Targeted EIDL Advance FAQ

Application Process

1. Can I apply now?
   Applicants must wait until they receive an email invite from the SBA to apply for the new Targeted EIDL Advance. In accordance with the Economic Aid to Hard-Hit Small Businesses, Non-Profits, and Venues Act (Economic Aid Act), businesses and nonprofit organizations that received a previous EIDL Advance in an amount less than $10,000 will have first priority to apply for the Targeted EIDL Advance and will be the first group to receive email invites to the application portal.

   The second priority group are businesses and nonprofit organizations that applied for EIDL assistance before December 27, 2020 but did not receive an EIDL Advance because available funding was exhausted in mid-July 2020.

   [Note: Businesses and nonprofit organizations with COVID-19-related losses can still apply for an Economic Injury Disaster Loan (EIDL), if they have not done so already. More information about the loan program can be found at www.sba.gov/coronavirusrelief.]

2. When will the SBA begin sending email invites to the first priority group?
   The SBA will begin sending email invites to businesses and nonprofit organizations that received the EIDL Advance in an amount less than $10,000 starting on February 1, 2021. It may take several weeks before all emails are sent to businesses in the first priority group so please do not be alarmed if you do not receive your email invite right away. The invite to apply will be sent to the primary contact email address associated with your original EIDL application. All communications from SBA will be sent from an official government email with an @sba.gov ending. Please do not send sensitive information via email to any address that does not end in @sba.gov.

3. When will the SBA begin sending email invites to the second priority group?
   The SBA will closely monitor the rate of applications and approvals for the first priority group and will announce a projected start date for the second priority group at a later date.

4. Does the SBA plan to open up the program to new applications beyond the first two priority groups?
   Currently, there are no plans to open the Targeted EIDL Advance program to new applicants beyond the first two priority groups. The SBA’s ability to accept new applications for the Targeted EIDL Advance program will depend on the availability of funds, which the SBA will closely monitor. Any changes to application availability will be announced on www.sba.gov/coronavirusrelief.

5. Do I have to re-apply if I received less than the $10,000 limit of Advance funds?
   No. The Targeted EIDL Advance is a different program than the original EIDL Advance and has a different process. Here, the SBA will reach out directly to EIDL applicants who received an EIDL Advance of less than the $10,000 maximum and provide instructions to the business owners about how to provide the SBA with the required information to determine eligibility, and how to submit documentation for any additional grant funds.
6. **Should I re-apply if I didn’t receive the original EIDL Advance funds because those funds were exhausted?**
   No. The Targeted EIDL Advance is a different program than the original EIDL Advance and has a different process. Here, the SBA will reach out to applicants who applied for SBA COVID-19 EIDL funding before December 27, 2020 and did not receive any EIDL Advance funds because all available Advance funding was already exhausted. The SBA will email instructions on how to provide the SBA information to determine eligibility and how to submit the necessary documentation. These businesses must also have 300 or fewer employees, in addition to being located in a federally designated low-income community and meet the reduction in revenue requirements.

7. **While I am waiting for the SBA invitation to apply for the Targeted EIDL Advance, what are some things I can do to prepare to apply?**
   If you have not yet filed your 2019 Federal Tax Return, you should complete that process. You will also be required to provide the business’ monthly gross receipts for each month from January 2019 through the most recent month-to-date period. This information will be used to determine that your business meets the greater than 30 percent reduction in revenue requirement during an 8-week period beginning on March 2, 2020.

8. **What documentation will I need to provide?**
   Applicants who meet the low-income community criteria will be asked to provide gross monthly revenue for January 2019 through the most recent month-to-date period (all forms of combined monthly earnings received, such as profits or salaries) to confirm the reduction in revenue. They may also be asked to provide an IRS Form 4506-T to allow the SBA to request tax information on the applicants’ behalf. Tax verification process and requirements for businesses in U.S. territories may differ.

9. **My business is located in a U.S. territory. What documentation does the SBA require from us?**
   - **Virgin Islands, American Samoa, Guam, and CNMI:** Businesses must provide an e-signed IRS Form 4506-T to the SBA via the application portal.
   - **Puerto Rico:** The SBA will send required forms via email to the applicant. Please complete the forms and send them back to the SBA.

**Eligibility**

10. **My business moved since I originally applied for EIDL assistance. Am I still eligible for the Targeted Advance?**
    The SBA will reach out to you directly to confirm your address. If your address has changed, the SBA will request additional documentation to confirm the location. Once the location is confirmed, the SBA will determine if the location is located within a low-income community.
11. Who is eligible for the new Targeted EIDL Advance?
   Businesses that have 300 or fewer employees, are located in federally identified low-income communities and can demonstrate a reduction in revenue of more than 30 percent during an 8-week period beginning on March 2, 2020 or later. This includes small business entities normally eligible for the SBA EIDL program, including non-farm businesses and corporations, sole proprietors, independent contractors, and private nonprofit organizations.

12. We have not filed a 2019 Federal Tax return. Are we still eligible?
   In most cases, SBA requires a 2019 Federal Tax Return to be filed with the IRS to verify your eligibility. Certain organizations that were not required to file a 2019 Federal Tax Return are still eligible, such as churches.

13. Are Agricultural Enterprise businesses eligible for the new Targeted EIDL Advance?
   No. Under the Targeted EIDL Advance, Agricultural enterprises are not eligible except for agricultural cooperatives, businesses engaged in aquaculture and certain types of nurseries. Nurseries that derive less than 50 percent of annual receipts from the production and sale of ornamental plants and other nursery products that they grow are eligible. Agricultural Enterprise businesses include businesses engaged in the legal production of food and fiber, ranching, and raising of livestock, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b))).

14. What types of businesses are NOT eligible?
   Some examples of ineligible businesses include those engaged in illegal activities, loan packaging, speculation, multi-sales distribution, gambling, investment or lending.

Program Criteria

15. What is meant by “Targeted” related to the new COVID-19 EIDL Advance?
   The Economic Aid Act, signed into law on December 27, 2020, authorized the SBA to provide additional EIDL Advance funds to certain small businesses that meet specific eligibility criteria. Currently, these Targeted EIDL Advance funds are only available to businesses with 300 or fewer employees that had previously applied to the SBA for EIDL assistance before December 27, 2020 and where the business address is located in a low-income community. Businesses must also demonstrate a reduction in revenue greater than 30 percent and must meet the same eligibility requirements applicable to COVID-EIDLs.

16. How do you determine whether a business is located in a low-income community?
   We use the definition of low-income communities outlined in the subparagraphs (1), (3), (4) and (5) of 26 USC §45D(e). The SBA will determine if your business is located in a low-income community based on the applicant business address.
17. Do I have to repay any Targeted EIDL Advance funds that I receive?  
No. As with the EIDL Advance funds under the CARES Act, these Advances do not have to be repaid.

18. How much can my business receive from the Targeted EIDL Advance funds?  
Businesses can receive a maximum of $10,000 in EIDL Advance funds. That includes any Advance funds already received plus the Targeted EIDL Advance.

19. What can I use the EIDL Advance funds for?  
EIDL Advance funds can be used for working capital and normal operating expenses that could have been met had the disaster not occurred. Those include (but aren’t limited to) continuation of health care benefits, rent, utilities and fixed-debt payments.

20. How long will it take to receive the Advance funds once my information is submitted to the SBA?  
Once the SBA has received all requested documentation, we will process the information and issue any additional funds as quickly as possible. The SBA’s goal is to process all requests within 21-days of receiving a completed application. All application decisions will be communicated via email.

21. Will the Targeted EIDL Advance funds I receive be subtracted from my Paycheck Protection Program (PPP) loan forgiveness amount?  
No. The Economic Aid Act has eliminated that requirement.

22. How does the SBA define “gross receipts” for the EIDL Targeted Advance Program?  
Gross receipts include all revenue in whatever form received or accrued (in accordance with the entity’s accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees or commissions, reduced by returns and allowances for the applicant business.

23. Who should business owners contact with additional questions about these Targeted Advances?  
Business owners can contact SBA’s Customer Service Center at 1-800-659-2955 or by email at TargetedAdvance@sba.gov if they have questions about the Targeted EIDL Advance program.

Additional Updates Available at:
sba.gov/coronavirusrelief