

Small Business Strategies for Survival

April 17, 2020

Hosted By:

Executive & Professional Education Center



QUINLAN
SCHOOL of BUSINESS



Guest Speakers



AMERICA'S
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CHICAGOLAND
CHAMBER OF COMMERCE
— SMALL BUSINESS —



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Funding Opportunities for Small Business: Economic Injury Disaster Loan (EIDL)

Loan Uses	Working Capital/Business Expenses/Payroll/Accts Payable/Fixed Debts
Funding Source	US Small Business Administration (SBA)
Revenue Max for Small Business	Between \$35M and \$39.5M based on industry type
Employee Max for Small Business	Up to 500 in general (up to 100 for wholesale)
Loan Amount Max & Interest Rates	Up to \$2M 3.75% for SB' s and 2.75% for NP' s
Geographical Requirement	Businesses headquartered in ILLINOIS
How to Apply	Via the Streamline Application on the SBA Website
Application Link if Applicable	https://disasterloan.sba.gov/ela/

Funding Opportunities for Small Business: Economic Injury Disaster Loan (EIDL) ADVANCE

Loan Uses	This provides a \$10K ADVANCE with quicker access to the funds at \$1K per employee and does not need to be repaid
Funding Source	US Small Business Administration (SBA) EIDL
Revenue Max for Small Business	Between \$35M and \$39.5M based on industry type
Employee Max for Small Business	Up to 500 in general (same guidelines as EIDL may apply)
Loan Amount Max & Interest Rates	Up to \$10K (Typically \$1000 per employee) DOES NOT NEED TO BE REPAID
Geographical Requirement	Illinois based small business
How to Apply	Separate Application from the EIDL
Application Link if Applicable	https://covid19relief.sba.gov/#/

Funding Opportunities for Small Business: City of Chicago Small Business Resiliency Fund



Loan Uses	Working Capital with at least 50% for payroll and maintaining workforce at 50%+ for min. 6 months
Funding Source	City of Chicago
Revenue Max for Small Business	Less than \$3M (pre-COVID and must have suffered revenue loss of at least 25%)
Employee Max for Small Business	Fewer than 50, 50% of whom are Chicago residents
Loan Amount Max & Interest Rates	3 months avg. monthly revenues pre-COVID, up to \$50K 1% first 18 mos., then 5.75% for up to 5 yr terms
Geographical Requirement	Must be located in Chicago for at least 1 yr, need business license
How to Apply	Review eligibility via Connect2Capital application link
Application Link if Applicable	https://www.connect2capital.com/partners/chicago-small-business-resiliency-fund/

Funding Opportunities for Small Business: IL Small Business Emergency Loan Fund



Loan Uses	Loan funds must be used for working capital, and at least 50% of loans proceeds must be applied toward payroll or other eligible compensation including salaries, wages, tips, paid leave, and group healthcare benefits. Eligible uses will exclude compensation in excess of \$100,000.
Funding Source	Illinois Department of Commerce & Economic Opportunity (DCEO)
Revenue Max for Small Business	Less than \$3M in annual revenue
Employee Max for Small Business	Less than 50 employees
Loan Amount Max & Interest Rates	Up to \$50K offered as five-year term loan at 3% annual simple interest
Geographical Requirement	Businesses headquartered in ILLINOIS (Excludes City of Chicago businesses)
How to Apply	Via the Accion Application on the DCEO Website
Application Link if Applicable	https://www2.illinois.gov/dceo/SmallBizAssistance/Pages/IllinoisSmallBusinessEmergencyLoanFund.aspx

Funding Opportunities for Small Business: Cook County Community Recovery Initiative



Loan Uses	Specific to suburban small businesses, gig workers and independent contractors whose livelihood has been severely impacted due to COVID-19
Funding Source	Cook County
Revenue Max for Small Business	Less than \$3M Independent Contractors less than \$100K (earn at least half of their income from contract work)
Employee Max for Small Business	Fewer than 25 workers
Loan Amount Max & Interest Rates	Up to \$20K & \$10K for IC's no interest, five-year loans
Geographical Requirement	Must have locations or reside OUTSIDE of Chicago
How to Apply	Inquiry form available only right now to submit interest
Application Link if Applicable	https://forms.office.com/Pages/ResponsePage.aspx?id=r1VNj7RtBU6oXFenWolbNbmMOJwgJKYZHoxCOSMzw5rhUOUVZOVgyUjVlUjgzUDAxOEIWNuwxQ0VQRS4u

Funding Opportunities for Small Business: Paycheck Protection Program (PPP)



Loan Uses:

Please note as of 4/16/20 no new applications for PPP is being accepted due to limits on the appropriations amount being met already. However, this most likely will change in the next few days if legislation approves more funds

Specific to Payroll (75%) also can be used for rent/utilities/working capital | Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels and is retroactive from 2/15/20 – Program available through 6/30/20

Funding Source

US Small Business Administration (SBA) via CARES Act

Revenue Max for Small Business

Not specified, this loan is focused on payroll

Employee Max for Small Business

Less than 500 employees

Loan Amount Max & Interest Rates

Up to \$10M determined by 8 weeks of prior average payroll, plus additional 25% of that amount | .5% and 2 yr term if not able to be forgiven

Geographical Requirement

Not specified

How to Apply

Via your business bank/lender (each lender will have different eligibility and application methods/approaches)

Application Link if Applicable

To review an SBA SAMPLE of the information that may be required by your lender:
https://www.sba.gov/sites/default/files/2020-04/PPP%20Lender%20Application%20Form_0.pdf

Funding Opportunities for Small Business: Downstate Small Business Stabilization Grants



Grant Specifics: Business must NOT be located in an Entitlement area that receives their own allocation of CDBG funding from HUD (see map on next slide)

This grant is very specific and has several requirements – view the Guide Book which can be found via the link listed below

Funding Source

From federal Community Development Block Grants: Federal, State and GATA requirements apply

Revenue Max for Small Business

Not specified, this loan is focused on payroll

Employee Max for Small Business

Must have at least one employee other than owner, but not exceed 50 employees total

Grant Amount

Grants available for 60 days of verifiable working capital up to \$25K

Geographical Requirement

See map – business cannot be in an Entitlement area

How to Apply

Applications must be made by and grants made to a UNIT OF LOCAL GOV' T for the benefit of the business. See more details

Grant Information Link

<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/DownstateSmBizStabilization.aspx>

Funding Opportunities for Small Business:

Downstate Small Business Stabilization Grants

Eligibility MAP

Businesses must meet the federal National Objective of Urgent Need.

To demonstrate, businesses must have been operating continuously since January 1, 2017 (at a minimum) and provide documentation on the financial health of the business since that time.

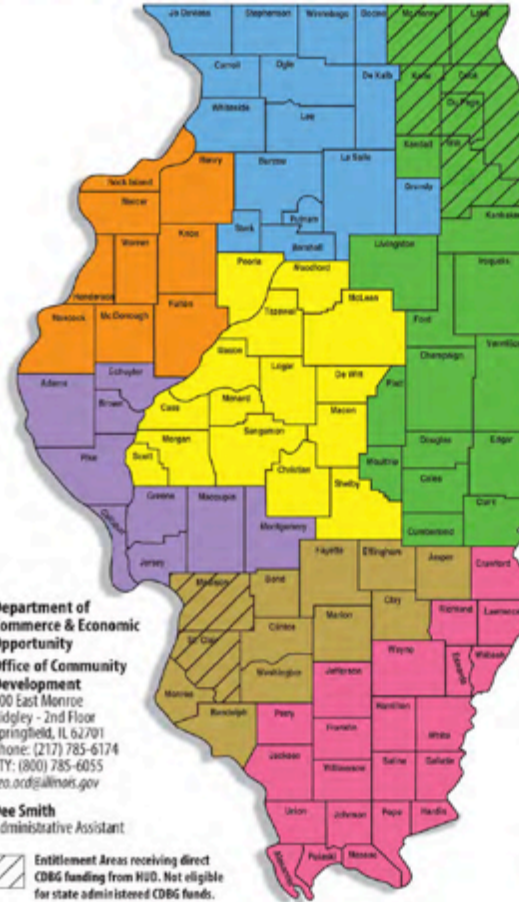
Businesses must enter into a Memorandum of Understanding with the local government which spells out expectations and relationships for all parties.

Funds may be used to assist private profit small businesses considered non-essential by the Governor's Executive Order without the ability for employees to work remotely.



Illinois
Department of Commerce
 & Economic Opportunity
 OFFICE OF COMMUNITY DEVELOPMENT
 Rt Honorable Governor

Office of Community Development



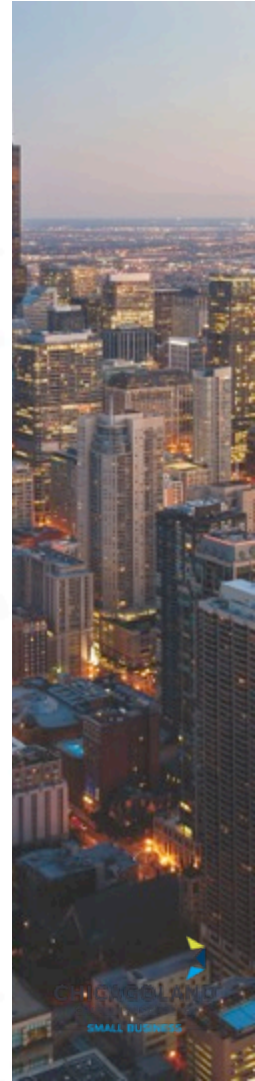
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CEA Small Business
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Funding Opportunities for Small Business: Other Resources to Check Out

- Facebook (Ad Credits, Cash Grants, Loans)
 - <https://www.facebook.com/business/boost/grants>
- Yelp (Ad Credits, Upgrades, other benefits, service support)
 - <https://blog.yelp.com/2020/03/yelp-covid-19-response-and-support-for-local-businesses>
- GoFundMe initiative (General fund to donate AND apply as a small business)
 - <https://www.gofundme.com/c/small-business-relief-initiative-and-fund-faqs>
 - <https://www.gofundme.com/f/smallbusinessrelieffund>
- Verizon Small Business Recovery Fund (Grants, new route openings)
 - <https://www.lisc.org/covid-19/verizon-small-business-recovery-fund/>

**If you or someone you know needs help
understanding these options, our IL SBDC can help
with 30 minute calls**

**Contact:
Center Director
Stacey Pitts Caldwell
scaldwell@chicagolandchamber.org**



CARES Act: *Tax Changes and Opportunities*

April 16, 2020

General Guidance

- Tax positions and filings are dependent on particular circumstances
- Extremely complicated, exceptions, interrelated issues, conflicts
- Consult a tax specialist to discuss your specific circumstance

Tax Credits

Tax credits available under the Family First Coronavirus Response Act (FFCRA) and the CARES act

- Employee Retention Credit
- Emergency Sick Leave
- Expanded Emergency and Family Leave

Employee Retention Credit

Employee Retention Credit

- Refundable tax credit
- Credit against Employer's share of Social Security
- Reduce employment tax deposits they are otherwise required to make
- if the employer's employment tax deposits are not sufficient to cover the credit, the employer may get an advance payment from the IRS

Employee Retention Credit

- Business fully or partially suspended by government
- Gross receipts below 50% of the comparable quarter in 2019
- Applies to qualifying employers, including nonprofits
- Does not apply to state and local governments

Employee Retention Credit

- Credit is 50% of qualified wages paid from March 13, 2020 through December 31, 2020
- Wages up to \$10,000 per employee, including a portion of employer-provided healthcare
- Employers with less than 100 employees in 2019 can take the credit on wages to all employees
- Employers with 100 or more employees in 2019 can take the credit on wages paid to employees who did not work in the calendar quarter

Employee Retention Credit

- Not eligible for the Employee Retention Credit if the employer received a PPP loan
- Wages do not include wages for which a credit was given for paid sick and family leave under Families First Coronavirus Response Act

Emergency Sick Leave / Family Medical Leave

Expanded Sick Leave Requirements

Emergency Paid Sick Leave Act (EPSLA)

- Up to 80 hours of paid sick time when workers unable to work for certain reasons related to COVID-19

Emergency Family and Medical Leave Expansion Act

- Expanded paid family and medical leave

Emergency Sick Leave/Family Medical Leave

- Employers subject to the EPSLA and the Expanded FMLA paid leave requirements are entitled to fully refundable tax credits to cover the cost of the leave
- Certain self-employed persons in similar circumstances are entitled to similar credits
- Dollar-for-dollar refundable credit to the employer against payroll taxes
- These wages are not eligible wages for the Employee Retention credit

Claiming the Credits

- The employer can reduce its required deposits of payroll taxes withheld from employees' wages during the quarter by the amount of the credit
- The employer will not be subject to deposit penalties for failure to remit the withheld taxes due to this retention of funds
- Any excess credit (where the credits exceed the withheld deposits) can be claimed as a refund or credit on the filing of the employment tax return (e.g., Form 941) for the quarter
- Under certain circumstances payment of the excess credit may be accelerated

COVID Tax Changes

Tax Changes

- Allowance of Partial Above the Line Deduction for Charitable Contributions
 - Taxpayers who do not itemize can deduct up to \$300 in cash contributions made to qualifying charitable organizations
- Modification of Limitations on Charitable Contributions During 2020
 - Individuals – 100% of AGI (up from 60%)
 - Corporations – 25% of taxable income (up from 10%)
 - If limitation is exceeded, excess carries forward for 5 years

Tax Changes

- Modifications for Use of Net Operating Losses
- Modification of Limitation on Losses for Taxpayers other than Corporations
- Modifications of Limitation on Business Interest
- Technical Correction of Bonus Depreciation for Qualified Improvement Property



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Vanille
CHICAGO

Founded in 2002, Vanille specializes in authentic French pastries, desserts, cakes and macarons. Owned and operated by chef Sophie Evanoff, Vanille is noted for its premier quality, taste, and dedication to its craft. Vanille was awarded #1 Retailer of Lincoln Park in 2015 and recognized as one of the best bakeries in America by *Time Out Magazine* in 2016. Vanille is located in Lincoln Park and French Market. The Lincoln Park store remains open from 8:00am–7:00pm,

www.vanillepatisserie.com

Quarantine Initiatives

- Right Team
- Promotions
- Social Media/ Email Marketing
- Community Driven
- Focus on Positivity, Humor, Comfort



Contact Info:

- Please feel free to reach out if you have any additional questions.
- Colleen Reaney – creaney@luc.edu
- [Loyola's Executive & Professional Education Center](#)
 - Open Enrollment Programs
 - Small Business Resources
 - Customized Training Programs
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