

U.S. Virgin Islands Economic Development Authority



Webinar: Nonprofit & Religious Institution COVID-19 Assistance

Moderator: Cusa Holloway, Incubator Program Manager

June 10, 2020

10:00amAST

Agenda



Speakers



Denise Johannes

Director
Office of the
Lieutenant
Governor –
Corporations and
Trademarks



Wayne Huddleston

Sr. Area Manager
US Small Business
Administration



Ted Gutierrez

State Director
VI Small Business
Development
Center



Deanna James

President
St. Croix Foundation



Credible Sources for COVID-19 Resources

- Virgin Islands Department of Health – www.doh.vi.gov/coronavirus or Text COVID19USVI to 88877 or call 340-713-6200 or 340-776-1519
- VI Territorial Emergency Management Agency: www.vitema.vi.gov
- Office of the Governor of the USVI:
www.facebook.com/GovernmentHouseUSVI
- Center for Disease Control & Prevention (CDC): www.cdc.gov
- World Health Organization (WHO): www.who.int

Office of the Lieutenant Governor Division of Corporations and Trademarks

ECONOMIC DEVELOPMENT AUTHORITY

WEBINAR - NON-PROFIT SUPPORT DURING COVID-19

JUNE 10, 2020

PRESENTER: DENISE JOHANNES, DIRECTOR –
CORPORATIONS AND TRADEMARKS

Non-profit Registration and Annual Maintenance Requirements

New Registration

- Name Availability Determination
- Create a user account in Catalyst
- Filing of Registration
- Fee: \$25.00

Proof of Registration Completion

- Certificate of Formation

Annual Maintenance Requirements

- Preparation of true and correct balance sheet and income statement for last fiscal year
- Submission of annual report and financial statement in Catalyst on or before June 30th of every year
- Fee: \$25.00

Compliance with Annual Requirements

- Certificate of Good Standing

Contact Information

The Division of Corporations and Trademarks will be closed to the public from Monday, April 6, 2020 through May 29, 2020 in accordance with guidelines to reduce the spread of COVID-19 until further notice.

FOR ASSISTANCE

Call: (340) 774-2991 (St. Thomas) or (340) 773-6449 (St. Croix)

Visit: www.ltg.gov.vi or www.corporationsandtrademarks.vi.gov

Email: denise.johannes@lgo.vi.gov



U.S. Small Business
Administration

Coronavirus (COVID-19) Relief & Funding Options

**Puerto Rico & U.S. Virgin Islands
District Office**

Coronavirus Disaster Funding Options

www.sba.gov/coronavirus

Paycheck Protection Program

- **Available through June 30, 2020 or until funding is depleted.**
- Eligible to businesses showing evidence of operation prior to February 1, 2020
- Loan Amount: Up to \$10 million (*fixed formula: average annual payroll / 12 x 2.5*)
- Loan payments: (before June 5, 2020)
 - Deferred for 6 months
 - Repayment term: up to 2 years
- Interest rate: 1%
- Designated Uses and **pre-requisites for forgiveness:**
- Designed as direct incentive for small businesses to keep their workers on the payroll, even if businesses partially operational.
- No collateral or personal guarantees required.

Economic Injury Disaster Loan

- **Currently limited to US agricultural businesses, including fishing interests**
- First round: Eligible to businesses showing evidence of operation prior to February 1, 2020
- Loan Amount Up to \$2 million (*determined by SBA after reviewing business' payroll and expenses*)
- Loan payments: Deferred for 12 months
- Repayment term: up to 30 years
- Interest rate: 3.75% - businesses.
2.75% - nonprofits
- Advances up to \$10k: **Advance doesn't need to be repaid.**
- Loans under \$25k, no collateral. Over \$25k, must pledge available collateral.

Status Update

Paycheck Protection Program

- PPP Flexibility Act enacted June 5, 2020
- Proceeds use and covered period for loan forgiveness extended from eight to 24 weeks after the date of loan disbursement
- Borrowers who have already received PPP loans retain the option to use an eight-week covered period.
- Ratio of loan proceeds reduced from 75:25 to 60:40; payroll: other expenses
- Safe harbours around reductions in full-time employees due to Covid restrictions and inability to rehire at same levels before Feb 15, 2020
- Increase from two to five years the maturity of PPP loans that are approved by SBA (based on the date SBA assigns a loan number) on or after June 5, 2020.
- Deferral period extended from 6 to 10 months.
- Check <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses> for formal guidance from the US Treasury

Economic Injury Disaster Loan

- **For status on submitted EIDL applications,** contact the SBA Disaster Assistance Customer Service Center at 24/7 at 1-800-659-2955 or via e-mail at DisasterCustomerService@sba.gov
- If your application was submitted and you have a loan application number beginning with "3," you are in queue and your patience is appreciated. Any other starting number should contact the Disaster Customer Service Center.
- Applications (previously submitted) will continue to be processed on a first-come, first-served basis. Advance will be deposited to account without notification, and advance amount deducted from total loan amount.
- New applications in agricultural / fishing sectors being processed quickly.

By the Numbers

USVI Covid Loan Participation

Paycheck Protection Program (PPP): *as at June 6, 2020*

- 1,469 approved loans for \$116.7 million
- \$130.7 Billion in PPP funding remaining
- Accessible to June 30, 2020 or until funds run out
- Average loan size nationwide is about \$113,000.

Economic Injury Disaster Loan (EIDL):

- 1029 Advances disbursed valued at \$3.9 million *as at May 7, 2020*
- 534 loans approved for \$36.7 million *as at June 5, 2020*

USVI Local Assistance



SBA Puerto Rico & U.S. Virgin Islands
District Office <https://www.sba.gov/pr>
U.S. Virgin Islands – (340) 473-7945
Puerto Rico – (787) 766-5002 / 5003
https://twitter.com/SBA_PuertoRico



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Virgin Islands
Small Business Development Center
(VI SBDC)
<http://www.visbdc.org>

For technical assistance for individual
businesses.

*Office Locations:

St. Thomas/St. John
8000 Nisky Center, Suite 720
St. Thomas, VI 00802
Tel: (340) 693-1694

St. Croix
6300 Estate Peters Rest #4
Tel: (340) 692-4294

info@visbdc.org

*Virtual Appointments

VI Small Business Development Center



Ted Gutierrez

State Director

info@visbdc.org



History and Impact in the US Virgin Islands

- 1985
- Federally funded/locally funded
- UVI host institution
- Local partners
 - UVI, SBA, VIEDA, UVI R&T Park, DLCA, Lt Governors Office, Chambers of Commerce, Congresswoman Plaskett's office

- 5 years 2014-2019
 - \$39,243,000.00
 - 79 Businesses
 - 788 Jobs
 - 781 Clients
 - 4,810 Hours of counseling
 - 290 Training events



How can the VI SBDC help non-profits during this critical time?

- SBDC staff are working with clients via email, telephone, and video conference.
- SBDC staff is well-versed on the process for Federal Funding programs.
- SBDC a wealth of resources available to assist with technical assistance for non-profits.
- Non-profits have the almost the same business needs as for-profit businesses.
- Organizational structure, business plans, operational plans, strategic planning, financial understanding, marketing, etc.
- SBDC hosts and participates in webinars from local and national partners.
- SBDC continually monitors changes in federal funding programs and adjusts services as needed.
- SBDC does not assist with Grants, but has resources that may assist.
- SBDC exploring more ways to engage community.



St Thomas/ St John 340-693-1694

St Croix 340-692-4294

www.visbdc.org



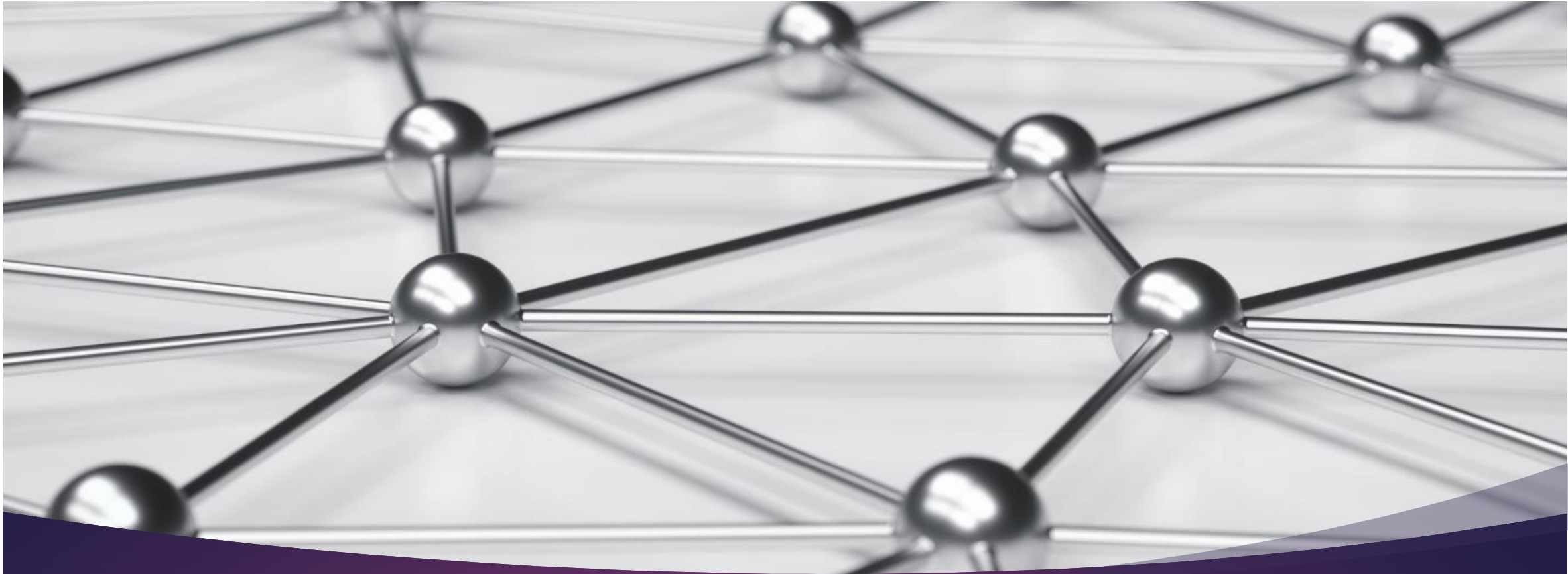
U.S. Small Business
Administration

1-800-659-2955

www.sba.gov/coronavirus

Facebook.com/visbdc

@visbdc



Nonprofits and COVID-19

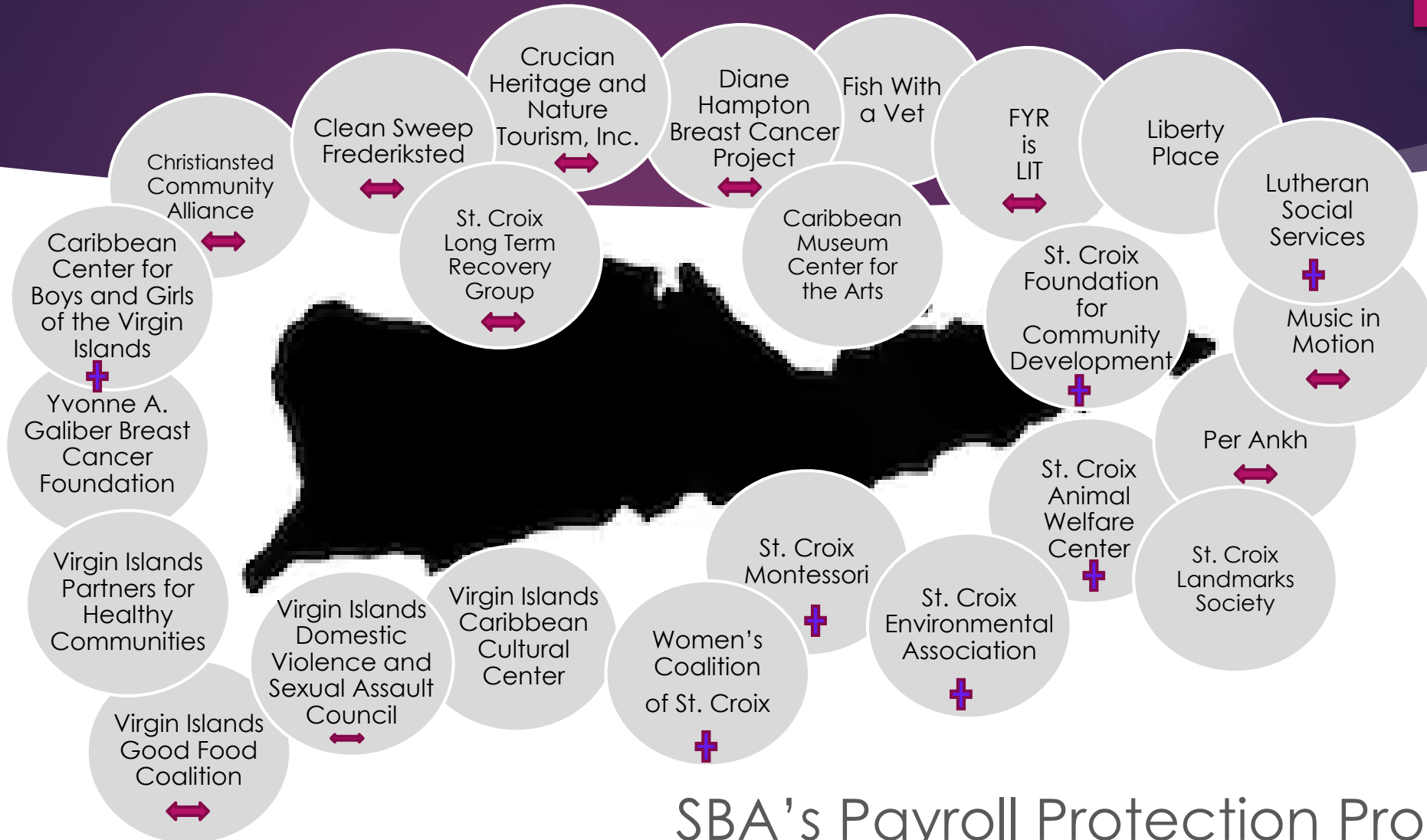
PRIORITIZING SOCIAL IMPACT SMALL BUSINESSES DURING A CRISIS

A Blueprint for Resilience in Underserved Communities

- Focus on the critical importance of fortifying and prioritizing nonprofit capacity as a key component of ensuring community resilience in the aftermath of a disaster.
- Reframe the perception of “nonprofits” as not just charities, but rather bona-fide Small Businesses.

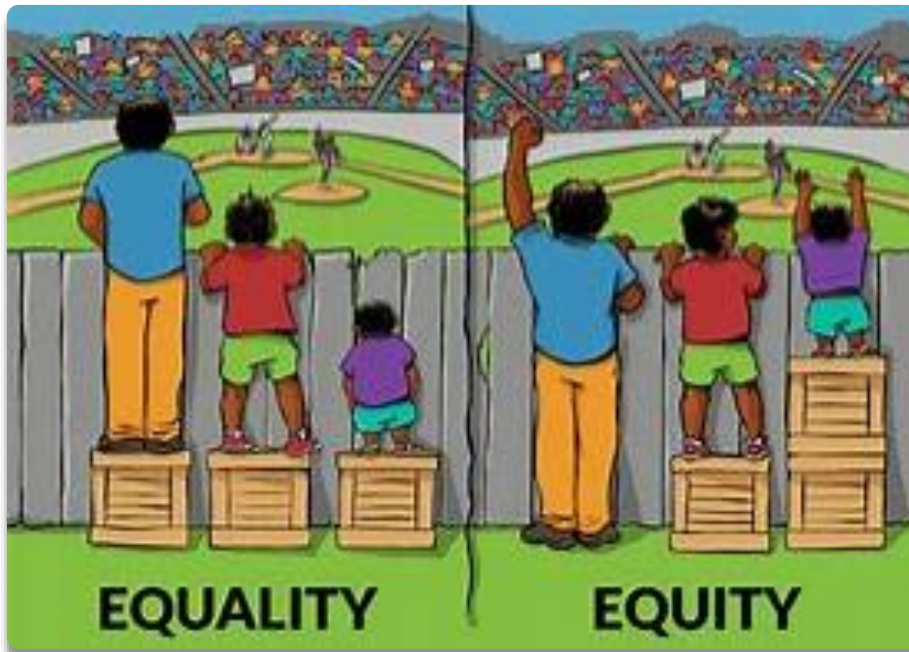


INTERCONNECTED ON ST. CROIX: THE NONPROFIT CONSORTIUM



SBA's Payroll Protection Program:
A Cross section of Nonprofits Served

Equity For All Nonprofits: Both Federally-registered *and State-based*



- ▶ Support for small businesses must make allowances for the distinctions between Nonprofits and For-profits (taking into account the size, need and service area of the organization)
- ▶ Because operational solvency is typically more tenuous for Nonprofits (particularly those that rely on donations), clarity and criteria around loan forgiveness must be explicit
- ▶ Safety nets must be created for *state-based* Nonprofits without 501c3 status



Together We will Thrive.

We Support the Community.

Thank you to the Office of the Lieutenant Governor, US SBA, VI SBDC, and St. Croix Foundation for participating!

The recording & PPT will be uploaded at: www.usvieda.org/webinars

Apply at www.sba.gov/disaster.



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