



COVID-19 Small Business Response Resources

Helping businesses
in Colorado respond
to the current
health crisis

The Colorado Small Business Development Center Network (SBDC) is here to help businesses affected by recent disasters in Colorado, including how to respond to the current health crisis. Our consultants and partners—including the U.S. Small Business Administration (SBA)—provide services to assist with disaster loan applications, long-term planning, insurance navigation, physical and economic loss estimations, business preparedness and more. Please note, the SBDC is not a health organization; for latest news regarding the current health situation, please contact the resources listed in this guide.

ECONOMIC INJURY DISASTER LOANS (EIDLs)

The U.S. Small Business Administration (SBA) provides low-interest, long-term economic injury disaster loans to small businesses and most private non-profit organizations to help meet financial obligations and operating expenses that could not have been met had the disaster not occurred. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.

WHO QUALIFIES FOR FUNDING

- ☑ Eligibility: The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons.
- ☑ Applicants must meet the SBA requirements of a small business (500 employees or fewer)
- ☑ Included are businesses directly affected by COVID-19
- ☑ Included are businesses that offer services directly related to the businesses in the declaration
- ☑ Included are other businesses indirectly related to the industry that are likely to be harmed by losses in their community (Example: Manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product)
- ☑ Repayment: SBA must determine that the applicant business has the ability to repay the SBA loan
- ☑ Credit History: Applicants must have a credit history acceptable to SBA
- ☑ If the business has been open less than 3 years,

it must provide documented/verifiable proof of profit and loss

WHY DIDN'T I QUALIFY?

- The business is an Agricultural Enterprises: The primary activity of the business (including its affiliates) is as defined in Section 18(b)(1) of the Small Business Act (<https://legcounsel.house.gov/Comps/Small%20Business%20Act.pdf>)
- The business is a religious organization
- The business is a charitable organization
- One-third of its gross revenue is from gambling
- The business is a casino or racetrack
- The business is in the cannabis industry

INFORMATION THAT MAY BE NECESSARY TO PROCESS YOUR APPLICATION

Collect these items before you start the application:

- Complete copies, including all schedules, of most recent federal tax returns for each principal owning 20 percent or more of the applicant business, each general partner or managing member, and each affiliate, when any owner has more than a 50 percent ownership in the affiliate business. Affiliates include but are not limited to business parents, subsidiaries, and/or other businesses with common ownership or management.
- If the most recent federal income tax return has not yet been filed, a year-end profit and loss statement and balance sheet for that tax year is acceptable.
- A current year-to-date profit and loss statement

Remember—it's better to have too much documentation than not enough. You must be able to prove your need for funding.

STEP 1: APPLY FOR LOAN

- Apply online at SBA's secure site (<https://disasterloan.sba.gov/ela>)

- As a small business, you may borrow up to \$2 million for Economic Injury
- Substantial Economic Injury means the business is unable to meet its obligations and/or pay its ordinary and necessary operating expenses

STEP 2: LOAN PROCESSING DECISION MADE

- SBA reviews your credit before conducting an inspection to verify your losses
- A loan officer will determine your eligibility during processing
- A loan officer works with you to provide all the necessary information needed to reach a loan determination. The goal is to arrive at a decision on your application within 2-3 weeks.
- A loan officer will contact you to discuss the loan recommendation and your next steps. You will also be advised in writing of all loan decisions.

STEP 3: LOANS CLOSED AND FUNDS DISBURSED

- SBA will prepare and send your Loan Closing Documents to you for your signature
- Small businesses that submit complete loan packages could receive the money within three (3) weeks
- Your loan may be adjusted after closing due to your changing circumstances or if the disaster lasts for an extended period of time

REQUIRED DOCUMENTS

- Business Loan Application (SBA Form 5: https://www.sba.gov/sites/default/files/files/serv_da_all_loanapp_2_0_0_3.pdf) completed and signed by business applicant
- IRS Form 4056-T (<https://www.sba.gov/sites/default/files/articles/f4506-t-2015-09-00.pdf>)

completed and signed by applicant business, each principal owning 20 percent or more of the applicant business, each general partner or managing member and, for any owner who has more than a 50 percent ownership in an affiliate business. (Affiliates include business parent, subsidiaries, and/or businesses with common ownership or management).

- Complete copies, including all schedules, of the most recent federal income tax returns for the applicant business; an explanation if not available.
- Personal Financial Statement (SBA Form 413: https://www.sba.gov/sites/default/files/2019-09/Form_413.pdf) completed, signed and dated by the applicant (if a sole proprietorship), each principal owning 20 percent or more of the applicant business, and each general partner or managing member.
- Schedule of Liabilities listing all fixed debts (SBA Form 2202: https://disasterloan.sba.gov/ela/Documents/Schedule_of_Liabilities.aspx may be used).
- Copy of Credit Bureau Report with Credit Scores from the three primary reporting agencies for all owners of the business with minimum 20 percent ownership.
- Federal personal and business tax returns for the last 3 years (include personal tax returns for each owner with minimum 20 percent ownership interest in the business).
- Business financial statements for year to date (both income statements and balance sheet is preferred). Schedule of all business assets and liabilities.
- Provide monthly sales figures beginning 3 years prior to the disaster and continuing through the most recent month available (SBA Form 1368: https://www.sba.gov/sites/default/files/files/serv_da_all_loanapp_5_0_4.pdf).
- Written explanation of the amount you are seeking and how it will be used. Describe the loss.

LOAN AMOUNT AND USE

Substantial economic injury means the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.

The SBA can provide up to \$2 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. Your loan amount will be based on your actual economic injury and your company's financial needs, regardless of whether the business suffered any property damage.

ELIGIBILITY AND TERMS

The interest rate on EIDLs will not exceed 4 percent per year. The term of these loans will not exceed 30 years. The repayment term will be determined by your ability to repay the loan.

EIDL assistance is available only to small businesses when SBA determines they are unable to obtain credit elsewhere. A business may qualify for both an EIDL and a physical disaster loan. The maximum combined loan amount is \$2 million.

Apply for assistance at <https://disasterloan.sba.gov/ela>. Call the SBA Customer Service Center at 800-659-2955, 800-877-8339 (TTY) or email the center at disastercustomerservice@sba.gov.

If you need assistance with the application process, you may contact your local SBDC by visiting <https://www.coloradosbdc.org>.

IMPORTANT RECOMMENDATIONS AS YOU FILL OUT THE EIDL LOAN APPLICATION

- Include the specific disaster in your application - specifically reference "COVID-19" or Coronavirus
- Apply online vs by mail—much, much faster

- Write your login and password down; neither the system nor any SBA personnel are able to retrieve it—you will have to start over!
- Save your work at every prompt
- Do not rush through the application. Check and recheck the filing requirements to ensure that all the needed information is submitted. The biggest reason for delays in processing is due to missing information.
- Make sure to complete all filing requirements before submitting the application and forms.
- Be sure to use the same contact information (business name and the name of all owners) that you use on your federal tax returns. Double-check that they match.
- If your tax returns reference other businesses that you own, you must also submit those tax returns in order to avoid processing delays.
- If more funds are needed, applicants can submit supporting documents and a request for an increase. If fewer funds are needed, applicants can request a reduction in the loan amount.
- If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration.

BUSINESS INTERRUPTION INSURANCE

Almost all businesses carry insurance and for many, business interruption insurance exists within their policy. You should check with your insurance provider to understand your coverage and what, if any, claims you may have. Business interruption insurance is not sold as a separate policy but is an add-on to an existing insurance policy. Business interruption insurance premiums (or at least the additional cost of the rider) are tax-deductible as ordinary business expenses. This type of policy pays out only if the cause of the business income loss is covered in the underlying property/casualty policy. The amount payable is usually based on the past financial records of the business. This type of insurance also covers operating expenses, a move to a temporary location if necessary, payroll, taxes, and loan payments.

If you have not reviewed your current policy, please do so. You may have options in your policy that cover these types of catastrophic occurrences.



	WORK-SHARE	COLORADO HEALTH EMERGENCY LEAVE WITH PAY	UNEMPLOYMENT INSURANCE
WHY	This gives you an alternative to laying off your employees.	Temporarily requires employers in certain industries to provide a small amount of paid sick leave to employees with flu-like symptoms who are being tested for coronavirus COVID-19.	If you have lost your job or have had your hours reduced for reasons related to COVID-19.
WHAT	It allows you to let your employees keep working, but with fewer hours. While they are working fewer hours, CDLE will pay them part of their regular unemployment benefits.	Employers and employees in one of the following industries or jobs are covered: <ul style="list-style-type: none"> ▪ Leisure and hospitality ▪ Food services ▪ Child care ▪ Education, including transportation, food service, and related work with educational establishments ▪ Home health, if working with elderly, disabled, ill, or otherwise high-risk individuals ▪ Nursing homes ▪ Community living facilities 	Available to workers who have lost a job through no fault of their own, these biweekly benefit payments help job seekers focus on the path to reemployment and help lessen the negative impact that unemployment has on the economy.
BENEFITS	You are reducing the hours of at least 2 employees in a certain unit. You would have laid off at least that many employees. You are reducing the work hours of that group by at least 10% but no more than 40% and the State will pay that portion of what they would have received in unemployment benefits. This lasts up to one year.	The employer must provide up to four days of paid sick leave to employees with flu-like symptoms who are being tested for coronavirus COVID-19. If the employee receives a negative test result before the end of four days, the paid leave ends.	Unemployment benefits are approximately 55 percent of a person's average weekly wage over a 12-month time period.
LEARN MORE	https://www.colorado.gov/pacific/sites/default/files/WorkShareInfoEmployers.pdf	https://www.colorado.gov/pacific/cdle/colorado-health-emergency-leave-pay-%E2%80%9Ccolorado-help%E2%80%9D-rules	https://www.labor.ca.gov/coronavirus2019/#chart
HOW TO FILE	https://www.colorado.gov/pacific/sites/default/files/UITL-78_RequestForApprovalOfWorkSharePlan.pdf		https://www.colorado.gov/pacific/cdle/file-claim

	DIVISION E – EMERGENCY PAID SICK LEAVE ACT (FEDERAL)	DIVISION C – EMERGENCY AND FAMILY MEDICAL LEAVE ACT (FEDERAL)
WHY	Employers with less than 500 employees may obtain a credit for wage replacement (100% payroll tax credit) for required paid sick leave wages and certain health care expenses.	Employers may receive certain tax credits to offset the cost of the paid leave provided under the bill. These credits are allowed against the Employer portion of Social Security taxes. An employer may receive a credit for each calendar quarter in an amount equal to 100% of the qualified family leave wages paid.
WHAT	Employers must provide up to 80 hours of paid sick time to all full-time employees, and the average number of hours that a part-time employee works over a 2-week period to all part-time employees that qualify with the following conditions (list not all inclusive): quarantine, sickness related to COVID-19, sick family member, unavailable childcare	Eligibility for the emergency FMLA is limited to employees that are unable to work or telework due to a need for leave to care for a son or daughter under 18 years of age because the child's school or place of care is closed or child care provider is unavailable, due to a public health emergency. The employer must provide 10 weeks of paid leave for employees that have worked for more than 30 days.
BENEFITS	Employees are entitled to their regular rate of pay unless leave is to care for a person subject to quarantine or a child whose school or child care is closed because of COVID-19 in which case the pay is reduced to two thirds the regular rate. The paid leave benefit is capped at \$511 per day and \$5,110 in the aggregate for full-rate sick time and \$200 per day and \$2,000 in the aggregate for two thirds rate sick time.	Paid leave shall not exceed \$200.00 per day or \$10,000 in the aggregate. In general, employees must be paid at a rate of two thirds of the employee's regular rate and be based on the number of hours the employee would normally be scheduled to work.
LEARN MORE	https://www.natlawreview.com/article/president-trump-signs-families-first-coronavirus-act	https://www.natlawreview.com/article/president-trump-signs-families-first-coronavirus-act
HOW TO FILE		

IMPORTANT RESOURCES

Find the latest information and resources at <https://www.coloradosbdc.org/covid>.

QUESTIONS ABOUT EMPLOYERS/EMPLOYEE ISSUES IN COLORADO

- [↗ https://www.colorado.gov/pacific/cdle/information-and-resources-coronavirus](https://www.colorado.gov/pacific/cdle/information-and-resources-coronavirus)
- [↗ https://www.colorado.gov/pacific/cdle/colorado-health-emergency-leave-pay-%E2%80%9Ccolorado-help%E2%80%9D-rules](https://www.colorado.gov/pacific/cdle/colorado-health-emergency-leave-pay-%E2%80%9Ccolorado-help%E2%80%9D-rules)
- [↗ https://www.colorado.gov/pacific/cdle/employer-services](https://www.colorado.gov/pacific/cdle/employer-services)
- [↗ https://www.colorado.gov/pacific/cdle/layoffassistance](https://www.colorado.gov/pacific/cdle/layoffassistance)
- [↗ https://www.colorado.gov/pacific/sites/default/files/WorkShareInfoEmployers.pdf](https://www.colorado.gov/pacific/sites/default/files/WorkShareInfoEmployers.pdf)
- [↗ https://www.colorado.gov/cdle/dwc/covid19-updates](https://www.colorado.gov/cdle/dwc/covid19-updates)
- [↗ https://www.dol.gov/coronavirus](https://www.dol.gov/coronavirus)
- [↗ https://www.dol.gov/newsroom/releases/eta/eta20200318](https://www.dol.gov/newsroom/releases/eta/eta20200318)
- [↗ https://moneying.com/make-money/5-things-to-know-about-unemployment-for-the-self-employed/](https://moneying.com/make-money/5-things-to-know-about-unemployment-for-the-self-employed/)
- [↗ https://www.colorado.gov/pacific/cdle/working-collecting](https://www.colorado.gov/pacific/cdle/working-collecting)
- [↗ https://pikespeaksbdc.org/wp-content/uploads/sites/23/2020/03/HR-6201-leave-chart.pdf](https://pikespeaksbdc.org/wp-content/uploads/sites/23/2020/03/HR-6201-leave-chart.pdf)

QUESTIONS ABOUT THE VIRUS IN COLORADO

- [↗ https://covid19.colorado.gov/](https://covid19.colorado.gov/)
- [↗ https://choosecolorado.com/covid19/](https://choosecolorado.com/covid19/)

Small Business COVID-19 Disaster Response Hotline

800-860-5881

EMERGENCY FINANCIAL SUPPORT FOR LOCAL BUSINESSES AND NONPROFITS

- <https://www.coloradolendingsource.org/>
- <https://www.rockiesventureclub.org/>
- <https://www.kiva.org/blog/support-local-businesses-during-the-coronavirus-pandemic>
- <https://www.facebook.com/business/boost/grants>
- <https://www.supportcolocal.com/>
- <https://www.denvergov.org/content/denvergov/en/environmental-health/news/coronavirus-info/support-services/small-business-emergency-relief-program-form.html>
- <https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/build-your-business/financing.html>
- <https://region10.net/businesses-resources/access-to-capital/>
- <https://www.usbgfoundation.org/beap>
- <https://bonfils-stantonfoundation.org/colorado-coronavirus/>
- <http://www.denverfoundation.org/Community/Impact-Areas/Critical-Needs>
- <https://www.beanstalkfoundation.org/>
- https://www.elpomar.org/media/filer_public/29/6d/296d2605-f81e-4992-9a82-f155501bf526/el_pomar_announces_colorado_assistance_fund.pdf

FEDERAL RESOURCES

- <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
- <https://www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html>
- <https://www.who.int/emergencies/diseases/novel-coronavirus-2019>
- <https://home.treasury.gov/coronavirus>

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