Financial Relief for Small Businesses (COVID-19)

March 30, 2020
NOT LEGAL or TAX ADVICE

Disclaimer:
The things you read in this presentation and the things we discuss today should not be construed as legal or tax advice, and should not substitute for a consultation with an attorney and/or an accountant.

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## Agenda

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<td><strong>Overview of Start Small Think Big</strong></td>
<td>Information on SSTB’s mission and work, services and eligibility criteria</td>
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<td><strong>Financial Considerations</strong></td>
<td>How to approach managing cashflow and expenses when faced with crisis</td>
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<td><strong>Overview of Financial Relief Programs</strong></td>
<td>An overview of federal, New York State and private programs providing loans and grants to businesses impacted by COVID-19</td>
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Start Small Think Big: An Introduction
Overview

Who We Are
Start Small Think Big believes that access to high-quality legal, financial management, and marketing services is an essential part of starting or growing a successful small business.
A nonprofit organization that focuses on pairing entrepreneurs positioned to grow their businesses with top pro bono attorneys and financial and marketing experts.

Who We Serve
We work with underserved small business owners.
What We Do

Legal Assistance
Provide clients access to legal assistance by referring our clients to firms for pro bono counsel
Volunteer attorneys address various issues including forming an appropriate legal structure for the business, contract review and drafting, and commercial lease review

Financial Assistance
Provide access to in-house staff as well as pro bono financial advisors through a referral program to assist with small business financial management

Marketing Assistance
Provide access to pro bono marketing advisors through a referral program and hands-on workshops
Connect clients to vending opportunities such as tastings, Pop Up shops, street markets/fairs, and business-to-business sales
Eligibility Criteria

1. **Business stage**
   - We serve applicants who are currently selling goods and/or services (defined as having sales over the past 3 months of $500) OR have a legal need that is keeping them from selling
   - Certain businesses up to $1M in annual business revenue

2. **Under-Resourced Business Owners**
   - Generally, household income must be less than 500% of the Federal Poverty Guidelines, i.e., $62,450/year for a one-person household and $128,750/year for a family of four
   - Client’s household must have less than $50,000 in eligible assets,
   - Or, certain businesses with less than $1 million in revenue, where the owners qualify as under-resourced as part of traditionally disadvantaged groups (i.e., woman-owned businesses, entrepreneurs of color, veterans, disabled and others).

www.startsmallthinkbig.org
Start Small Think Big: Financial Considerations
Preserve Cash

● Cash is king
  ○ Allow maximum flexibility to preserve cash

● Crisis may allow certain expenses to be renegotiated
  ○ Loan payments (after speaking to lender)
  ○ Rent (after speaking to landlord)
  ○ Insurance/utility (after speaking to those companies)

● Re-assess all discretionary expenses, investments
  ○ Inventory, equipment
  ○ Software subscriptions, ‘bells and whistles’ cellphone plans, etc.
Estimating Cash Loan/Relief Needed

- How much sales needed to cover fixed expenses?

- If sales not covering fixed expenses, what is cash outflow?
  - Estimate this per day/week/month
  - Which expenses can be controlled/delayed?

- If this period lasted 2-3 months, what is cash shortfall?
  - Math = Cash outflow per month times number of months
  - Provides estimate of working capital/financial relief needed
Overview of Financial Relief Programs: Federal, New York State & Other Programs
Please Note…

The information presented in this webinar is current only as of today, March 30, and should not be considered comprehensive.

This webinar is not a substitute for, and should not be relied upon as, legal or professional advice; we recommend that you consult professional advisors for guidance on your individual circumstances.

Viewing this webinar does not create an attorney-client relationship with Cleary Gottlieb.

We will provide information on various financial relief programs for small businesses; however, this presentation should not be construed as an endorsement of any specific program.
# Overview of Financial Relief Programs

<table>
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<th>Federal Loan Programs</th>
<th>Paycheck Protection Program, SBA Grants &amp; Loans and other CARES Act Programs</th>
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<td>New York State Loan &amp; Grant Programs</td>
<td>SBS Small Business Continuity Loan Fund &amp; Employee Retention Grants</td>
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<td>Other Programs</td>
<td>Information about grant and loan programs established by Facebook, James Beard Foundation, GoFundMe, FundRocket and others</td>
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<tr>
<td>Additional Resources</td>
<td>Guides for approaching loans and grants available for those impacted by COVID-19</td>
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<tr>
<td>Q&amp;A</td>
<td>Please submit questions through the Zoom chat function and they will be addressed the conclusion of the presentation</td>
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Relief Programs:
Paycheck Protection Program ("PPP"),
SBA Loans & Grants and Other
CARES Act Programs
Paycheck Protection Program – Key Features

New program under the CARES Act to provide small businesses with support to cover payroll and certain other expenses over the next three months.

— **Principal Amount**: the lesser of $10 million or 250% of the average monthly payroll costs over the prior 12-month period in addition to any EIDL obtained between 1/31/20 and the date the PPP becomes available

— **Interest Rate**: Capped at 4% and all customary SBA loan fees are waived

— **Repayment**:
  - Principal, interest and fee payments must be deferred for a minimum of 6 months to a maximum of 1 year
  - No prepayment penalty

— **Term**: Up to 10 years

— **Loan Forgiveness**:
  - Borrowers may receive forgiveness equal to 8 weeks of payroll costs, mortgage interest, rent obligations and utilities
  - Borrowers that have reduced their average number of full-time equivalent employees or reduced salaries may have their eligibility for forgiveness reduced proportionately, unless they rehire workers and eliminate the reductions in salary prior to June 30, 2020

— **Use of Proceeds**: capital expenditures, working capital, payroll costs, benefits, employee salaries, mortgage interest payments, rent, utilities and interest on existing debt (cannot be used for compensation over $100,000)

— **Other Terms**: Loans are uncollateralized, do not require a personal guarantee and are nonrecourse to borrower’s shareholders/members/partners. Forgiven loan amounts are not taxable to borrowers

— **Deadline for Applying**: Loans are available through June 30, 2020

— **Additional Information**: US Senate Committee on Small Business & Entrepreneurship “Small Business Owner’s Guide to the CARES Act”
Paycheck Protection Program – Eligibility

— **Active**: Business must have been operational on or before 2/15/20
— **Employees**: Business must have paid salaries and payroll taxes for employees or independent contractors
— **Impact**: Business must be substantially impacted by the public health restrictions related to COVID-19 and must make a good faith certification to this effect.
— **Size**: Small businesses (generally < 500 employees), as well as eligible independent contractors and sole proprietors
  • Affiliation rule (requiring the business to count all subsidiaries, parent companies and affiliates in determining its size) is waived for: (i) businesses classified under NAICS codes beginning with 72 (hotels, restaurants, food services), (ii) Eligible Franchises (https://www.sba.gov/sites/default/files/2020-03/FrncsTbl_03232020_UPLOAD.pdf) and (iii) Businesses owned by small business investment companies.
— **“No Credit Elsewhere” Requirement Waived**: Unlike typical SBA loans, the borrower is not required to show it is unable to obtain credit elsewhere
— **Other Loans**:
  • Each business can receive only one PPP loan
  • Borrowers may apply for both PPP loans and other SBA financial assistance (including EIDLs) as long as you don’t use your PPP loan for the same purpose as your other SBA loans
    • e.g., if you use your PPP to cover payroll for the 8-week covered period, you cannot use another SBA loan for the same costs in that period, *but* you could use the other loan for payroll in a different period or for different workers
  • Emergency Economic Injury Grant recipients and those who receive payment relief through the Small Business Debt Relief Program may apply for a PPP loan as well (as long as there is no duplication in use of funds)
— **How to Apply**: Apply via a bank that is approved for the SBA 7(a) loan program
SBA Economic Injury Disaster Loans – Key Terms

The US Small Business Administration (“SBA”) is offering Economic Injury Disaster Loans (“EIDL”) for small businesses impacted by COVID-19.

**Principal Amount:** Up to $2 million

**Term:** Up to 30 years

**Interest Rate:** 3.75% for small businesses

**Collateral requirements:** Collateral may be requested for loans over $25,000

**Use of Proceeds:** Expenses the business would have paid if the disaster had not occurred (e.g., fixed debts, payroll, accounts payable, other bills)

**When do you receive funds:** The SBA generally takes 4-6 weeks to process disaster loans, but it will likely take longer at this time due to substantial demand

**When does repayment start:** On the 12th month of the term (payments are deferred for the first 11 months)
SBA Economic Injury Disaster Loans – Eligibility

To be eligible the business must have the following characteristics:

**Jurisdiction**: Applicant must have physical presence in a state or territory where a declaration has been made. *All 50 states are covered*

**Business Activity**: The primary activity of the business must be eligible as well as the activity for which the loss is being claimed. Generally, business activity is considered “eligible” unless it is in one of the enumerated categories of ineligible businesses (e.g., religious organizations & casinos)

**Size**: Must not exceed the size standard for the applicant’s industry (generally < 500 employees)

The business must be **independently owned and operated**

Employers must be able to show:

The business must have suffered “**substantial economic injury**,” meaning that it is unable to meet its obligations and pay its ordinary and necessary operating expenses

**Impact**: The business must have been directly affected by COVID-19, be engaged in services directly related to COVID-19 and / or have suffered indirect harm related to the business’ industry

**Credit Requirements**: SBA must find credit history acceptable and applicants must demonstrate the ability to repay any loans they incur.

**Collateral Requirements**: If the loan requested is for an amount over $25,000, the applicant must pledge available collateral (will take real estate if available). However, the SBA will not decline a loan for lack of collateral so long as they are reasonably sure that the loan can be repaid

SBA Economic Injury Disaster Loans ("EIDL") – Grants

Under the CARES Act, if the EIDL applicant is seeking an immediate influx of funds, they can receive a $10,000 emergency advance on their EIDL within 3 days in the form of a grant.

To access, first apply for an EIDL and then request the advance.

The proceeds of the grant can be used for payroll costs, increased material costs, rent or mortgage payments, or for repaying obligations that cannot be met due to revenue losses.

The grant would not need to be repaid, even if the loan application is subsequently denied.

Borrowers may apply for an EIDL grant in addition to a loan under the Paycheck Protection Program, provided the loans are not used for the same purpose.
SBA Economic Injury Disaster Loans – Express Bridge Loans

The Express Bridge Loans program provides expedited SBA-guaranteed bridge loan financing on an emergency basis in amounts up to $25,000

— **Eligibility**

  • **Jurisdiction**: Applicant must have physical presence in a state or territory where a declaration has been made. *All 50 states are covered*
  
  • **Impact**: Applicant must have had an operating business as of March 13, 2020, and the business must have been adversely impacted by COVID-19
  
  • **Credit Score**: Minimum acceptable Small Business Scoring Service Score is 130
  
  • **Existing Relationship**: Applicant must have existing relationship with lender

— **Key Terms**

  • **Deadline**: Lenders may obtain SBA loan numbers for EBL loans through March 13, 2021
  
  • **Term**: Maximum of 7 years
  
  • **Principal Amount**: $25,000
  
  • **Interest Rate**: up to 6.5% over the prime rate
  
  • **Other loans**: Applicant may obtain only one EBL per emergency declaration
  
  • **Use of Proceeds**: Support the survival and/or reopening of the small business

— **Additional Information**

SBA Express Loans

The Express Loans program provided expedited SBA-guaranteed bridge loan financing in amounts up to $1 million

— **Eligibility:**
  - **Size:** Must qualify as a small business
  - **Credit requirements:** Credit decisions are made by the lender

— **Key Terms**
  - **Term:** Up to 7 years (with maturity extensions permitted at the outset)
  - **Principal Amount:** Up to $1 million
  - **Interest Rate:** Negotiated with lender, but may not exceed SBA maximum (principal amount < $500,000, prime + 6.5%; principal amount $50,000 <, prime + 4.75%)
  - **Collateral:** Lenders are not required to take collateral for loans up to $25,000; may use their existing collateral policies for larger loans
  - **Deadline:** Ongoing program, but on January 1, 2021 the maximum principal amount will decrease to $350,000

— **How to apply:** Apply via a bank that is approved for the SBA 7(a) loan program

## Other CARES Act Small Business Assistance

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<tr>
<th>Program</th>
<th>What it does</th>
<th>Who should consider it</th>
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</thead>
<tbody>
<tr>
<td><strong>Small Business Debt Relief Program</strong></td>
<td><strong>What it does:</strong> Provides immediate relief to small businesses with on-disaster SBA loans, including 7(a), 504, and microloans. <strong>SBA will pay all loan payments</strong>, including principal, interest, fees and expenses under these loans for <strong>six months</strong>.</td>
<td><strong>Who should consider it:</strong> Small businesses who already have other SBA loans outstanding.</td>
</tr>
<tr>
<td><strong>Bankruptcy Protection for Small Businesses</strong></td>
<td><strong>What it does:</strong> Expands the threshold for qualifying as a “small business debtor” under Chapter 11 of the Bankruptcy Code, which can simplify reorganization procedures and reduce expenses. Businesses with aggregate debts up to $7.5 million may qualify (up from ~$2.7 million currently).</td>
<td><strong>Who should consider it:</strong> Small businesses who are considering bankruptcy and are not able to negotiate forbearance or forgiveness of outstanding debts of the business. Consider the range of other programs available under these exceptional circumstances before making a bankruptcy determination.</td>
</tr>
<tr>
<td><strong>Student Loan Repayment</strong></td>
<td><strong>What it does:</strong> Allows employers to repay student loans of employees on a tax-free basis for employees (but not deductible by businesses).</td>
<td><strong>Who should consider it:</strong> Businesses repaying student loans of employees.</td>
</tr>
</tbody>
</table>
## Other CARES Act Small Business Assistance (cont’d)

<table>
<thead>
<tr>
<th>Employee Retention Tax Credit</th>
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<tbody>
<tr>
<td><strong>What it does:</strong> Provides a refundable payroll tax credit for 50 percent of wages paid to certain employees (up to $10,000 per eligible employee) through December 31, 2020</td>
</tr>
<tr>
<td><strong>Who should consider it:</strong> Small businesses whose operations have been fully or partially suspended due to COVID-19; small businesses who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis other than businesses who are receiving assistance under the Paycheck Protection Program</td>
</tr>
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<tr>
<th>Delay of Payment of Employer Portion of Payroll Taxes</th>
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<tbody>
<tr>
<td><strong>What it does:</strong> Delays the due date of the employer portion of 2020 payroll taxes (50% due 12/31/2021, 50% due 12/31/2022)</td>
</tr>
<tr>
<td><strong>Who should consider it:</strong> All businesses with employees other than businesses who are receiving assistance under the Paycheck Protection Program</td>
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</tbody>
</table>

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<tr>
<th>Increased Flexibility of Tax Deductions</th>
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<tbody>
<tr>
<td><strong>What it does:</strong> For 2020 tax year, lifts restriction that net operating loss carryovers could be used to offset a maximum of 80% of a taxpayer’s taxable income. For 2019 and 2020 tax years, limitation on deductibility of interest expense is increased to 50% from 30%. 2018, 2019 and 2020 losses may be carried back five years</td>
</tr>
<tr>
<td><strong>Who should consider it:</strong> Owners with business losses in the current year applying those losses to personal income; owners who deduct interest expense; owners with gains to offset in prior years</td>
</tr>
</tbody>
</table>
New York State Loan and Grant Programs:
SBS Small Business Continuity Loan Fund & SBS Employee Retention Grants
New York City has launched a small business loan program in order to help those businesses impacted by COVID-19 receive an **interest-free** loan of **up to $75,000**  

To be eligible the business must have the following characteristics:

**Jurisdiction**: Business must be located within the five boroughs of New York City

**Business History**: Must have been in operation for at least two years

**Size**: Must employ fewer than 100 employees across all locations

Employers must be able to show:

**COVID-19 Impact**: The business must be able to show – through appropriate documentation – that COVID-19 has caused at least a 25% decrease in revenue

**Financial Requirements**: The business must demonstrate its ability to pay back the loan and have no outstanding tax liens or legal judgments
In order to show a verifiable loss in revenue, a business will need to upload the following as part of the loan application:

- Financial documents for two months in 2020 demonstrating revenue decrease due to COVID-19
- Financial documents showing business’s revenue for the same two-month period in 2019
- Financial documents showing business’s revenue for the full 2019 calendar year

Financial documents may include any of the following:

- Point-of-sales reports or screenshots
- Sales reports (demonstrating fees collected or earned income)
- Bank statements
- Transaction level data from banks
- Quarterly sales tax filings
- Tax returns
- Profit or loss statements

As part of the application, a business will also need to upload a signed participation affidavit verifying eligibility for the program.
SBS Small Business Loan – How to Apply

**Determine Eligibility:** Review program guidelines and requirements and see if your business is eligible

**Appropriate Documents:** Gather all appropriate documents necessary for the application

**Application:** Visit the SBS website and fill out the preliminary application

**Secondary Application:** The application provided on the SBS website is the first step in the approval process. Once the application is completed, SBS will send approved businesses an application link on their partner lender’s site

**Questions on the application process?** Reach out to SBS at sbsconnect.nyc.gov/contact/
The NYC SBS is offering the Employee Retention Grant to qualifying NYC small businesses (including nonprofits) impacted by COVID-19

**Type of Assistance:** Grant

**Amount:** Up to $27,000

**Business Size:** 1-4 employees

**Use of Funds:** To cover up to 40% of payroll for 2 months

**Status on March 30:** Accepting applications online
NYC SBS Employee Retention Grant – Eligibility

Eligibility requirements for the grant are as follows:

**Location:** Within the 5 boroughs of NYC (The Bronx, Brooklyn, Manhattan, Queens, Staten Island)

**Size:** 1-4 employees across all locations

**Duration of Operations:** In operation for at least 6 months

**COVID-19 Impact:** Must demonstrate that the COVID-19 outbreak caused at least a 25% decrease in business revenue

**Tax Liens/Legal Judgments:** None outstanding
NYC SBS Employee Retention Grant – Application Process

Applicants for the grant should follow the following steps:

**Review eligibility requirements**
https://www1.nyc.gov/nycbusiness/article/nyc-employee-retention-grant-program

**Gather required documents**

**Prepare and sign participation affidavit form**

**Create or login to SBS Connect account**
https://sbsconnect.nyc.gov/

**Fill out online application**
# NYC SBS Employee Retention Grant – Required Documents

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<th>Document</th>
<th>Why NYC SBS Needs This</th>
<th>Documents Accepted</th>
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<tr>
<td>Signed participation affidavit</td>
<td>Verification that the business employs 1-4 employees, has experienced a loss of revenue, has a commitment to retain employees by participating in this program, and has not already been fully reimbursed by insurance for wages</td>
<td>Participation affidavit at <a href="https://www1.nyc.gov/assets/sbs/downloads/pdf/businesses/COVID19_ERG_participation_affidavit_form.pdf">https://www1.nyc.gov/assets/sbs/downloads/pdf/businesses/COVID19_ERG_participation_affidavit_form.pdf</a></td>
</tr>
<tr>
<td>Revenue statements for two consecutive months in 2020</td>
<td>Documentation of revenue following COVID-19 impact</td>
<td>One or more of the following for the entire impacted period: point-of-sales reports, sales reports (demonstrating fees collected or earned income), bank statements, quarterly sales tax filings, or CPA-certified profit &amp; loss statements for two consecutive months in 2020</td>
</tr>
</tbody>
</table>
| Revenue statements for the same two consecutive months in 2019 | Comparison of typical operating revenue to verify loss of revenue as a result of COVID-19 | One or more of the following for the same two months in 2019: point-of-sales reports, sales reports (demonstrating fees collected or earned income), bank statements, quarterly sales tax filings, or CPA certified profit & loss statements for two consecutive months in 2019  
If you were not in operation, please upload your 2019 tax returns or Federal 990 |
| Annual revenue statements for 2019                 | Comparison of typical operating revenue to verify loss of revenue as a result of COVID-19 | One or more of the following for total 2019 sales: point-of-sales reports, sales reports (demonstrating fees collected or earned income), bank statements, quarterly sales tax filings, 2019 tax returns, CPA certified profit & loss statements, 2019 Tax Returns (all pages), or Federal 990 |
| Bank information                                   | To process the grant disbursement                                                      | A copy of a void check with business name or a current bank statement or a bank letter                                                              |
| Payroll records for each employee                  | To calculate the grant amount                                                          | Payroll records or cancelled checks to each employee                                                                                               |
| Proof of NYC location                              | To verify that the business is located within the five boroughs of New York City        | Signed federal tax form 1120 or signed copy of lease agreement, or 3 months of operational bills  
Only required if business location is not documented in any of the other supporting documents |

NYC SBS Employee Retention Grant – How to Apply

To calculate the **revenue impact of COVID-19**, NYC SBS will compare average revenue for two months in 2020 (after the COVID-19 impact) to both:
- Average revenue for the same two-month period in 2019 and
- Average monthly revenue based on total 2019 revenue

To **verify the loss of revenue**, applicant will need to upload:
- Financial documents for two months in 2020 demonstrating revenue decrease due to COVID-19
- Financial documents showing revenue for the same two months in 2019 (unless you were not in business at that time)
- Financial documents showing revenue for the full 2019 calendar year

To determine **grant amount**, applicant will need to upload:
- Payroll records for most recent two months

To **process** grant, applicant will need to upload:
- Signed participation affidavit
- Copy of voided check with business’s name, a current bank statement or a letter from business’s bank to receive payment

**Reach out to NYC SBS** with questions at [https://sbsconnect.nyc.gov/contact/](https://sbsconnect.nyc.gov/contact/)
Other Programs*:
Overview of Select Private Loan, Grant and Crowdfunding Initiatives

*Summary presented for information purposes only; this presentation should not be construed as an endorsement of any specific program.
Other Programs

The landscape of COVID-19 relief initiatives for small businesses is relatively new and rapidly evolving. Small businesses should continue to monitor it and consider out to the following, among others:

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<th>Private loan providers</th>
<th>Other private companies</th>
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<td>Crowdfunding platforms</td>
<td>Local chambers of commerce</td>
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## Other Programs: A Sampling

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<th>PROGRAM/RESOURCES</th>
<th>STATUS AS OF MARCH 30</th>
<th>DETAILS</th>
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<tr>
<td>FundRocket Stimulus 2020 Loan</td>
<td>Accepting applications</td>
<td>No-interest loans of up to $1,000 to qualifying small businesses, including non-profits. More information available at <a href="https://stimulus2020.com">https://stimulus2020.com</a></td>
</tr>
<tr>
<td>Kiva</td>
<td>Accepting applications</td>
<td>No interest loan of up to $15,000 in to qualifying small businesses, with expanded eligibility and grace period of up to 6 months, in light of COVID-19. More information available at <a href="https://www.kiva.org/borrow">https://www.kiva.org/borrow</a></td>
</tr>
<tr>
<td>GoFundMe Small Business Relief Initiative</td>
<td>Launched and ongoing</td>
<td>Small businesses that have been claimed by the business owner on Yelp automatically have a GoFundMe started on their behalf. Other small businesses may create their fundraisers. Local community members are able to search their favorite businesses on Yelp and click on the “donate” button within the businesses profile to provide their support. More information available at <a href="https://www.gofundme.com/c/small-business-relief-initiative-and-fund-faqs">https://www.gofundme.com/c/small-business-relief-initiative-and-fund-faqs</a></td>
</tr>
<tr>
<td>Facebook Small Business Grants Program</td>
<td>Pending</td>
<td>Grant program totaling $100M in cash grants for up to 30,000 eligible small businesses (U.S. and abroad). More information available at <a href="https://www.facebook.com/business/boost/grants">https://www.facebook.com/business/boost/grants</a>. Interested parties may sign up for updates by providing email address at <a href="https://www.facebook.com/business/boost/grants">https://www.facebook.com/business/boost/grants</a></td>
</tr>
<tr>
<td>James Beard Foundation Food and Beverage Industry Relief Fund</td>
<td>Pending</td>
<td>One-time grant of $15,000 to qualifying (i) restaurant independently owned with 100 or less full- or part-time employees as of February 15, 2020, or (ii) restaurant group in which each member restaurant has 100 or less full- or part-time employees on that date. More information including application description available at <a href="https://www.jamesbeard.org/relief-fund-application">https://www.jamesbeard.org/relief-fund-application</a></td>
</tr>
<tr>
<td>Restaurant Workers Community Foundation COVID-19 Relief</td>
<td>Pending</td>
<td>No interest loan to restaurants impacted by COVID-19 announced, in addition to assistance to restaurant workers and to non-profits serving restaurant workers. More information at <a href="https://www.restaurantworkersef.org/covid19faq">https://www.restaurantworkersef.org/covid19faq</a></td>
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Private Loan and Grant Programs – A Closer Look: FundRocket Stimulus 2020 Loan

Private firms FundRocket and Womply have partnered to offer no-interest loans of up to $1,000 to qualifying small businesses, including non-profits. Applications for the loan are now open.

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<th>KEY TERMS</th>
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<td><strong>Type of Assistance:</strong> Loan</td>
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<tr>
<td><strong>Amount:</strong> Up to $1,000</td>
</tr>
<tr>
<td><strong>Interest Rate:</strong> 0%</td>
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<tr>
<td><strong>Repayment Schedule:</strong> Variable and beginning 2 weeks after disbursement</td>
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<tr>
<td><strong>Timing of Disbursement:</strong> Typically ~1 week after application is submitted</td>
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# FundRocket Stimulus 2020 Loan – Eligibility

| Business must be **verifiable in public records** for its state or county. This requires: | — Legal entity name and/or the “Doing Business As” name your business is registered  
| — Valid business tax ID |
| **EIN or SSN** (sole proprietorship only) | — Required to verify the business |
| **Supported business checking account** with at least 3 **recent months** of history | — Must be supported by Plaid  
| — Must demonstrate re-occurring deposits from the processor totaling at least $5,000 in last 90 days into the business checking account  
| — A business that solely operates on cash or checks is not eligible |
| **No credit check is performed** |
**FundRocket Stimulus 2020 Loan – Repayment**

<table>
<thead>
<tr>
<th><strong>Automatic weekly withdrawals</strong></th>
<th>— Businesses get a weekly email stating what their charge is before payment is run</th>
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<tr>
<td>begin 2 weeks after disbursement of the loan deposit</td>
<td></td>
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<tr>
<th><strong>Amount of sales</strong></th>
<th>— Maximum repayment amount is <strong>$100 per week</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>determines weekly repayment amount</td>
<td>— If business has less than $1,000 in sales in a given week, then 10% of amount of sales that week is collected for repayment</td>
</tr>
<tr>
<td></td>
<td>— No repayment amount collected if business is closed or if there are no sales in a given week</td>
</tr>
<tr>
<td></td>
<td>— If withdrawal fails, 5% of the charge is added to the next payment</td>
</tr>
</tbody>
</table>
Applicants for the loan should follow the following steps:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Review eligibility requirements</td>
<td>— <a href="https://stimulus2020.com">https://stimulus2020.com</a></td>
</tr>
<tr>
<td>2</td>
<td>Create or sign up for a Womply account (used to verify business)</td>
<td>— <a href="https://www.womply.com/account-create/">https://www.womply.com/account-create/</a> — Connect bank account</td>
</tr>
<tr>
<td>3</td>
<td>Notify Womply once bank account connected by:</td>
<td>— emailing <a href="mailto:support@womply.com">support@womply.com</a> or calling (855) 929-9211</td>
</tr>
<tr>
<td>4</td>
<td>Womply will send link to complete FundRocket application</td>
<td></td>
</tr>
</tbody>
</table>
Additional Resources
Additional Resources

Information about new programs for grants and loans has been emerging daily, while programs already in place continue to evolve and change at a rapid pace. We are monitoring these developments and will do our best to provide the most up-to-date information as it becomes available.

We encourage you to look at these resources, in addition to others you may come across, as a way to learn more about support for small business owners during this difficult time.

<table>
<thead>
<tr>
<th>Resource Description</th>
<th>Available at</th>
</tr>
</thead>
</table>
Q&A

Please submit all questions through the Zoom chat function