

## Not for Profit Entities

### 501(c)(3) and 501(c)(19) Organizations

#### Paycheck Protection Program

#### Notice: Lapse in Appropriations

**\*\*The SBA is currently unable to accept new applications for the Paycheck Protection Program based on available appropriations funding.\*\***

The Paycheck Protection Program appropriates **\$349 billion** toward job retention and other expenses.

Unlike other Small Business Administration programs that are limited to for-profit businesses, the Paycheck Protection Program defines eligible businesses to include non-profit organizations organized under 501(c)(3) and Veterans organizations defined in 501(c)(19).

This program provides funds that may be used to pay up to 8 weeks of payroll costs including benefits as well as to pay interest on mortgages, rent and utilities.

This program offers forgivable loans to cover employer costs incurred with the goal of helping organizations avoid laying off their workers. Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities.

Due to likely high subscription:

- at least 75% of the forgiven amount must have been used for payroll
- loan payments will be deferred for six months
- no collateral or personal guarantees are required.
- neither the government nor lenders will charge small businesses any fees.

Loan forgiveness is based on the employer:

- using the loan for payroll costs, interest on mortgages, rent and utilities
- maintaining or quickly rehiring employees
- maintaining salary levels.

**\*Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.**

Starting **April 3, 2020**, small businesses and sole proprietorships can apply.

Starting **April 10, 2020**, independent contractors and self-employed individuals can apply.

Application for these loans is made through existing SBA 7(a) lenders or any federally insured depository institution, federally insured credit union, or Farm Credit System institution that is participating.

A list of participating lenders as well as additional information and full terms can be found at:

[www.sba.gov](http://www.sba.gov)

<https://www.altogetheralabama.org/state-business-resources>

Source information: <https://home.treasury.gov/system/files/136/PPP%20--%20Overview.pdf>

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

## 501(c)(4) and 501(c)(6) Organizations

### Economic Injury Disaster Loans and Emergency Economic Injury Grants

#### **Notice: Lapse in Appropriations**

**\*\*SBA is unable to accept new applications at this time for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program (including EIDL Advances) based on available appropriations funding.\*\***

**\*\*Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.\*\***

Appropriates \$10 billion to expand eligibility for access to Economic Injury Disaster Loans.

Non-profit organizations defined under 501(c)(4) and 501(c)(6) are eligible for these grants.

The Small Business Administration will waive personal guarantees on advances and loans below \$200,000, the requirement that applicants have been in business for the 1 year period before the disaster, and the credit elsewhere requirement.

EIDL grants provide an emergency advance of up to \$10,000 to organizations within three days of application for the SBA Economic Injury Disaster Loan. Businesses must apply for the Economic Injury Disaster Loan, and then request the advance. These advances will not need to be repaid.

EIDL grants may be used to keep employees on payroll, pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

\*The Emergency Food and Shelter Program (EFSP) was awarded **\$200 million** in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Currently, processes have commenced to award the funds to the National Board. As processes are completed and information is available, the National Board will share updates via the EFSP website:

<https://www.efsp.unitedway.org/efsp/website/websiteContents/index.cfm?template=latestNews.cfm?LatestNewsNo=2>

#### **For additional guidance:**

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>

Faith-based Organizations FAQ: <https://www.sba.gov/sites/default/files/2020-04/SBA%20Faith-Based%20FAQ%20Final.pdf>

04/17/20 Lapse in Appropriations Updates: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>