size standard if more than 500
  - Any business in industry NAICS code 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location
- Must have been in operation as of **February 15, 2020**

##### How Can Funds be Used?

- Payroll costs including benefits
  - Salary, wages, commissions, and tips (capped at \$100,000 per employee)
  - Employee benefits including costs for vacation, parental, family, medical, or sick leave. Sick and family leave that utilized the Families First Coronavirus Response Act does not qualify.
  - Allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit
  - State and local taxes assessed on compensation
  - For a sole proprietor with no other employees: Schedule C, Line 31 will reflect the owner's salary (capped at \$100,000)
- Interest on a mortgage or on rent
- Utility payments
- Interest payments on any debt obligations that were incurred before February 15, 2020
- Refinancing on SBA EIDL loan (made between 01/31/2020 – 04/03/2020)
- Covered Operations Expenditures which includes software for business operations such as payroll, billing, accounting, and others.
- Covered property damage costs related to disturbances of 2020 not covered by insurance
- Covered supplier costs that supplied goods during the covered period and that had a contract, order, or agreement in effect prior to the covered period.
- Covered worker protection expenditures that facilitate the adaptation of the business activities to comply with required guidelines established by federal or state organizations. These include expenses related to employee and customer safety and include expenditures such as drive-through window installation, air filter or ventilation, physical barriers, and more.

**More Information:**

U.S. SBA: [First Draw PPP Loans](#)

Maine SBDC: [Round 2 of the Paycheck Protection Program](#)

## ***Second Draw PPP Loans***

**Overview:**

- **This program closed on May 31, 2021.** Existing borrowers may be eligible for [PPP loan forgiveness](#).

**Loan Details:**

- Maximum loan: \$2 million
- The full principal amount of the loan may qualify for forgiveness
- Interest rate of 1% and maturity of five years

**Loan Calculation:**

- Maximum loan size of 2.5X average monthly 2019 or 2020 payroll costs (up to \$2 million)
- For small businesses in industry **NAICS code 72** (Accommodation and Food Services), maximum loan size of **3.5X** average monthly 2019 or 2020 payroll costs (up to \$2 million)

**Full Forgiveness Terms:**

- Second Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:
  - Employee and compensation levels are maintained in the same manner as required for the First Draw PPP loan;
  - The loan proceeds are spent on payroll costs and other eligible expenses; and
  - At least 60 percent of the proceeds are spent on payroll costs.

**Eligibility:**

- The following borrowers may be eligible:

- Previously received a First Draw PPP Loan and will or has used the full amount only for authorized uses;
- Has no more than 300 employees; and
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020

#### **How Can Funds be Used?**

- Payroll costs including benefits
  - Salary, wages, commissions, and tips (capped at \$100,000 per employee)
  - Employee benefits including costs for vacation, parental, family, medical, or sick leave. Sick and family leave that utilized the Families First Coronavirus Response Act does not qualify.
  - Allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit
  - State and local taxes assessed on compensation
  - For a sole proprietor with no other employees: Schedule C, Line 31 will reflect the owner's salary (capped at \$100,000)
- Interest on a mortgage or on rent
- Utility payments
- Interest payments on any debt obligations that were incurred before February 15, 2020
- Refinancing on SBA EIDL loan (made between 01/31/2020 – 04/03/2020)
- Covered Operations Expenditures which includes software for business operations such as payroll, billing, accounting, and others.
- Covered property damage costs related to disturbances of 2020 not covered by insurance
- Covered supplier costs that supplied goods during the covered period and that had a contract, order, or agreement in effect prior to the covered period.
- Covered worker protection expenditures that facilitate the adaptation of the business activities to comply with required guidelines established by federal or state organizations. These include expenses related to employee and customer safety and include expenditures such as drive-through window installation, air filter or ventilation, physical barriers, and more.

#### **More Information:**

U.S. SBA: [Second Draw PPP Loans](#)

Maine SBDC: [Round 2 of the Paycheck Protection Program](#)

## Grants for Shuttered Venue Operators

### Overview:

- Applications are currently being accepted. Access the application portal [here](#).
  - Refer to the [Application Checklist](#) and the [FAQ](#) to learn what you need to apply.

### Grant Details:

- Maximum grant: \$10 million
- Grant does not need to be repaid as long as funds are used for eligible purposes

### Grant Calculation:

- For an eligible entity that was in operation on January 1, 2019, the award will equal 45% of their 2019 gross earned revenue (up to \$10 million)
- For an eligible entity that began operation after January 1, 2019, the award will equal the **average monthly gross revenue** for each full month you were in operation during 2019 multiplied by 6 (up to \$10 million)

### Eligibility:

- 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, and
  - Each business entity owned by an eligible entity that also meets the eligibility requirements
- Must have been in operation as of **February 29, 2020**

### How Can Funds be Used?

- Funds may be used for specific expenses, which include:
  - Payroll costs
  - Rent payments
  - 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.)

**More Information:** U.S. SBA: [Shuttered Venue Operators Grant](#)

## Restaurant Revitalization Fund (RRF)

### Overview:

- **This program is closed.** Applications are no longer being accepted.

### Grant Details:

- Maximum grant: \$10 million, no more than \$5 million per physical location
- Grant does not need to be repaid as long as funds are used for eligible purposes no later than March 11, 2023.

### Grant Calculation:

- For an eligible entity that was in operation **prior to or on January 1, 2019**, the award will equal:
  - 2019 gross receipts minus 2020 gross receipts minus PPP loan amounts (up to \$10 million total, no more than \$5 million per physical location)
- For an eligible entity that began operations **partially through 2019**, the award will equal:
  - (Average 2019 monthly gross receipts x 12) minus 2020 gross receipts minus PPP loan amounts (up to \$10 million total, no more than \$5 million per physical location)
- For an eligible entity that began operations **on or between January 1, 2020 and March 10, 2021 and applicants not yet opened** but have incurred eligible expenses, the award will equal:
  - Amount spent on eligible expenses between February 15, 2020 and March 11, 2021 minus 2020 gross receipts minus 2021 gross receipts (through March 11, 2021) minus PPP loan amounts (up to \$10 million total, no more than \$5 million per physical location)

### Eligibility:

- Eligible entities who have experienced pandemic-related revenue loss include:
  - Restaurants
  - Food stands, food trucks, food carts
  - Caterers
  - Bars, saloons, lounges, taverns
  - Snack and nonalcoholic beverage bars
  - Bakeries (onsite sales to the public comprise at least 33% of gross receipts)
  - Brewpubs, tasting rooms, taprooms (onsite sales to the public comprise at least 33% of gross receipts)
  - Breweries and/or microbreweries (onsite sales to the public comprise at least 33% of gross receipts)
  - Wineries and distilleries (onsite sales to the public comprise at least 33% of gross receipts)
  - Inns (onsite sales of food and beverage to the public comprise at least 33% of gross receipts)
  - Licensed facilities or premises of a beverage alcohol producer where the public may taste, sample, or purchase products
- Entities that have a pending application for or received a Shuttered Venue Operators Grant are **not** eligible to apply for RRF.

### How Can Funds be Used?

- Funds may be used for specific expenses, including:
  - Business payroll costs (including sick leave)
  - Payments on any business mortgage obligation
  - Business rent payments (note: this does not include prepayment of rent)
  - Business debt service (both principal and interest; note: this does not include any prepayment of principal or interest)
  - Business utility payments
  - Business maintenance expenses

*Updated 8 June 2021*

- Construction of outdoor seating
- Business supplies (including protective equipment and cleaning materials)
- Business food and beverage expenses (including raw materials)
- Covered supplier costs
- Business operating expenses

**More Information:** U.S. SBA: [Restaurant Revitalization Fund](#)

## COVID-19 Economic Injury Disaster Loans (EIDL)

### Overview:

- Application deadline extended through **December 31, 2021**
- Loans are not forgivable and must be paid back
- **Receipt of a COVID-19 EIDL loan does not impact eligibility for a PPP loan or for a Shuttered Venue Operators Grant.**

### Loan Details:

- Maximum loan: \$2 million or 6 months of working capital
- 3.75% interest rate for small businesses (fixed)
- 2.75% interest rate for nonprofit organizations (fixed)
- 30-year maturity
- Collateral required for loans over \$25,000

### Eligibility:

- In order to be eligible, you must be a small business (in most industries, 500 employees or less), including:
  - Maine small businesses directly affected by the disaster – common eligible businesses including retailers, restaurants, tourism-based businesses, manufacturers, owners of rental property, hotels, wholesalers, and many more.
  - Private nonprofits
  - Small agriculture cooperatives are eligible, but agricultural enterprises are not
  - Small aquaculture businesses

### How Can Funds be Used?

- Working capital and normal operating expenses, for example:
  - Continuation of health care benefits
  - Rent
  - Utilities
  - Fixed debt payments

### More Information:

U.S. SBA: [COVID-19 Economic Injury Disaster Loans](#)

Maine SBDC: [What You Need to Know About SBA's EIDL Loan](#)

## Targeted EIDL Advance

### Overview:

- New applications are **not** being accepted. Only prior EIDL Advance applicants will be considered.
- Prior applicants must wait until they receive an email invite from the SBA to apply.
- The SBA will reach out directly via email to the following groups, listed in order of priority:
  - Those who previously received an EIDL Advance for less than \$10,000; and
  - Those who previously applied for an EIDL Advance but received no funds due to lack of available program funding.

### Grant Details:

- Maximum grant: \$10,000
- Grant does not need to be repaid

### Eligibility:

- SBA will first reach out to EIDL applicants that already received a partial EIDL Advance (between \$1,000 - \$9,000). Applicants will be contacted directly by SBA via email with instructions to determine eligibility and submit documentation.
  - Applicants may qualify for additional funds if they:
    - Are located in a low-income community; AND
    - Can demonstrate more than 30% reduction in revenue during an 8-week period beginning on March 2, 2020 or later.
- SBA will then reach out to those who applied for EIDL assistance on or before December 27, 2020, but did not receive an EIDL Advance due to lack of program funding.
  - Applicants may qualify for a Targeted EIDL Advance if they:
    - Are located in a low-income community; AND
    - Can demonstrate more than 30% reduction in revenue during an 8-week period beginning on March 2, 2020 or later; AND
    - Have 300 or fewer employees.

### More Information:

U.S. SBA: [Targeted EIDL Advance](#)

U.S. SBA: [Targeted EIDL FAQs](#)



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## Supporting local partners and other resources

**Maine SBA** – Click the “Get Email Updates” button to receive the most up-to-date information about SBA’s small business resources. [www.sba.gov/offices/district/me/augusta](http://www.sba.gov/offices/district/me/augusta)

**Maine SBDC** – Business advisors located throughout the state provide free, confidential advice. You can request advising on the website. [www.mainesbdc.org/](http://www.mainesbdc.org/)

**SCORE** – A free, volunteer-led service, SCORE has both general business mentors and subject area experts at chapters around the state. [www.scoremaine.org/](http://www.scoremaine.org/)

**Maine Resource Compass** – A running list of COVID-19 resources for Maine businesses, including grants, loans, and other informational resources (powered by StartupSpace). [startupSPACE.app/maine-resource-compass/recovery](http://startupSPACE.app/maine-resource-compass/recovery)

**CEI Maine** – Request a business advisor through their website. <https://www.ceimaine.org/advising/>

**CEI Women’s Business Center** – Access events and programs specific to women business owners. [www.ceimaine.org/advising/business-counseling-development/womens-business-center/](http://www.ceimaine.org/advising/business-counseling-development/womens-business-center/)

### U.S. SBA Contact Information:

Phone: 1-800-659-2955 (TTY: 1-800-877-8339)

Email: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

Email: [SVOGrant@sba.gov](mailto:SVOGrant@sba.gov) (for Shuttered Venue Operators Grant-specific questions)

Website: [www.sba.gov/funding-programs/loans/coronavirus-relief-options](http://www.sba.gov/funding-programs/loans/coronavirus-relief-options)

