



“The Counselor Is In”—Q&A With Maryland SBDC Business Consultants

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Q&A

Question 1

-Does the PPP allow for only W2 employees or 1099 staff member only?

-Is there a new program coming out for 1099 only?

-My company only uses 1099 staff and I need to know the best vehicle to apply for.

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Q&A

Question 2

-I have created a OneStop account and it doesn't show the application I submitted. How can I verify this application?

-I'm trying to find out if additional documentation is needed for my application.

-I also wanted to ask if I should use OneStop for insurance of my company?

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Q&A

Question 3

- What are the requirements to qualify for the aid?
- How soon can the aid be available?

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Q&A

Question 4

- How many aid programs can we apply for?
- How long do we have to wait to get a response after we apply?
- How long will it take to be compensated with aid??

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Q&A

Question 5.1

- For those who work 'behind the chair'... hair stylists, permanent makeup artists, lash artists, etc. that are not employed and not drawing a weekly paycheck (just taking draws) what programs are they eligible for?

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Q&A

Question 5.2

-For salon owners-- (I have a salon that is less than a year old) that rents chairs (booths) that are not currently being rented due to the fact that I don't think it's fair to charge rent to people who can't come into my salon to work at their normal rented stations. Are there any programs to help with my lease (because my landlord still wants his rent).

-Is unemployment an option for 1 and/or 2?

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Q&A

Question 6

- There are so much information coming from different government organizations that is confusing, so where do I start?**
- Could a business be eligible if it is not in good standing?**
- In one business I don't have employees, do we qualify for any assistance?**

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Q&A

Question 7

-Can you apply for the stimulus program on more than one-site if you get turned down from one bank?

-Can an LCC Sole Proprietor qualify for the program if they pay themselves, if so what type of documentation is needed.

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Q&A

Question 8.1

-I submitted an application to SBA.gov and was given a log in but now it doesn't work—what is happening

-I submitted an application for the 10,000 advance and was given a number, how do I check its status?

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Q&A

Question 8.2

-I am unable to apply for a PPP with my primary bank Capital One because they haven't gotten their act together yet. I submitted through a third party but am very nervous about them—Fundera? Was it a scam?

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Q&A

Question 9.1

- As a 100% owner how should we prepare if we get sick with the virus?

-I am apparently eligible for the Debt Relief Program. My payments are automatically deducted from my bank account. How is this program going to work?

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Q&A

Question 9.2

- When can we expect answers for the PPP plan. I have submitted my application.**
- We are considered an essential business (Construction) but yet we are on our own to try and find PPE (masks, wipes and hand sanitizer). Why are we not considered priority when many of our job sites are finding Covid-19 cases on a regular basis?**

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Q&A

Question 10

-When do I expect the response to EIDL advance \$10,000 application, filed in April 1, 2020?

-Is it possible the PPP will run out of funds while my application has yet to process?

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Q&A

Question 11.1

-How will SBA determine eligibility for PPP loan forgiveness for self-employed people since they don't have "payroll" and take Owner's Draw instead? Will they look at the Balance sheet where that is recorded, or do we have to write ourselves a check so we have cancelled checks as our "receipt"/proof?

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Q&A

Question 11.2

-Will 1099s be considered part of payroll costs for businesses that use them to provide services to their customers? (i.e., a massage business has massage practitioners that are not employees but 1099 independent contractors) -Different from 1099s that provide services to the business itself such as bookkeeping.

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Q&A

Question 12

-For members of an LLC applying through the PPP, can quarterly distributions to members qualify as payroll?

-Is the EIDL application for my LLC linked to the PPP application or are they independent loans?

-Is the EIDL advance of \$10,000 converted to a grant, if my PPP loan is rejected?

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Q&A

Question 13

-How do I go about filing for unemployment being self employed (I own a single member LLC fabricating marine enclosures)?

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Q&A

Question 14

-What if any programs are available for businesses such as dog clubs? These clubs pay high monthly rents/utilities (average &8K per month) for their facilities, provide an important resource for the community, and are an important component within the pet industry. They fall between the "cracks" as most are "volunteer" based (class teachers do not receive a salary). The classes/events and dog trial fees these organizations gather provide for their expenses. With COVID-19 these clubs have completely shut down. Many will have to dissolve by July as their bank and Money Manager accounts will be exhausted. Are there ANY programs available other than these two?

Q&A

Question 15

-Are all programs offered as low interest that must be repaid ? These all apply to payroll, utilities, and mortgages.

-Anything for inventory that will be lost because of spoilage and past due dates ?

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Q&A

Question 16

-Approximately how long after filing should I expect before I receive correspondence about the SBA grant and loan money applications I filed?

-At this time I have applied for the federal SBA loan, federal grant, State grant, Truist-NCIF grant, and I have submitted my loan application to my local participating credit union for the PPP. Are there grants available other than these listed?

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Q&A

Question 17

-What are the allowable documents to support payroll expense for SBA PPP loan (e.g. IRS form 940, 941, 944)? Have not seen any clear definition or even a recommendation from lender (SunTrust) or SBA.

-Are AFLAC or other disability policies allowable expenses for SBA PPP loan under the group health care benefits? Dental?

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Q&A

Question 18

- For me, it is most difficult to determine which programs are available to self-employed/contractors. Can you please advise?

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Q&A

Question 19

-My question does not pertain to the current aid programs but more so the ones to possibly come. I have been speaking with several businesses, across several industries, and they all have similar concerns around what is being done to hold insurance companies accountable. Is there any talk about legislators addressing this issue? It sounds like the majority, or even all, insurance companies are deflecting this "Act of God."

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Q&A

Question 20.1

-Can Solopreneurs apply for CARES?

**-What if I apply for both CARES and EIDL?
What happens to the \$10k from SBA that is
the “forgiven” amount?**

**-I heard about a new rule about \$1000 per
employee up to \$10k. To what program is that
about?**

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Q&A

Question 20.2

-Any updates on entrepreneurs or sole practitioners applying for unemployment? I tried and it was still not available to apply.

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Q&A

Question 21

-Does anyone know when money might be deposited into our bank accounts from the EIDL?

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Q&A

Question 22

- I really don't completely understand the "loan converted to grant" program for small business. So I apply for a loan for salaries, rent, utilities? I make this loan application with a local bank? Are they making the loan based on my credit score or some other requirements? They approve or disapprove or run out of money and I start all over again? And then the loan is forgiven? Do I have to file additional paperwork? How do I document all this? But I must reopen, right? How does that work? What is the time frame for reopening?

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Q&A

Question 22

-I work the business along with a part-time employee and a partner. The employee is on social security and could only work for a few hours a week so as not to jeopardize his benefits. Should I file for payroll protection for him?

-I have current debt of \$15K for inventory, do any of the loans or grants help with these payments to the suppliers/vendors and credit cards?

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Q&A

Question 23

- New startup: can PPP or CARES loan be used to hired employees 1099 employees to start?**
- New startup: can PPP or CARES loan be used to purchase real estate for office use only?**
- Can PPP or CARES loan be used to purchase office equipment?**

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Q&A

Question 24

-I applied for SBA disaster Loan Assistance, what does that qualify me for, 10K?

-As a startup Entrepreneur what other funding opportunities do I qualify for? I am in the Pre FDA process so not making any money right now just spending it.

-What is the Website that I need to go to for applying?

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Q&A

Question 25

-How are the SBA COVID-19 Economic Injury Disaster loans determined?

-When will funding for the \$10,000 advance through the SBA become available?

-Can you obtain a PPP loan and the SBA Disaster Relief loan?

-How does that affect the Employer Tax Credit and other programs available now and in the future through the stimulus?

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Q&A

Question 26.1

-If I receive approval for the PPP SBA loan on the 17th of April but I am still mandated by the government to stay closed. Does the 8 weeks start as soon as I receive the money from the loan or as soon as I open and can call back my employees?

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Q&A

Question 26.2

-Some businesses are totally shut down with no form of income others are still open and have some income. Is this a factor for consideration when the different grants are being distributed? For Example, Frederick city micro-grant gave out 100,000 to 40 local businesses, but there were pictures of them giving the checks to businesses that are open.

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Q&A

Question 26.3

-I have applied for every possible help available. Frederick city grant, I got nothing. Maryland State grant, I got nothing. Unemployment for everyone in our household, to date I got nothing. But we still have to pay 941 taxes, A&A taxes and others and that is what is draining us. If we have no income why haven't all taxes been moved to a date in the future? Today is the 9th of April and on the 15th after I pay our taxes our business bank account will be empty.

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Q&A

Question 26.4

-The amount of forgiveness of a PPP loan depends on the borrower's payroll costs over an eight-week period--when does that eight-week period begin?

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Q&A

Question 27

-As an LLC with only an owner, no employees, how do I fill out the EIDL application accurately.

-Can the owner of an LLC collect unemployment during the unusual economic conditions of the COVID-19 pandemic?

**-For FY20 taxes, what new types of COVID-19 related expenses will be deducted from the gross profits?
(Home office and other encumbrances)**

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Q&A

Question 28

- looking for any type of funds forgiven to get through this crisis, I am considered an essential business but the jobs are not coming at all, no one is on the road or spending right now

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Q&A

Question 29

- 2019 finished the third year of my business, I don't yet have payroll and have not filed 2019 taxes. I also did not submit 1099. While my revenue increased just over 100%, I finished the year struggling with debt from the first 2 years. I expected 2020 to be a great year and be able to start payroll. Of course now I have no income. Is there assistance available for me?

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Q&A

Question 29

- I submitted for EIDL and not certain of the date but I think it was prior to 3/31, is there anyway to check on it?

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Q&A

Question 30

-SBA EIDL: When I go to apply, the site will only let me sign up for up a \$10,000 advance against a prior loan application in the amounts from \$25,000 to \$200,000. How do I apply for the \$25,000 no collateral loan? Is there a link that I am missing?

-PPP SBA loan: I am interpreting the loan forgiveness part to be applied to my payroll the 8 weeks after I am permitted to re-open. What are the parameters of the program if we are unable to open for 60 to 180 days?

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Q&A

Question 30

-The Frederick grant program has exhausted their funds. Are they actively pursuing additional funding?

-Can you please keep us advised as to when the Maryland Unemployment site will have the portal open to the self-employed.

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Q&A

Question 31

-Is there a confirmation anywhere about what date is used for the EIDL grant? Number of employees now? Before this started?

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Q&A

Question 32.1

-We are a two member LLC with no employees. The EIDL makes it look like there is no assistance available for businesses with no W-2 employees that are not sole proprietorships. Am I understanding that correctly? (We were really excited about getting a forgivable loan that would be used for rent.)

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Q&A

Question 32.2

-The form we completed had this line (which we selected): Choose One: Applicant is a business with not more than 500 employees. (“0” is less than 500)

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Q&A

Question 33

- Do single member LLC's that made less than \$10K last year qualify for the grant?**
- Are there any limitations or specific uses that the \$10K grant can be used for?**
- Do tax returns suffice for documentation proof of business income and expenses for the application for the \$10K grant?**

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Q&A

Question 34

-I got my 501C3 status one month ago. Can I be considered as my only employee also?

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Q&A

Question 35

-With this current small business loan for the COVID-19, I am interested in it but am trying to understand the opportunity for forgiveness and what exactly that entails. Can you discuss or explain?

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Q&A

Question 36

-I am a LLC (sole prop) in good standing with the state of MD. My business consists largely of providing corporate training and strategic planning to other companies as a consultant. I generate a 1099 from clients. Also, I hire independent contractors (1099's) only. I do not have an employee number. Clients have either postponed or cancelled upcoming work. Are there any options for a grant or loan?

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Q&A

Question 37

-What is the interaction between the PPPL and the EIDL Loan Advance. Could you explain that relationship during Thursday's webinar?

-Any details you could provide on the EIDL Loan Advance would be helpful - how is it forgiven, etc. Many are confused by this program and I am having a lot of trouble finding the correct info.

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THANK YOU

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ACCREDITED MEMBER

Grier Melick, Montgomery County Business Consultant
Robert Bower, Frederick County Business Consultant
Herb Melrath, Washington County Business Consultant
Mark Malec, Allegany County Business Consultant
Pat McCormick, Garrett County Business Consultant
Diane McFarland, Training

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ACCREDITED MEMBER

Maryland SBDC - Corridor Region
University of Maryland
Main Line: 301-403-8300
[Corridor Region Staff Contacts](#)

Maryland SBDC - Western Region
Frostburg State University
Main Line: 888-237-9007
[Western Region Staff Contacts](#)

Maryland SBDC - Northern Region
Harford Community College
Main Line: 443-412-2237
[Northern Region Staff Contacts](#)

Maryland SBDC - Southern Region
College of Southern Maryland
Main Line: 301-934-7583
[Southern Region Staff Contacts](#)

Maryland SBDC - Eastern Region
Salisbury University
Main Line: 410-548-4419
[Eastern Region Staff Contacts](#)



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