

## COVID 19 Funding Sources for Small Businesses – What we know today

*From SCORE Middle Georgia as of 3/29/2020*

There is a broad recognition that small businesses are being hard hit by the COVID 19 Virus. Additionally, helping small businesses survive through the crisis is a key part of an eventual recovery, as small businesses provide half of all private sector employment. Funding options continue to evolve and we are all learning about these together, so this what we currently understand about options for small business cash sources. We will keep checking and will provide updates as we learn more.

Also, there are many websites that are posting this information – for example, Inc Magazine is updating their posts regularly - <https://www.inc.com/kimberly-weisul/stimulus-small-business.html>

Some of these of cash sources are obvious but are included for completeness.

Before seeking cash, business owners should update/create their cash projections. Many businesses have monthly cash flow projections, but now will need to develop week by week plans for at least the next several months. There are many free templates available on-line – for example <https://middlegeorgia.score.org/resource/12-month-cash-flow-statement> provides a free downloadable Excel sheet that can be modified as needed. If you need guidance on developing or updating cash flow statements, contact SCORE to set up a call with a mentor ([https://core.score.org/mentoring/request/0/8012726?address=31201&\\_ga=2.3690482.350224754.1585421829-1446958905.1581956311](https://core.score.org/mentoring/request/0/8012726?address=31201&_ga=2.3690482.350224754.1585421829-1446958905.1581956311)) – or contact the Small Business Development Center (SBDC); email [macon@georgiasbdc.org](mailto:macon@georgiasbdc.org) or call **478-757-3609** to arrange a phone call with a consultant.

**Current Cash** – Business owners need to identify all the cash sources that are readily available. This includes making an estimate of how much personal cash could be put into the business without unnecessarily risking one’s personal livelihood, so in addition to a business cash flow projection, many business owners will need to develop a personal cash flow projection.

**Creditors** – people you owe money to (banks, landlords, suppliers, etc.) are struggling with this situation, but reaching out to them and asking for help in deferring or stretching out cash payments is key to quickly lowering weekly cash outlays.

**Business Credit** – check with your local banker to see if there are any facilities available - for example, a line of credit or a supplemental loan. While you have to be very careful about use of on line business lending sources, Nav.com seems to be pretty reliable and offers good information (they are a loan broker so will try to get you to make a loan through their site, but do have a lot of good free information)

**Federal government** – the U.S. government is pushing several COVID19 relief programs, including;

- SBA Economic Injury Disaster Loan - up to \$2million to cover losses from COVID 19. Qualified business can get up to \$25,000 without posting collateral, and payments can also be deferred for up to four years. The loans can be converted into forgivable grants so long as the company doesn't lay off employees. There is also an Express Program to more quickly access cash - <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
- Paycheck Protection Loans – this is brand new offering that’s part of the recent stimulus program. It is a bit confusing but offers forgivable loans for payroll (including sole proprietor), mortgage/rent, and utilities. Information is being updated daily – here is a good Forbes article about this <https://www.forbes.com/sites/peterjreilly/2020/03/28/paycheck-protection-program-devilish-detail-some-uncertainty/#5a30de15652f>
- Payroll tax deferment- The recently passed coronavirus relief act grants employers the option of deferring their share of this year’s Social Security payroll taxes until next year and 2022. See the article in CNBC; <https://www.cnbc.com/2020/03/27/coronavirus-bill-gives-small-businesses-time-to-meet-payroll-taxes.html>

There may be other Federal programs – as we said, we’re still learning about them.

**National Grants** – There are a number of national grant programs and other programs for small businesses. (check <https://www.inc.com/inc-staff/free-tools-grants-video-conferencing-ad-credits-gift-certificates-cloud-storage-cyber-security.html>) For example, Facebook and Google are offering discounted or free ad credits. Nav.com and GoFundMe are offering direct grants to small businesses. As with the other information, it is changing daily so keep checking.

**State of Georgia Programs** - We aren’t aware of any State of Georgia loan or grant programs at this time, but small business owners may have support resources from state agencies, depending on the type of business. Check <https://www.georgia.org/covid19> for a list of potential resources