

To our Southwest Iowa Business Community

The IWCC Small Business Development Center, is working together with The Council Bluffs Area Chamber of Commerce, Advance Southwest Iowa Corporation and other Southwest Iowa organizations to provide up to date and accurate information to support our businesses and organizations during this unprecedented crisis.

**The SBDC is also providing one on one technical assistance to our businesses as they navigate through this crisis. You can contact us at [www.iowawesternsbdc.com](http://www.iowawesternsbdc.com). We are available through phone, Zoom or other video conferencing tools. WE have been through both programs and do know the application process. We can also help with gathering the correct information. As new programs arise, we will work hard to understand those programs so we can help.**

Below is a rather long document but it contains some insight and tips on two programs that are available to small businesses as of 3/25/2020. The Iowa Business Relief Program (GRANT) through Iowa Economic Development Authority and the SBA Economic Impact Disaster Loan Program.

### **Small Business Relief Grant and Tax Deferral Application – Helpful Tips**

The Iowa Economic Development Authority has Announce the Iowa Business Relief Program available at [www.iowabusinessrecovery.com](http://www.iowabusinessrecovery.com). Below is the paragraph describing the program and eligibility.

**Following the description, I have put together a list of things a small business can have ready to ease the application process. NOTE: You will need to have your books as up to date as possible to the application date so that you show your economic impact during this time.**

**Contact your local Iowa SBDC for help during this process or for help navigating any hardships you are having during this distressing time. [www.iowasbdc.org](http://www.iowasbdc.org)**

**NOTE – The application site is VERY busy. Be patient. This is not a first come, first serve program. The IEDA has assured that all applications before March 31<sup>st</sup> will be reviewed.**

### **What is the purpose of Iowa Small Business Relief Grant and Tax Deferral?**

The purpose of Iowa Small Business Relief Grant and Tax Deferral is to provide financial assistance and/or tax deferral to businesses that are experiencing business interruption due to the COVID-19 virus.

### **Iowa Small Business Grant**

The Small Business Relief Grant will provide financial assistance through the Iowa Economic Development Authority (IEDA) in the amount of \$5,000-\$25,000. These funds will assist small businesses in maintaining or reopening business operations impacted by the COVID-19 virus. **This assistance is only intended to provide businesses with immediate, short-term cash flow assistance for approximately the next 30 days.** The funds are not to be used to pay debts incurred prior to the March 17 Proclamation.

**Who is Eligible?** - Businesses employing between 2-25 employees prior to March 17, 2020\* - Businesses must have a physical location within Iowa; and - Businesses impacted by the COVID-19 virus \*2-25 Employees Defined: - The goal of the program is to assist as many eligible businesses in maintaining operations or reopening business and limit the economic impact for as many Iowa small business employees as possible. - Full and part-time employees must be greater than 2 but must not exceed 25. - Sole proprietors are eligible applicants but must have at least two employees. This can include one owner and one part- or full-time employee. **Contract Employees are not eligible**

**Iowa Small Business Tax Deferral** The Iowa Department of Revenue (IDR) will review each application, as applicable, to determine if it is appropriate to grant a deferral for sales and use or withholding tax. If tax deferral is granted for a business, someone from the IDR will contact applicants to further discuss. **Who is Eligible?** - Businesses impacted by the COVID-19 virus

**Before you Apply – You will want to have the following things completed/Available**

1. **Grant amount requested.** The grants are for \$5,000 to \$25,000. Remember they are meant to provide immediate, short-term cash flow assistance for approximately 30 days. Be realistic on what your short-term cash needs are by looking at your profit and loss statements and determining what payments will need to go out. Funds can be used to assist eligible businesses in maintaining operations or reopening business following the COVID-19 pandemic. **Funds may not be used to pay debts incurred prior to March 17, 2020**
2. **Description of your Economic Injury** – Describe your loss of sales, closures, employee losses, etc.
3. **Federal ID number** – You should be able to easily access this on your tax returns.
4. **Business Withholding Permit Number** – State Sales Tax number that you received from the Iowa Department of Revenue
5. **Primary Business Activity** – a short description of your business IE: Retail Gifts, Construction, etc
6. **Date business established**
7. **Employment on March 1** – Number of employees on March 1
8. **Current Number of employees** – number of employees now after layoffs.
9. **Estimated loss of revenues from March 15 to April 15** – Use your best guest based on past months or years revenues.
10. **Description of how you will you use the funds you are requesting.** Describe the bills, etc you need to pay totaling the amount you are asking for

You will be attaching the following documents so it will be helpful to have these ready to go in PDF before applying.

1. **3-month income statement for last three full months.** (December 2019, January 2020 and February 2020)
2. **Revenues for March 2019** – in QuickBooks, run a Profit and loss statement and click on the Income link. This will default to a detailed report of income for the reported time.
3. **Revenues for March 2020 to date.** What your March 202 revenues are to the date you are applying.
4. **Balance Sheet as of application date**
5. **Payroll prior to March 17<sup>th</sup>.** – download the template provided. This is a list of employees (first and last name), Salary or hourly wage, and status (part time or full time)
6. **Completed W9 Form** <https://www.irs.gov/pub/irs-pdf/fw9.pdf>

## SBA Loan Information

SBA's Economic Injury Disaster **Loans** (EIDL) offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. Loans for small businesses will have an interest rate of 3.75%.

Again, these loan funds are not on a first come first serve basis. The SBA website is severely overloaded right now with applicants and visitors may not be able to get in or may experience delays. You might want to wait a few days or try applying during "off" hours.

In applying for these loans, the SBA will determine the amount that you are eligible for based on the materials you submit. If you are awarded a loan, you will get the amount when you get the notice. At that time you will be able to decide if you want to accept the loan, or if you need a different amount. You will be able to request more (or less) with documentation showing what you need.

You will apply directly to the SBA @ <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>.

The SBA Site has the actual documents used during the online process. It might be most helpful to download those and pre-fill them prior to filling them out online

[SBA EIDL Loan Online Documents](#)

Helpful things to have on hand include:

- [A Personal Financial Statement.](#)
- Current year-to-date profit-and loss statement (Before disaster)
- MONTHLY sales figures
- Articles of Incorporation (each entity having 20% or more are required to also file).
- 3 years Business and personal tax returns (2016, 2017, 2018)

Our thoughts are with our business community, and we remain confident in the efforts being taken to mitigate the long-term impact on our community. Please contact The Iowa Western Small Business Development Center with any questions or to set up an appointment with Sue Pitts or Michael Mitiier.

**Iowa Western SBDC**

**Sue Pitts – Regional Director**

**Michael Mitiier – Assistant Director**

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[www.iowawesternsbdc.com](http://www.iowawesternsbdc.com)

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