

Cares Act Funding for American Legion Posts

By now you've heard talk about the passing of the \$2 trillion Coronavirus Aid bill, the largest stimulus in U.S. history. What does that mean for our Posts?

Economic Injury Disaster Advance Loan

Small Business Administration (SBA) offering advance disaster loans of up to \$10,000, with a 2.75% interest rate for non-profits, to provide immediate relief for a small business operating costs, such as:

- Fixed debts
- Payroll
- Accounts payable
- Other bills that can't be paid because of the disaster's impact

These loans are offered on a long-term repayment to keep payments affordable up to a maximum of 30 years. Terms are determined on a case-by-case basis.

[Learn more](#) | [Apply here](#)

Paycheck Protection Program

Keep your employees employed and paid. You could qualify up to \$10 million, determined by 8 weeks of prior average payroll, plus an additional 25% of that amount.

- Based on payroll averages between January 1 – February 29
- SBA will forgive the portion covering 8 weeks of payroll, and certain other expenses following loan origination
 - Will not cover pay for people with untraceable payroll records (i.e. “Paid under the table”)
 - Must prove all expenses
 - Must apply for forgiveness with your lender directly
- Coverage for
 - Employees salary
 - Wages less than \$100,000
 - Limit of wages per employee of \$10,000
 - Paid sick or medical leave
 - Insurance premiums
 - Mortgage, rent and utility payments
- Loan payments will be deferred for six months
- No collateral or personal guarantees needed
- No repayment fees, all fees are waived
- Employer side of payroll taxes are deferred through the end of 2020.
 - Deferred taxes due to end of 2021 and end of 2022, with 50% of the liability being paid at each date
 - Any business that does not have a loan forgiven under the new SBA Paycheck Protection Program is eligible for the payroll tax deferral

Organizations with less than 100 employees, is based on all wages paid, regardless of whether an employee is furloughed.

[Learn more](#) | [SBA Approved Lenders](#) | [Find Local SBA Office](#)

Debt Relief

The SBA Debt Relief program will provide reprieve on new and current loans. The SBA will pay:

- Principal and interest of new 7(a) loans issued prior to September 27, 2020
- Principal and interest of current 7(a) loans for a period of six months

[Learn more](#)

Express Bridge Loans

If you currently have a business relationship with an SBA Express Lender, you can access up to \$25,000 with less paperwork. The terms are:

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan

[Learn more](#) | [Connect with SBA](#)

How do we take advantage?

The United States Treasury announced Sunday that FDIC insured local banks, credit unions, and qualified lenders have been authorized to distribute CARES Act Funding to Nonprofits. So, just **CALL YOUR BANK!**

501(c)(3) non-profit organization and 501(c)(19) veterans organizations are eligible.

Sources: [U.S. Small Business Administration](#) , [Inside Charity](#) , [CARES Act Full document](#)

Please Note: *This information was compiled from the sources above. The American Legion, Department of Maine is not responsible or liable for the accuracy of the information contained in this article. You should discuss all details with your lenders.*