



# ECONOMIC INJURY DISASTER LOAN

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## *Process Guidelines and Checklist of Documents*

Small business owners in all U.S. states, Washington D.C., and territories are currently eligible to apply for a long-term low-interest loan due to Coronavirus (COVID-19).

The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

### Who is eligible?

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- 1.** Small Businesses
- 2.** This also includes
  - a.** Businesses directly affected
  - b.** Businesses that offer services directly to affected
  - c.** Other businesses indirectly related to the industry that are likely to be harmed by losses
- 3.** Small AG Cooperatives
- 4.** Small aquaculture businesses
- 5.** Most private non-profit organizations

### What defines small businesses?

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- 1.** Retail or services <\$7 million in sales
- 2.** Manufacturing <500 employees
- 3.** Wholesale <100 employees



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### Collateral Requirements:

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- 1. 25K under don't require collateral
- 2. SBA takes real estate for collateral when available
- 3. Lack of collateral isn't a reason for denial

### Criteria

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- 1. Credit History – Applicants must have a credit history that's acceptable to the SBA, which is determined by them and subject to change.
- 2. Repayment – must be able to demonstrate that applicant can repay the loan.
- 3. Eligibility- applicant must be physically located in a declared county.
- 4. Must have suffered working capital loss.

### How much can an applicant borrow?

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1. Up to \$2 million with interest rates of:
  - a) 3.75% for small businesses
  - b) 2.75% for Not for Profit.



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### How can someone use the funds?

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- Fixed Debts
- Payroll
- Accounts Payable
- Other bills that would have been paid but for the disaster

### Basic Filing Requirements

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- 1.** SBA Loan Application – SBA Form 5
- 2.** Tax Information Authorization – IRS Form 4506T If your 2019 Business Tax return has been filed.
- 3.** Complete Schedule of most recent business federal tax return
- 4.** Schedule of Liabilities – SBA Form 2202
- 5.** Personal Financial Statement – SBA Form 413
- 6.** Economic Injury Disaster Loan Supporting Information – SBA Form P-P019
- 7.** If loan application filing assistance is used – SBA Form 159D
- 8.** You can now file online with a fillable PDF, use the link below:
- 9.** <https://disasterloan.sba.gov/ela/Information/PaperForms>



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#### Additional information that can be requested

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- 1. Most recent personal federal tax return including all schedules for general partners, principals or managing members.
- 2. If most recent federal tax return hasn't been filed for 2019 then a year end Profit and Loss and Balance sheet
- 3. 2020 Year to Date Profit and Loss and Balance Sheet
- 4. Estimated monthly sales figures for past 2 years – SBA Form 1368

#### Other info

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- 1. There is no cost to apply
- 2. No obligation to take the loan if offered

#### We're here to help

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We are a virtual bookkeeping firm and numbers is our thing. We are here to help you get the assistance you need for your business. We know you have tough decisions to make and that you need to know your numbers. The loan application process is tedious and time consuming, we can offer several options to you that will help you get this completed. Please feel free to contact us for more information on how we can get this done for you!

#### Contact us

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<https://www.bookkeepingconfidential.com/contact/>