COVID-19 Update: Matthew Simpson, African American Business Development Manager, OMEE, Bo Steiner, District Director, SBA
Illinois Department of Commerce & Economic Opportunity (DCEO)
State’s Response to COVID-19

- Governor JB Pritzker announced a new package of $90 million in emergency assistance programs for small businesses around Illinois

- More info: [www2.illinois.gov/dceo](http://www2.illinois.gov/dceo)

- Programs include:
  - Small Business Emergency Loan Fund
  - Downstate Small Business Stabilization Fund
UPDATE: DCEO and our lending partners are continuing to review the large number of submitted loan applications. To allow us to process received applications as quickly as possible, we are temporarily suspending the acceptance of applications from businesses. Please refer back to the DCEO website and follow us on social media to stay updated on upcoming opportunities.

- $60 million fund to support low-interest loans of up to $50,000 for small businesses outside of Chicago. Businesses with fewer than 50 employees and less than $3 million in revenue in 2019 will be eligible to apply.

- Successful applicants will owe nothing for six months and then will begin making fixed payments at 3% interest for the remainder of a five-year loan repayment period with no payments due for the first six months.

- Loan funds must be used for working capital. At least 50% of loan proceeds must be applied toward payroll or other eligible compensation, with a commitment to hire or retain at least 50% of a business workforce for six months.

- For more information, visit our website here. Lenders differ based on business location.

Local Government Resources

- **Cook County Recovery Initiative**
  a comprehensive initiative to provide economic relief to small businesses, non-profits, community service organizations and independent contractors (1099 workers) in response to the COVID-19 pandemic.
Downstate Small Business Stabilization Fund

- This new $20 million program supports non-essential small businesses in suburban and rural counties across Illinois.

- Provides grants up to $25,000 to small businesses in communities served by DCEO’s Office of Community Development.

- Businesses with up to 50 employees can partner with local governments to obtain grants of up to $25,000 in working capital.

- The program redeploy Community Development Block Grant funds to support local small businesses.

- You can find out additional information and apply [here](#).
Federal Stimulus Bill – CARES Act

• **Paycheck Protection Program**: Up to $10M forgivable loan program with loan amount based on payroll history (2.5x monthly average) with 2-year term at 1%
  - Small businesses and non-profits with < 500 employees eligible (other eligibility determinations may apply)
  - Independent contractor expenses (1099's) cannot be included in payroll calculation or as expenses eligible to contribute for purpose of forgiveness
  - **Program notes**
    - Over $100B in funds still available. Lenders include banks, SBA microlenders, CDFI's, non-depository lenders.

• **Economic Injury Disaster Loan**: Working Capital Loan Program where eligible entities may qualify for loans up to $2 million with terms up to 30 years
  - The interest rates for this disaster are 3.75 % for small businesses/2.75 % for nonprofit organizations - First payment deferred for one year
  - Small businesses with < 500 employees and private non-profits eligible.
  - **Program notes**
    - Applications already submitted processed first come, first served.
    - Only accepting new applications from agricultural enterprises.

• **Economic Injury Disaster Loan Advance**: Applicants can receive an emergency advance up to $10,000 within days of a successful application and DO NOT have to repay the advance if they are denied a loan.
  - **Program notes – disbursements ongoing**

• **SBA Debt Relief**: SBA will cover up to 6 months of principal, interest, and SBA loan fee payments that are owed on most existing SBA guaranteed loans.

• **Training and Advising for Existing Businesses**: SBA issued an additional $7.8M to the Illinois Small Business Development Center network. Additional funds also are going to Women’s Business Centers and Minority Business Centers. These funds will be used to provide additional education, training and advising to small businesses as they face the challenges of COVID-19. Small Businesses can take advantage of this now.
### Other Lending Resources

#### Other SBA Loan Programs
- SBA guarantees loans made by participant lenders to small businesses who may not have been approved for traditional lender financing.
- Primary programs: 7(a) loans, CDC/504, and microloans
- Uses include working capital, inventory, real estate, equipment, export assistance, etc.
- Pros: Very competitive rates, longer term loans, and no balloon payments
- Work with an SBA-approved lender

**RESOURCE:**
- Find an SBA approved lender near you: [www.sba.gov/lendermatch](http://www.sba.gov/lendermatch)

#### Community Development Financial Institutions (CDFIs)
- Offer loans (usually less than $250k) for those typically ineligible for traditional bank loans
- CDFIs are dedicated to responsible affordable lending to underserved entrepreneurs and low-income communities
  - Often provide in-depth support: mentoring and technical assistance
  - Many CDFIs offer microloan programs, loans less than $50k

**RESOURCE:**
- [Opportunity Finance Network](http://ofn.org/cdfi-locator) is a national membership organization of CDFIs across the country. Find a CDFI for small business loans near you: ofn.org/cdfi-locator

#### The Business Invest - Illinois Small Business COVID-19 Relief Program
- Through this program, the Treasurer's Office partners with approved financial institutions to provide loans -- either lower rate loans, or loans to a business or non-profit that would not otherwise qualify -- to Illinois small businesses impacted by the COVID-19.
- The State Treasurer has made up to $250 million in deposits available to financial institutions.
- Financial institutions must be or apply to become an approved program depository with the Treasurer's Office.

**RESOURCE:**
For more information, visit the Treasurer’s website [here](http://here).
An investment of $2.5 million from Verizon is making it possible for LISC to begin offering critical relief and resiliency-building support to small businesses facing immediate financial threat because of the COVID-19 pandemic. The funding will go to make grants of up to $10,000, especially to entrepreneurs of color, women-owned businesses and other enterprises in historically under-served places who don’t have access to flexible, affordable capital.

- Grants will be made in the amounts of $5,000, $7,500, and $10,000.
- Non-profit organizations are ineligible for this funding.
- Funds can be used for paying rent and utilities, meeting payroll, paying outstanding debt to vendors, and other immediate operational costs
- Next Round Opens up May 14th

For more information, visit LISC’s FAQ on the Grant Program.
Apply here.

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Facebook Small Business Grant Program

With businesses everywhere affected by COVID-19, Facebook is giving away $100 million to up to 30,000 eligible businesses across 30 countries where we operate.

To be eligible to apply, your business must:
• Have between 2 and 50 employees
• Have been in business for over a year
• Have experienced challenges from COVID-19
• Be in or near a location where Facebook operates

For more information, visit Facebooks FAQ on the Grant Program.
Apply here.
BRINGG HAS released a new SME solution for FREE to help businesses manage delivery to customers.

Using BringgNOW small business owners can quickly load incoming orders, dispatch deliveries to their own drivers or crowdsourced fleets and deliver items to customers with a fully branded, real-time Uber-like experience.

If interested contact:
Tamir Gotfried
tamir@bringg.com

Isaac Buahnik
isaac@bringg.com

Venturize.org is a free online resource hub for small businesses who need help accessing tools and resources to grow their businesses.

Visit the Venturize homepage and select your state to find providers near you, including the entire network of Small Business Development Centers.

- Venturize’s Pacific Community Ventures is offering free remote business assistance on any topic: www.businessadvising.org
- Community Reinvestment Fund, a national CDFI, offers connect2capital.com, another CDFI matching tool.

Online Resource Hub: www.Venturize.org/access-capital
Additional Tips

• Need To Have Banking Relationship
  • Small community banks are important

• Credit and Savings in Order

• Multi Generational
  • Connecting to and exposing youth

• Networks & Knowledge
  • Connections are still important – even virtually. Workshops, webinars, meetings

• Information Sharing
  • Facebook groups, email lists, newsletters etc.

• Need Collaboration In ALL of These Things
  • Connect with people/an organization to accomplish these things in your community
For More Information

General Inquires: 1-800-252-2923 or CEO.support@illinois.gov

Essential Business inquiries: contact 1-800-252-2923 or CEO.support@illinois.gov – Frequently Asked Questions

Business insurance coverage: contact the Department of Insurance (DOI) to file an online complaint: https://mc.insurance.illinois.gov/messagecenter.nsf

Federal Small Business loans inquiries: contact (800) 659-2955, illinoisdo@sba.gov, or https://disasterloan.sba.gov

Governor’s Office COVID-19 Website: coronavirus.illinois.gov

DCEO COVID-19 Resources: www2.illinois.gov/dceo
APPENDIX

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Q&A
State Program FAQ

Q: How do I find out if my business qualifies for the Downstate Stabilization Fund?
A: Local governments can apply on behalf of businesses with 50 employees or less. Only cities, villages, and counties that are not a HUD direct entitlement community or located in an urban county that receives “entitlement” funds are eligible to apply. A list of ineligible counties and municipalities can be found [here](#).

Q: Can independent contractors apply for unemployment insurance?
A: Yes. IDES is working to have the program running in early May. All benefits will be backdated to date of unemployment. Weekly benefit is calculated the same as that for regular unemployment in Illinois (table [here](#)) plus $600/week.

Q: Is there any national / state discussion that benefits paid relating to COVID would not increase the tax rate?
A: Two things: (1) Any expansion of benefits due to the CARES Act (+$600/wk, extension to 39 weeks from 26, sole proprietors) is completely covered by federal gov’t and will not affect unemployment compensation tax; (2) As of now, unemployment compensation tax will be affected by baseline (as in, not including enhancements from CARES Act) unemployment insurance benefits received by employees from the business, like in normal times. There is discussion on this at both state and national level, but not far enough along to provide details here.

Q: If I’m located in the City of Chicago or Cook County, are there any programs available for my business?
A: Yes. For business in Chicago there is the [Chicago Small Business Resiliency Fund](#) and for businesses in Cook County there is the [Cook County Recovery Initiative](#).

Q: Where can I find guidance on “essential businesses”? Is there an appeals process for a business if they disagree with a "non-essential" ruling from DCEO? Who enforces the determination?
A: You can find an essential business and operation FAQ on [DCEO’s website](#). No, there is no appeals process. The enforcement piece can either by the state or the local municipality. DCEO generally give deference to municipalities.
Q: Who is eligible?
A: In addition to small businesses, eligible entities include 501 (c)(3) nonprofits, 501 (c)(19) veterans organizations, or Tribal business concerns under 500 employees. Sole proprietors, independent contractors and eligible self-employed individuals are also eligible. This business has to have been in operation since February 15, 2020.

Q: Can you apply for both the Paycheck Protection Program and the SBA Economic Injury Disaster Loan?
A: Yes. A recipient of an Economic Injury Disaster Loan is still eligible for a Paycheck Protection Program. Businesses cannot use an EIDL and a Paycheck Protection Program Loan for the same purpose. If you take advantage of an emergency EIDL grant advance up to $10,000, that amount is subtracted from the amount forgiven up to the Paycheck Protection Loan. Businesses can also refinance an EIDL into the Paycheck Protection Loan for loan forgiveness purposes. Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness for a Paycheck Protection Loan, remain a loan.

Q: How can the Paycheck Protection Program Loan be forgiven?
A: At least 75% of funds must be used for payroll costs; continuation of group health care benefits during periods of paid sick, medical, or family leave, or insurance premiums; salaries or commissions or similar compensation. The employer also has to maintains or rehires their workforce.

Q: Should payments that an eligible borrower made to an independent contractor or sole proprietor be included in calculations of the eligible borrower’s payroll costs?
A: No. Any amounts that an eligible borrower has paid to an independent contractor or sole proprietor should be excluded from the eligible business’s payroll costs. However, an independent contractor or sole proprietor will itself be eligible for a loan under the PPP, if it satisfies the applicable requirements.

Q: What is the maximum amount I can borrow?
A: The amount any small business is eligible to borrow is 250 percent of their average monthly payroll expenses, up to a total of $10 million.
Unemployment Insurance

• Individuals without access to paid sick leave or unable to work due to COVID-19 can apply for unemployment insurance by visiting the IDES website: IDES.Illinois.gov

• Gov. Pritzker is waiving the 7-day waiting period for residents to apply for unemployment benefits

• Federal CARES Act:
  • Extended length of benefits from 26 weeks to 39 weeks
  • Additional $600 per week
  • Independent contractors/gig workers can access benefits. IDES plans to have this program live on May 11th.
Unemployment Insurance FAQ

Q: When will applications for the Pandemic Unemployment Assistance (PUA) from the CARES Act be open?
A: If someone is unemployed or underemployed, they should file for unemployment immediately. Upon receipt of the application, IDES will handle the claim so that the individual receives benefits from the proper program. IDES expects to be able to begin paying PAU benefits by the week of May 11th.

Q: Many small businesses are concerned that their unemployment contribution rates will go up as a result of COVID-19. Many states have already implemented legislation that provides that no COVID-19 related layoffs will be chargeable to the employer. Does IDES plan to raise rates or increase UI contributions from businesses who have laid off staff who are collecting UI benefits? If yes, how will the rate increase be decided as to not burden small and local businesses?
A: Assuming no legislative changes are made, employer rates will likely be higher next year. An employer that has laid someone off can typically expect a higher tax rate in the future. However, employers will not be charged for any of the benefits paid under the CARES Act (PUA, FPUC, PEUC).

Q: Will employers (i.e. park districts) be responsible for the $600 in additional compensation?
A: No. The additional $600 per week is 100% federally funded.

Q: Can unemployment rates for small businesses be frozen given the current situation?
A: IDES does not have the authority to do this; only the General Assembly has the authority to pass legislation effectively insulating employers from rate increases.

Q: As a business owner, I have received notice from IDES, requiring a "Reply Due Date". Unfortunately, the date for which a response was due, was the same date that I received the notice. Will there be any relief on these due dates?
A: You should retain the envelope, bearing the postmark date, and explain the issue in your response.

Q: If 1099 employees benefit from the PPP, are they eligible for UI through IDES?
A: It depends. If the loans are used to pay wages, those wages could impact an individual's eligibility or weekly benefit amount.
Virtual Workforce Centers

All 22 local workforce Investment areas are providing services via technology to Illinois’ jobseekers. The workforce system has transitioned to providing virtual/remote workforce services including the use of video conferences and social media.

Rapid Response Workshops

DCEO has provided Rapid Response to approximately 200 companies with more than 26,500 workers over the last month. This includes outreach, customized information and virtual rapid response workshops. Rapid response workshops provide workers with information regarding the workforce services that are available including job matching, retraining services and access to unemployment insurance.

Rapid Response Funds to Help Businesses Avoid Layoffs

The OET has reprioritized WIOA Statewide Workforce Funds to help businesses avoid layoffs and adhere to “social distancing” provisions established by state and federal public health authorities.

- Funds can be used for cross training workers, deep cleaning services, establishing remote offices and other services.

Essential Jobs

All the Illinois’ Local Workforce Investment Areas (LWIAs) are working with companies to match job seekers with high-demand occupations that pay a living wage.

Live Interactive LWIA Map

For information and to access these programs work directly with your local LWIA
To DONATE PPE please email: PPE.donations@illinois.gov

PPE Items include:
- Masks: N-95, ear loop, or surgical
- Gowns: Isolation or non-descript
- Gloves: Nitrile, sterile, or surgical
- Eye Protection: Face shields and goggles
- Infection Control Kits
- Hand Sanitizer: Any size
- Disinfectant Wipes: Any size
- Digital thermometers: Forehead only
- PAPR hoods
- Ventilators

Illinois COVID-19 Response Fund
- Created to support nonprofit organizations serving those whose lives have been upended by COVID-19 – launching with nearly $23 million.
- More information can be found at www.ilcovidresponsefund.org
- For businesses wanting to DONATE please email: BusinessDonations@illinois.gov

To MANUFACTURE PPE contact the Illinois Manufacturers Association (IMA) at: https://ima-net.org/covid-19/supplies/

To SELL PPE or you plan to in the future can contact: COVID.procurement@illinois.gov