

## VEDA Short Term Forgivable Loan Program

### Instructions

#### STEP 1

##### Determine if you are eligible

*You will need:*

- ✓ Federal business tax returns for years 2019, 2020, and 2021.
- ✓ Details on any COVID relief grants **and** PPP Loans that you received since the start of the pandemic, including what year the funds were received.
- ✓ Reach out to Technical Assistance (TA) for help determining eligibility and other assistance using VtSBDC's dedicated link, [here](#).

*Download the FLP Application Package from the [VEDA website](#) and open the FLP Calculator Tool (Excel Document)*

- Complete Step 1.A. on the FLP Calculator Tool. This section asks for information on all previous COVID relief funds received. Note that this requires you to include all GRANT funds **and** PPP Loans received since the start of the pandemic. If you received an Economic Injury Disaster Loan (EIDL Loan), please note that **EIDL loans** are not grants and therefore are not to be reported in this section. However, any **EIDL grant** received is necessary to input in this section. The EIDL grant was generally smaller and was based on \$1,000 per employee and capped at \$10,000. If you received **PPP Loan(s)**, the calculator treats them as a grant since the vast majority of the PPP Loans were forgiven. Enter the PPP Loan(s) in the year received.
- Complete Step 1.B. on the FLP Calculator Tool. This section asks for your income and expense data from your business tax returns for years 2019, 2020 and 2021. You do not need to complete the column for Jan – June 2022 to determine eligibility. Note that the drop-down box highlighted with the **BLUE ARROW** allows you to select your federal tax form number which will then display the line items from your particular tax form where you can locate the necessary information.
- The FLP Calculator Tool will indicate if you are **Eligible** or **Ineligible** for this program once those 3 years are entered accurately.
  - If the Calculator indicates that you are Ineligible, **stop here** and do not complete the remaining steps or the application.
  - If the Calculator indicates that you are Eligible, continue to **STEP 2** below

## STEP 2

### Determine an estimated loan amount

*You will need:*

- ✓ A company-prepared Income Statement (also known as a profit & loss statement or simply a P&L) for the first 6 months of 2022 (ended 6/30/2022).
- ✓ If your business has seasonal influences (peak and off-peak seasons; business can be open all year and have seasonal influences), you will also need the comparable 6-month financials for the 2019 period ended 6/30/2019.

*Go back to the FLP Calculator Tool:*

- **Step 2.A.** Complete the FLP Calculator Tool by inputting your year-to-date (6-months ending 6/30/2022) operating results which, along with the 2020 and 2021 financials, will determine your **estimated** loan amount.
- **Step 2.B.** If your business has **seasonal influences**, please complete the column for the comparable first 6 months of 2019 and attach the P&L for the that period (January 2019 – June 2019). If your business is a **lodging facility** (hotel, motel, B&B Inn,) it is highly likely that you have seasonal influences so it will be necessary for you to provide the comparable January – June 2019 P&L.
  - If the Estimated loan amount is \$0, **stop here**, you do not qualify for a forgivable loan. *(Note that it is possible for you to be Eligible for the program, but not Qualify for a loan since the loan calculation places greater weight on the 2022 financial performance.*
  - If you are Eligible **and** there is an Estimated Loan amount calculated, continue with **STEP 3** below.

## STEP 3

### Apply for the Forgivable Loan

- Complete the Forgivable Loan Program Application.
- Review and complete the Checklist for required items.
- Submit the completed application along with the items identified on the checklist
- Additional information may be required upon review of your loan application

## STEP 4

### Await VEDA representative contact and APPROVAL

- Be prepared for additional information requested from VEDA, particularly if you are a seasonal business or if you have entered any numbers into the Other Adjustments line in the FLP Calculator Tool.

## STEP 5

### Prepare for Loan Closing

- Upon notification of Loan Approval from a VEDA representative, begin gathering the necessary items for funding on the Checklist.
- You will be contacted by a VEDA Loan Closing Specialist with further instructions.

## STEP 6

### Within 12 months from loan closing, apply for Loan Forgiveness

- Loan Forgiveness Application will be made simple and will be available on the VEDA Website shortly.

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### Helpful Information

- **Eligibility** is determined by a 22.5% or greater decline in adjusted net operating income in the aggregate of 2020 and 2021 compared to 2019.
- If your business was in existence as of March 13, 2020, but not during 2019, please reach out to VEDA to determine eligibility at: [flp@veda.org](mailto:flp@veda.org)
- If your business was started in 2019 or purchased in 2019 and you do not have a full 12 months of operations in 2019, please reach out to VEDA to determine eligibility at: [flp@veda.org](mailto:flp@veda.org)
- **The estimated loan amount** is calculated by comparing the Adjusted Net Operating Income for each year of 2020, 2021, and January -June 2022, compared to 2019. Each year is provided a different weight, with the more current operating performance receiving the greatest weight to place the emphasis on your current on-going needs.
  - In addition, the maximum loan will be limited to the lesser of (1) \$350,000; (2) six-months of operating expenses; or (3) the cumulative reduction in Adjusted Net Operating Income in years 2020 and 2021.
- Please be sure to select the proper **Federal tax form number in the drop-down field** within the calculator (**BLUE ARROW**). This will reveal what line numbers from your tax return to input on each line.
- Most companies will **not** use the Other Adjustment line. Any amounts indicated in this line **must** be explained in the large green box in the lower right corner of the FLP Calculator Tool and support documentation may be required.
- **All loans and amounts are subject to review and approval by VEDA.** The automatically calculated Estimated Loan on the FLP Calculator Tool may not be the final loan amount and does not represent a loan approval. Any loan approval will be communicated to you directly by a VEDA representative.
- If your business received grant income (including non-Covid grants) in 2022 and the business is Eligible per the FLP Calculator Tool, submit your application to VEDA even if the estimated loan amount is showing \$0. VEDA will re-calculate the estimated loan amount using an appropriate formula for these situations.