

Cook County
**COVID-19
RECOVERY**
*Small Business
Assistance*



It's Your Turn: Time to Survive and Thrive- PPP and More

January 14th, 2021



Siri Hibbler
CEO & Chairman

What will we cover today?

Cook County
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1. Overview of available resources including the Cook County - Chicago Business Advising Program

2. PPP, EIDL & Financial Wellness: Fresh Start for a New Year!

3. Breakout Room: Meet your Support Organizations





Toni Preckwinkle

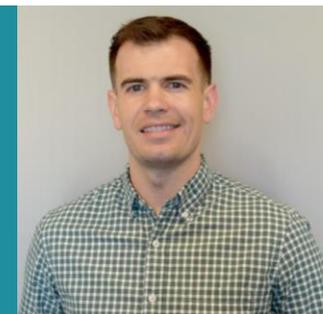
Cook County Board President



Vicki Brown
Southland Development
Authority



Brad McConnell
Allies for Community
Business



Brett Michaelson
Berwyn Development
Corporation

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Provides:

- Business advisory services, webinars and training
- Foundation for building a suburban small business ecosystem
- Direct financial assistance, \$10,000 grants (currently closed)



Grant Awardees Profiles

Grant awardees reflected strong ownership by POC- and woman-owned businesses. This was a unique trend compared other CRF grant programs.

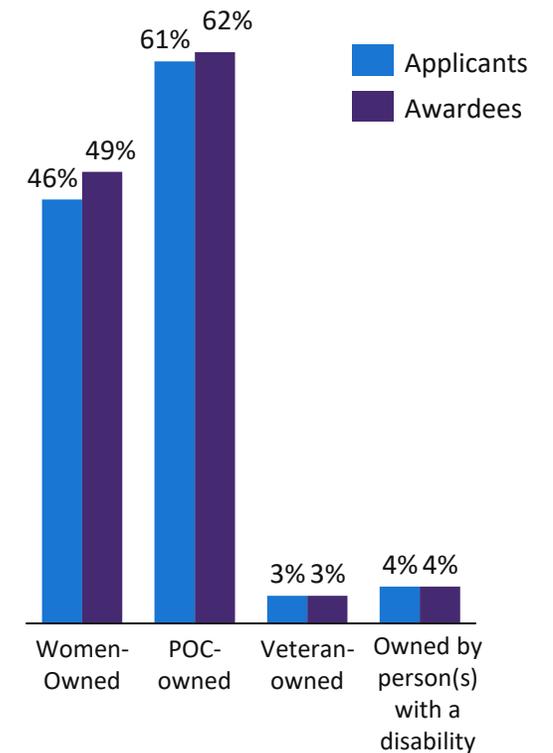
Number of Applicants

Grant Applications Received	4729
Eligible	3704
# awarded	1690

Top Industries

Accommodations & Food services, & retail	25%
Transportation and warehousing	11%
Healthcare & Social Assistance	7%
Arts, Entertainment, Recreation	7%

Business Ownership Demographics



Partner Spotlight: Cook County Black Chamber of Commerce



The Cook County Black Chamber of Commerce is an advocate for black business growth and economic development.

The Chamber is committed to supporting the community, good business and development.

*The Cook County Black Chamber of Commerce provide **entrepreneur training, employee training, access to capital, access to construction contract bids, access to corporate decision- makers as well as business advising sessions with CEO's** who run and operate Multi-Million dollar companies*

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Partner Spotlight: Berwyn Development Corporation



To lead and promote those activities that support equitable economic growth for all community stakeholders in Berwyn.

*Berwyn Development Corporation provides **Community Strategic Plan, Small Business Lending, Start-up consultations, Covid-19 funding resources, and a Member center that can provide countless networking opportunities and counseling with professionals.***

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[6805 West Roosevelt Road,
Berwyn, Illinois](https://www.face2facespastudio.com/)

<https://www.face2facespastudio.com/>

Antonette Shearill

Face 2 Face Spa Studio



Partner Spotlight: Southland Development Authority



Southland Development Authority is a non-profit business organization designed a free, one-stop resource for highly-targeted industry-specific expertise to help save and grow businesses.

Their network of mentors, specialists, and partner organizations provides direct, one-on-one business support individually tailored to struggling firms in the region. These services include assistance with **acquiring emergency relief funding, reopening successfully, and developing business growth plans** while focusing on new opportunities and technologies moving forward.



Vegan T'ease

“With SDA’s [Southland Development Authority’s] help, Vegan T’ease will be the brad, the company, the franchise that has never been seen before in our industry”
– Tee Scott, Owner and Chef of Vegan Tease

Thornton Distilling Company

“After working with the SDA team, we have a foundation that will actually benefit us more, and we’ll be stronger for it. They’ve been very helpful for us”



Michele Foods

“ Get involved [with the SDA] because they have experts that small businesses could not normally afford. The knowledge and expertise of the mentors has been a tremendous help.”
- Michele Hoskins, Owner

Partner Spotlight: Allies for Community Business



We help neighborhood entrepreneurs grow by providing capital, coaching, and connections small business owners need to create jobs and wealth in their communities.

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Juicy Luzy Sangria

After years of making sangria for my family, friends, and co-workers, **LUZ** decided to take the plunge and start her own business: **Juicy Luzy Sangria**.

She prides herself in making hand crafted Sangria using natural juices and offer four flavors of Sangria: Ruby Red (traditional red sangria), Pomegranate, Mango, and Pear.

She recently is a recipient of the Cook County COVID-19 Recovery Grant.



[5435 West 110th Street, Suite #2](https://www.juicyluzysangria.com/)
[Oak Lawn, IL 60453](https://www.juicyluzysangria.com/)

<https://www.juicyluzysangria.com/>

[@juicyluzysangria](https://www.juicyluzysangria.com/)

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Paycheck Protection Program (PPP)

What is PPP?

The Paycheck Protection Program is a loan to help small businesses keep workers on payroll
The amount you can apply for depends on your payroll, if this is your first or second PPP loan, and your industry

Is it a Loan or Grant?

The PPP is a forgivable business loan; your financial institution will forgive loans, if you meet SBA criteria of, employee retention and the funds are used for eligible expenses
To qualify for forgiveness, at least 60% of funds must be used for payroll expenses and no more than 40% of funds must be used for other eligible operating expenses

What is the cost?

If not forgiven, 1% interest over 5-year term
No collateral or personal guarantees are required
No application fees from lender or SBA.

What are the uses?

Working capital & operating expenses (payroll, bills/accounts payable, fixed debts)
Note: you cannot use both PPP and EIDL for the same purpose within the same time period

How to apply?

Through a Financial Institution; Bank, Credit Union or Community Development Financial Institution (CDFI) If you received PPP in 2020, you should go back to lender you worked with prior, given they have most of your required documents

Am I Eligible for PPP?

First Draw/Loan

When did your business start?

- Operations start before Feb 15, 2020

Are you considered a small business?

- 500 employees or fewer
- a sole-proprietor; independent contractor; self-employed individual
- For-profit business, non-profit, veteran organizations, tribal businesses, small agricultural co-op

Second Draw/Loan

Additional Criteria

- Use all proceeds from 1st PPP
- 25% decrease in revenue
 - 2019 vs. 2020 – quarter or annual
- Employ 300 employees or fewer

**You must apply with an SBA-approved
PPP Lender.**

How much can I apply for?

2.5 x

Average Monthly Expenses

3.5 x *Second Draw Only

Average Monthly Expenses
For the Accommodation & Food Services

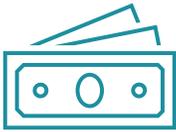
How to calculate your loan amount:

- (Yearly Payroll expense – employees over \$100K)/12= Average Monthly Payroll
- Average Monthly Payroll x 2.5 (3.5 if you are a hotel or restaurant)= PPP Loan Amount

The maximum amount for the first draw/loan is \$10M and \$2M for the second draw/loan.

What can I use PPP funds for?

Payroll Costs



Salaries & Commissions & Payment of cash tips (up to an annual rate of pay of \$100,000)



Employee Benefits (Health care, premiums, retirement, sick leave or PTO)



Income or net earnings from self-employment (Schedule-C for Sole Proprietors or 1099s)

Other Eligible Expenses



Rent, Mortgage interest, Utilities



Interest on other debt obligations, incurred before Feb 15, 2020



Other expenses: software or cloud computing services, property damage costs (including from looting), supplier costs, worker protection costs including personal protective equipment (PPE) and expansion of indoor or outdoor business space

What documents do I need for the PPP loan application?

Employment Docs (all 12 months of 2020)

- ✓ Payroll Reports with a list of gross wages, paid time off, and taxes assessed for all employees
 - ✓ 1099-MISC for all applicants filing as independent contractors
- Employer IRS Documents (including the following):
- ✓ Form 941: Employer's Quarterly Federal Tax Return & Form 940: Employer's Annual Federal Unemployment (FUTA) Tax Return
 - ✓ Form 944: Employer's Annual Federal Tax Return (for smallest employers)
 - ✓ Form W-3: Transmittal of Wage and Tax Statements
- ✓ Health Insurance and Retirement expenses included as a part of payroll expenses (for example: a statement from insurance or retirement company).

Check with your lender: they may not require additional payroll documents if this is your second PPP loan.

Business Financials & Other Required Docs

- ✓ Articles of Incorporation / Business Organizational Documents
 - ✓ Copy of Photo ID for all owners who own 20% of the business or more
 - ✓ 2019 and 2020 Profit and Loss Statements
 - ✓ 2019 Business Tax Returns
- For partnerships:
- ✓ Include IRS Form 1065 and Schedule K-1
- For sole proprietors:
- ✓ Include IRS Form 1040 Schedule C
 - ✓ For second draw loans >\$150K, financial documents must show revenue loss during at least one quarter

Am I eligible for forgiveness?

You can be eligible for forgiveness if you cover these three bases:

8 to 24
weeks

Spending your PPP loan during the “**Covered Period**” (date receipt of loan or first payroll period, an 8-24 week period)

60%/40%

Spending at least **60%** of loan on Payroll Cost & **40%** on eligible expenses

Maintain
employees

Keep the **same # of employees**, or meet certain exceptions

Forgiveness requirements are more lenient for loans under \$150,000. Check with your lender to understand how to submit your application for forgiveness.

SBA Economic Injury Disaster Loan (EIDL) Overview

Eligibility	<ul style="list-style-type: none">• Businesses, nonprofit organizations, small agricultural cooperatives, ESOPs and tribal businesses• Must employ less than 500 employees• Independent contractors, sole proprietors, self-employed individuals
Amount	<ul style="list-style-type: none">• Loan amount is based upon businesses' working capital needs for 6 months. SBA will review loan application and provide an estimate of the qualified loan amount• Maximum amount is subject to change based upon SBA Guidelines• EIDL Advances (grants) will again be available for up to \$10K max
Interest rate & Repayment	<ul style="list-style-type: none">• 3.75% interest for small businesses; 2.75% for non-profits• 30-year loan• Payments deferred for 12 months (your loan will continue to accrue interest, but you are not required to make any payment)
Uses	<ul style="list-style-type: none">• Working capital & operating expenses (payroll, bills/accounts payable, fixed debts)• Note: you cannot use both PPP and EIDL for the same purpose within the same time period
How to apply	<ul style="list-style-type: none">• Apply directly on the SBA website here: https://covid19relief.sba.gov

SBA Targeted Economic Injury Disaster (EIDL) Advance Overview

Eligibility

- Businesses, nonprofit organizations, small agricultural cooperatives, ESOPs and tribal businesses
- Independent contractors, sole proprietors, self-employed individuals
- Must be located in a **low-income community** (determined by census tract data)
- Must show at least **30% decrease in revenue**
- Must employ **300 employees or less**

Amount

- EIDL Advances (grants) will be available for **up to \$10K max**

Interest rate & Repayment

- Grant that does not need to be repaid

Uses & Notes

- Can be used to pay business expenses (working capital, payroll, bills/accounts payable, fixed debts)
- Recipients do not have to be approved for an EIDL loan to receive the EIDL Advance

How to apply

- **SBA will reach out to those who qualify**

Financial Wellness: Surviving and Thriving Under Current COVID19 Restrictions

A person wearing a green face mask is holding a white sign. The sign has the word 'OPEN' in large, bold, black letters. Below it, in smaller black letters, it says 'ONLY FOR PICK UP DELIVERY' followed by 'OR' and 'TO GO ONLY'. The background is a blurred outdoor setting with greenery and a building.

What are key steps to take to set yourself up for success?

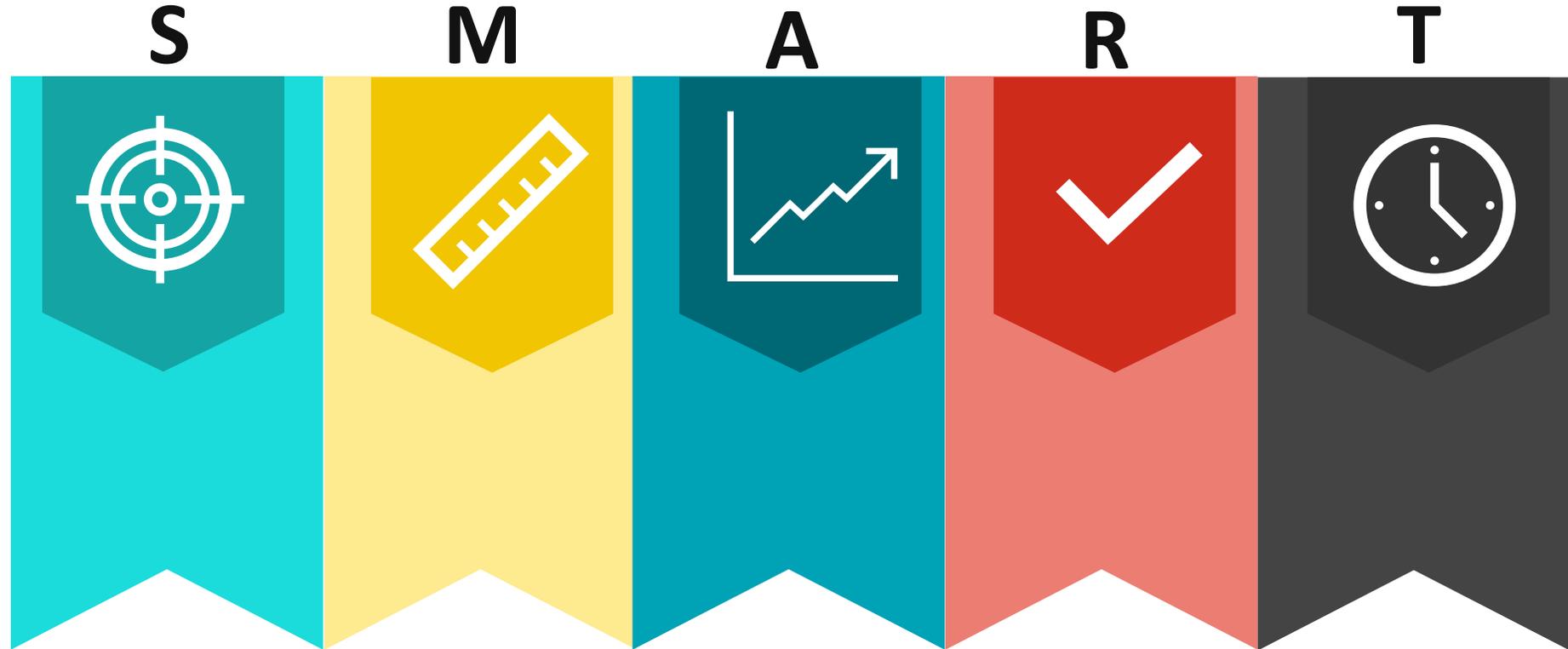
How will you adapt your business to keep up with these restrictions?

What Key Steps to Take: SMART GOALS

EXAMPLE

I want to be more efficient in my business operations

- **Specific:** *improve efficiency*
- **Measurable:** *challenge sales team to increase closing ration from 45% to 60% by decreasing delivery time from 72 hours to 48 hours*
- **Attainable:** *conduct a survey to find out what both the*
- **Relevant:** *lead to a more reliant customer-base*
- **Time-Bound:** *in 1 year*



What Key Steps to Take: Creating a Budget

Create a 2021, interim, and 2022 budget

What are your major pain points?

What are your 12-month goals?



What are your key revenue, and expense drivers?

What strengths can you leverage to create additional market penetration?

What strategies can you implement for the new “e-commerce era”?

Does it make sense to use short term financing option for specific months? What financing can the business sustain?



What Key Steps to Take: Key Considerations

PREVENT CANCELLATIONS

- Introduce new payment options (*0% financing, payment extensions, etc.*)
- Use the "what can you afford?" strategy with at-risk-for-defaulting clients
- Offer gift cards or vouchers instead of cash refunds

GET CREATIVE TO INCREASE CASH FLOW

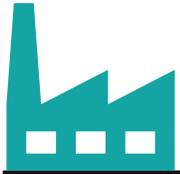
- Sell digital gift cards
- Expand your market. Think about "what" you sell, "how" you sell and "who" you sell to
- Partner with other organizations
- Work in Shared Spaces

NEGOTIATE TERMS WITH VENDORS & CREDITORS

- Seek 30-60-90 day extensions
- Consolidate and refinance debt
- Inquire about flexible payment plans (*something is better than nothing for most creditors*)



How Will You Adapt Your Business: Survive & Thrive



REVENUE GROWTH OPTIONS

1. New products
2. Acquisitions
3. New Partnerships
4. New customer segments or industries
5. New parts of the value chain (vertical integration)
6. New distribution channels or methods
7. New geographies (for sales)



OPERATIONAL EFFICIENCY

1. Expense reduction
2. Efficiencies through investments in people, technology, processes and systems



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Breakout room



PPP Resources

SBA PPP Approved Lenders



PPP Technical Assistance Organizations



Thank You!

What to do next:

Keep an eye out

We will have a second event coming soon!



Loving the event?

You will receive a PPP resource sheet



Interested in learning more!

Check out our website:

<https://www.cookcountysmallbusinessassistance.com/>

