

Nonprofit Operations Assistance for COVID-19

As organizations that support nonprofits, we are working hard to understand local need and the resources that are available. We know grants from foundations and other charitable organizations will be unable to fully address the impact of COVID-19 on our community. The largest amount of funding assistance for nonprofits will likely be federal aid in the form of loans (some forgivable). We encourage nonprofits to explore these different opportunities and apply EARLY – the funds are first come, first served.

We strongly encourage local nonprofits to consider completing the applications for SBA Disaster Loans and other federal aid, including the Paycheck Protection Program. Nonprofits should visit with the organization's CPA or the firm that conducts the yearly audit, and the organization's bank for advice, education and support. More information about federal aid and SBA loans, including the forms needed to apply, can be found at wacochamber.com and sba.gov. Visit <https://youtu.be/UudtPbc5gt0> for an SBA Disaster Loan informational video by MCC Small Business Development Center Director Tim Holtkamp. Be sure to subscribe to the YouTube channel "Texas Business Podcast" for updates.

- Paycheck Protection Program offers 100% federally-guaranteed loans for eight weeks of assistance to small businesses and 501(c)(3) and 501(c)(19) veterans' organizations. Loans can be forgiven when used for payroll costs, interest on mortgage obligations, rent and utilities. Eligible payroll costs do not include compensation above \$100,000 in wages. The amount forgiven will be reduced proportionally by any reduction in employees retained. You may use a Paycheck Protection loan to rehire employees you have already laid off and still have the loans forgiven.
- SBA Express Loans have been increased from \$350,000 to \$1 million through December 31, 2020. These loans are approved or denied within 36 hours and funds are typically available within 90 days. Acceptable uses of SBA Express Loans are for providing business continuity and short- and long- term working capital to cover accounts payable, purchasing inventory, construction financing, purchasing supplies and more.
- Small Business Interruption Loans are available for businesses and nonprofits of 500 employees or less to receive SBA 7(a) loans for up to \$10 million from March to December 2020. Businesses with 7(a) loans guaranteed between March 1 and June 30 will be eligible for loan forgiveness equal to the amount of maintaining payroll continuity during that time period. The maximum loan amount will be four times the business's average monthly expenses (payroll, mortgage, rent, payments on debt obligations) for the preceding year, or \$10 million, whichever is less.
- Emergency Economic Injury Disaster Loan (EIDL) Grants expedite access to capital for small businesses and nonprofits that have applied for an SBA EIDL. Nonprofits can now request an advance of \$10,000 on the loan to provide covered leave, maintain payroll, and pay debt obligations. The advance, which will be forgiven, may be available even if an EIDL application is declined or pending.

