



Coronavirus Response Government Assistance

What option is best for your business?

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided necessary funds **to help small businesses keep workers employed** amid the pandemic and economic downturn. The legislation set up two programs:

1. The Paycheck Protection Program (PPP); and
2. An expansion of the long-standing Economic Injury Disaster Loans (EIDL).

While businesses can apply for both loans, the funds received from each **must** be used for different operating expenses.

Determining Which Option is Best for Your Business:

The Paycheck Protection Program (PPP)

This option could be a good fit for an operator company with many routes and employees.

The Paycheck Protection Program (PPP) loans are issued through banking partners of the Small Business Administration (SBA) and provide up to \$10 million in support for small businesses to keep employees on their payroll. **The loan amount can be forgiven if used for payroll or other qualifying expenses.**

Economic Injury Disaster Loans (EIDL)

This option is best for sole proprietor operators, small operators with just a few employees, and operators that need a quick cash infusion.

Economic Injury Disaster Loans (EIDL) loans provide an upfront emergency grant of \$10,000 which is disbursed to eligible applicants within three days of the application regardless of whether they are approved for the loan. **This \$10,000 and does not need to be repaid.** Applicants can then be approved for an additional loan of up to \$2 million to be repaid at an interest rate as high as 3.75% for companies and 2.75% for nonprofits.

Determining your Eligibility:

The Paycheck Protection Program (PPP)

The following businesses that were in operation before February 15, 2020 are eligible if:

- A small business with fewer than 500 employees
- A small business that otherwise meets the [SBA's size standard](#)
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business

REMEMBER: The 500-employee threshold includes all employees: full-time, part-time, and any other status.

Special PPP eligibility restrictions:

- If you are operating as a franchise or receive financial assistance from an approved Small Business Investment Company, the [SBA normal affiliation rules](#) do not apply.
- If you are in the accommodation and [food services sector \(NAICS 72\)](#), the 500-employee rule is applied on a per physical location basis.

How to Apply:

To apply for the PPP loan, businesses can call their current bank or lender directly, and the application is now live at the [SBA website](#). Banks are currently just beginning to accept applications and calling now to indicate interest in the loan can help businesses get in the queue quickly

Economic Injury Disaster Loans (EIDL)

The following businesses that were in operation before January 31, 2020 are eligible if:

- A small business with fewer than 500 employees
- Is a Cooperative, ESOP, or a tribal small business with fewer than 500 employees
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- Most private nonprofits

How do I apply?

Employers should visit www.SBA.gov/disaster to apply.