

# Small Business: EIDL Does Not Roll into PPP Loan

## Loan Eligibility:

## CARES Act Parameters

• Employees:	45	<input checked="" type="checkbox"/> ≤500 EE
• Industry:	Gift Store	(note: accommodations and food services businesses are ≤500 EE per location)
NAICS:	53220	
• Operation Date:	1/30/19	<input checked="" type="checkbox"/> operates before 1/31/20
• Annual Revenue:	\$799,000	<input checked="" type="checkbox"/> no limit because business qualifies by EE guideline

## Business Expenses:

• Annual Payroll:	\$669,000	hypothetical amount used from prior example
• Monthly Mortgage (principal + interest):	\$8,500	" "
• Monthly Utilities:	\$4,000	" "

## Applied to EIDL before 4/3/20

• Loan Amount:	\$75,000	<input checked="" type="checkbox"/> up to \$2mm
Received \$10K upfront (3 days)		applicant keeps \$10K even if loan is ultimately denied
• Collateral:	yes	<input checked="" type="checkbox"/> none required because funds used for Covid19-triggered expenses

## Immediate Use of EIDL:

(note: EIDL and PPP cannot be used for same purpose)

• Trade Payable:	\$50,000	
• Payroll:	\$0	<input checked="" type="checkbox"/> business planned to also apply for PPP, so it did not apply funds to payroll
• Fixed Debts:	\$25,000	<input checked="" type="checkbox"/> excludes refinancing debt incurred prior to Covid19, repairing physical damage, or paying dividends
	<b>Total</b>	\$75,000

## Separately Applied to PPP on 4/3/20

• PPP Loan Amount:	\$139,375	hypothetical amount (see PPP-only scenario for calculation)
• EIDL Amount:	\$75,000	this amount is not rolled into a PPP loan because it was not used on PPP-qualifying expenses

This analysis represents a fictitious entity per SBA guidance and is to be used as an example only.