



# COVID-19 SMALL BUSINESS LOANS & FUNDING AVAILABLE

Many churches, nonprofits, and charities are facing unprecedented financial challenges. Religious schools and charities are seeing drastic changes in funding. The Small Business Administration (SBA) has disaster funding available for most counties throughout the United States. Additionally, states are providing funding through state economic disaster funds. These funds are aimed at ensuring the stabilization of the many small businesses throughout the country.

## **Funding Available for Churches, Nonprofits, and Private Schools/Preschools**

Funding is limited for nonprofits, as most state assistance is directed to for-profit entities. However, the SBA will provide up to \$2 million for small businesses, which include public charities, nonprofits, and certain churches with programs and services such as but not limited to preschools and day schools. This funding is available if your county has declared a state of emergency. As of March 23, 2020, most states and a majority of counties across the U.S. have declared states of emergency in order to gain access to federal funding. See the link below for steps to apply for SBA disaster loans.

**SBA Disaster Loan Process:** [https://disasterloan.sba.gov/ela/Documents/Three\\_Step\\_Process\\_SBA\\_Disaster\\_Loans.pdf](https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf)

## **How Funding May Be Used**

Funding may be used to keep employees employed during economic downturn as a result of the COVID-19 pandemic. If your organization employs more than five employees, provides services that have been impacted due to COVID-19, and has suffered a reduction in income due to safety measures in place, your organization may qualify for relief funding.

## **Steps to Apply for Funding**

1. Setup an account online at [disasterloan.sba.gov](https://disasterloan.sba.gov).
2. Confirm your financial information and upload to the site.
3. Complete the submission.
4. Receive confirmation for funding.

## **Information Needed to Apply**

- Business Loan Application (SBA Form 5) completed and signed by business applicant.
- IRS Form 4506-T completed and signed by applicant business, each principal owning 20% or more of the applicant business, each general partner or managing member, and any owner who has more than a 50% 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 or an explanation if not available.
- Personal Financial Statement (SBA Form 413) completed, signed, and dated by the applicant (if a sole proprietorship), each principal owning 20% or more of the applicant business, and each general partner or managing member.
- Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used).



### **Additional Information That May Be Required**

- Complete copies, including all schedules, of the most recent federal income tax returns for each principal owning 20% or more of the applicant business, each general partner or managing member, and each affiliate when any owner has more than a 50% 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 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.
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures.

As your church or ministry determines how best to respond, remember there is no one-size-fits-all solution. If you are still trying to determine how best to navigate this complicated time for your church or ministry, please contact our office, and one of our team members will gladly assist you in answering your questions. Contact our office by calling 888-233-6255 or emailing [info@ncll.org](mailto:info@ncll.org).

**Learn more about other resources at** <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>