



Filmmaker's Guide To Applying For US Coronavirus Federal Relief

Last Updated: April 27, 2020

Important Update: Friday, April 24th, Congress passed legislation that adds \$310B to the Paycheck Protection Program and \$60B for Economic Injury Disaster Loan program. If your application for the first round of funding was rejected, you can resubmit. Banks started accepting applications April 27th at 10:30am ET. Small Business Administration will resume processing EIDL applications that are already in the queue on a first come, first-served basis.

Note: The new round of funding has some guardrails in place aimed to prevent excessive concentration of the funds in a small number of lenders and businesses. For example, the fund allocates \$60B for community banks, credit unions, minority depository institutions (MDIs), Community Development Financial Institutions (CDFIs), microlenders, and certified development companies (CDCs). If you have not had success with your existing bank, you may want to work with one of the above types of lenders.

Overview

Through the Coronavirus Preparedness and Response Supplemental Appropriations Act, Families First Coronavirus Response Act, and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, documentary filmmakers impacted by the pandemic can now apply for immediate and short-term federal relief from the US government.

Please note this guide was prepared to give general advice to filmmakers and production companies. It should not substitute for professional advice you may need. New federal guidance is being issued regularly. Information provided on this page may

change as the situation evolves.

Benefit Category	Administrator	Who Qualifies	Amount	Where to Apply	Does it need to be paid back?
Unemployment Benefits	Individual state's Unemployment Insurance (UI) Program	Individuals who have lost jobs or been furloughed, including gig workers, freelancers and self-employed	Amount set by your state + an additional \$600 per week	Your state's unemployment office	No
Paycheck Protection Program (PPP)	Small Business Administration (SBA)	Sole proprietor and independent contractors as well as 501(c)(3), 501(c)(19), tribal businesses, any small business structures (C-Corp, S-Corp, B-Corp, LLC, Partnerships) with fewer than 500 employees	250% of your average monthly payroll costs up to \$10 million	A private lender that is participating in the PPP	No* *contingent on spending the loan on authorized costs and retaining employees and wages intact
Economic Injury Disaster Loan (EIDL)	Small Business Administration (SBA)	Sole proprietor and independent contractors as well as 501(c)(3), 501(c)(19), tribal businesses, any small business structures (C-Corp, S-Corp, B-Corp, LLC, Partnerships) with fewer than 500 employees	Maximum loan is \$2 million with the exact amount based on economic injury suffered	Directly through SBA	Yes* *The first \$10,000 is a loan advance, aka a "grant." You cannot use the PPP and EIDL grant for the same expenses. Any amounts greater than the \$10,000 loan advance is a traditional loan and must be paid back.

Unemployment Benefits

I have never been eligible for unemployment benefits before because I am a freelancer and all of my income comes from 1099s. Am I now eligible?

Congress has greatly expanded the category of people eligible for unemployment

benefits. The fact that you were not eligible before does not necessarily mean that you are not eligible now.

I tried applying for unemployment in my state, but they told me they are not yet accepting applications for freelancers.

This is being handled state-by-state and there are variations. Many states are awaiting further federal guidance or are overloaded by new applicants. Please continue to [follow up with your State agency](#) for updated information.

How much can I expect as a weekly payment?

The maximum unemployment benefit varies by each State. However, the recently passed Pandemic Unemployment Assistance legislation will provide everyone who is eligible for unemployment with an additional \$600 per week benefit.

For example: The state unemployment calculator says that based on your past income, your benefit will be \$410 per week. With the additional \$600 per week from PUA, your weekly payment will now be \$1010.

Will the \$600/week be automatically added to my weekly check or do I need to fill out something different to get that?

It will be automatically added to your check.

Is the additional \$600/week taxable?

Yes, all unemployment benefits are taxable income.

How many weeks can I get unemployment benefits for?

While the maximum number of weeks varies by state, Congress has extended the maximum time allowed during the crisis. You should [consult your state agency](#).

What are the requirements for maintaining eligibility for unemployment benefits?

Requirements will vary by state. You should [consult your state agency](#).

If I have a “day job” where I was laid off, but have a Fellowship grant from a foundation, am I still eligible for unemployment?

You should be eligible, but [consult your state rules](#).

Small Business Administration Programs (PPP & EIDL) FAQ

What is the SBA's definition of a “small business” that qualifies for PPP and EIDL?

Qualifying [businesses](#) with 500 or fewer employees or the applicable size standard as assigned in the [North American Industry Classification System Codes](#) (page 30, 34, 40, 43). [Click here](#) for the SBA size standard calculation tool.

- Partnerships
- LLC
- C-corp
- S-corp
- 501(c)(3)
- 501(c)(19)
- Tribal business

In addition to the above types of small business, qualifying US residents with self-employment income (such as an independent contractor or a sole proprietor), that have filed or will file a Form 1040 Schedule C, are also eligible to apply.

What expenses do PPP loans cover?

PPP loans cover payroll costs (including salaries, paid sick and medical leave, and insurance premiums; refer to page 10 of [SBA-2020-0015 memo](#) for full details) and mortgage, rent and utility payment obligations in effect before February 15, 2020.

How are PPP loans forgivable?

The PPP loan can be forgiven in an amount equal to what you spent on payroll, rent, utility and mortgage interest over the 8 week period after the loan is made. The period covered for debt forgiveness is February 15, 2020 until June 30, 2020.

After receiving the PPP loan, you need to request loan forgiveness with your lender at the end of 8 weeks. Lenders have 60 days to reply to your request. The request should include documents verifying:

- Full Time equivalent employees
- Employee pay rates
- Payments on eligible mortgage
- Payments on lease
- Payments on utilities

Forgivable payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high loan demand, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs, such as rent and utilities.

To encourage you to rehire your laid-off employees, you will not be penalized for having a reduced payroll at the beginning of the period. However, if you lay off employees and do not rehire them, the loan amount forgiven will be proportionately reduced. If you reduce employee compensation by more than 25% compared to last year, the loan amount forgiven will be proportionately reduced. If you use the PPP loan for costs that are not approved by the bill, those expenses will also not be forgiven.

What are the interest rate and payment terms of PPP loans?

The unforgiven portion of any PPP loan carries a 1% fixed interest rate with a 2-year repayment term after a 6 months deferral.

Is there a fee applying for PPP loans?

No, there is no SBA or agent fee. However, some banks may require you to be an existing customer or to have a certain type of product with them.

Will I be taxed on the PPP loan amount?

The loan forgiveness amount will not count as taxable income.

How do I calculate the maximum amount I can borrow through PPP?

The 100% government-backed loan amount will equal 250% your average monthly payroll, up to \$10 million cap.

Small businesses: Refer to page 8 of SBA's "[SBA Docket No. SBA-2020-0015](#)" memo for the calculation methodology.

Self-employed individuals: Refer to page 6 of SBA's "[Additional Eligibility Criteria and Requirements for Certain Pledges of Loans](#)" memo for the calculation methodology.

What information will I need for PPP loan applications?

Small businesses: SBA requires [Form 941](#) and [Form 940](#), evidence of business rent, mortgage interest payments, or utility payments with the loan application. Each lender may require additional documents. We recommend that you have something to document that you were operating prior to February 15, 2020 such as a profit / loss statement for 2019 and the first two months of 2020, and incorporation documents for corporations, LLC's or partnerships.

Self-employed individuals: Individuals with self-employment income must provide the 2019 [Form 1040](#) Schedule C and [Form 1099-MISC](#) with your PPP loan application. If you have not yet filed 2019 taxes, you still need to complete and submit both forms. You must also provide a 2020 invoice, bank statement, or book of record to establish you were in operation on or around February 15, 2020.

[Click here for PPP Borrower Application Form.](#)

[Click here for PPP Sample Application Form.](#)

What if my business is seasonal and was dormant or not fully operating as of February 15, 2020? Can I still apply for PPP loans? *UPDATED ANSWER*

Yes, seasonal businesses are also eligible for PPP loans under new rule (TREAS-DO-2020-0009) released by the Department of Treasury. The alternative eligibility period in calculating your maximum loan amount is any 8-week period between May 1, 2019 and September 15, 2019.

I'm self-employed (independent contractor or sole proprietor) and I already filed for a PPP loan with a lender without Form 1040 and Form 1099-MISC. What do I do?

You should consult the lender where you applied.

What expenses do EIDL cover?

EIDL may be used to pay fixed debts (rent, etc), payroll, accounts payable, workers' paid leave and other business operational needs that can't be paid because of the disaster's impact.

Dividends and bonuses, disbursements to owners, expansion of facilities or acquisition of fixed assets, repair or replacement of physical damages, payments to pre-existing debt, payments to other federal(including SBA) or small business investment company (SBIC) loans are not eligible expenses under the EIDL. For the full list of ineligible uses,

[click here](#) (page 75).

How is an EIDL forgivable?

Only the first \$10,000 of the loan is forgivable.

What are the interest rate and payment terms of an EIDL?

The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%. SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

Is there a fee applying for an EIDL?

No, there is no cost to apply.

Do I have to take the EIDL if offered?

No, there is no obligation to take the loan.

What information will I need for EIDL applications?

Basic information includes gross revenues, cost of goods sold, lost rents (for rental property owners), operating expenses, other reimbursement received (i.e. business interruption insurance), and the number of employees during the 12 months period prior to Jan 31, 2020. [Click here for the online EIDL application.](#)

SBA requires a complete application upfront. If your application is incomplete, it will be set aside. You will be notified what is missing, but you will fall back in the queue after submitting supplemental materials.

Other information that may be requested by SBA for an EIDL include:

- SBA Loan Application (SBA Form [5](#) or [5C](#))
- Personal Financial Statement (SBA Form [413](#))
- Schedule of Liabilities (SBA Form [2202](#))
- Tax Information Authorization (IRS Form [4506T](#))
- Federal income tax returns (with schedules) for principals, general partners or managing member, and affiliates for 3 years
- If the most recent Federal Income Tax Return has not been filed, a year-end profit-and-loss statement and balance sheet for that tax year

- A current year-to-date profit-and-loss statement
- Additional Filing Requirements (SBA Form [1368](#)) providing monthly sales figures.

What if I'm rejected for an EIDL?

You have six months to provide new information and submit a written request for reconsideration.

Can I change an EIDL amount after acceptance?

If more funds are needed, applicants can submit supporting documents and a request for an increase. If less funds are needed, applicants can request a reduction in the loan amount.

Can I apply for both PPP loans and EIDL?

Yes, you may apply for both an PPP loan and an EIDL. If you do apply for both and receive the \$10,000 EIDL grant first, you should use it to cover costs that are not covered by the PPP, such as general accounts payable, to avoid double-dipping and consequent reduction of PPP loan forgiveness.

When can I apply for SBA loan programs? *UPDATED ANSWER*

SBA lenders and SBA have resumed processing PPP loans and EIDL applications. They are prioritizing those who have already submitted an application before accepting new ones. You should apply as soon as possible.

How long do I need to have been in business for in order to qualify?

You need to have been in operation prior to February 15, 2020.

How do you estimate loss of revenue from planned projects?

The PPP program is based upon your payroll, not your lost revenue. The EIDL specifically addresses loss of revenue. If you apply for an EIDL, you will need to work with the SBA in underwriting your loan.

My revenue varies greatly from one month to the next and one year to the next. How do I calculate average monthly payroll?

You add the payroll for each of the last 12 months then divide by 12.

If I want to make sure that I don't have to pay the government back for either EIDL or PPP, what conditions do I need to meet? Are they different for the two programs?

EIDL is a traditional loan program with a \$10,000 "advance" that does not have to be repaid. PPP is a unconventional loan program with loan forgiveness for certain covered expenses. If you apply for both, make sure you do not use the loans for the same purpose.

Will payroll for part-time employees or new hires be forgiven?

Payroll paid between February 15 and June 30 is eligible for forgiveness.

How do I decide which bank to apply through? If I'm stuck in a queue with one bank, can I start up an application through another one?

You can search for a participating bank near you [on the SBA website](#). Or you can consult [this website](#), which is updating participating banks and their requirements regularly as the program rolls out. Lenders with two asterisks are currently welcoming applications from non-customers. You should ask your banker about submitting more than one application.

Will the funds run out?

The first round of fund appropriation ran out well before the June 30 expiration for PPP and the December 21 expiration for EIDL. Congress is expected to pass additional appropriations and we will update you as soon as they are available.

Can residents of Puerto Rico receive funding?

Yes.

How can I find more information from the SBA?

For questions, you can please contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800- 877-8339) or e-mail

disastercustomerservice@sba.gov.

FAQ Specific to Single-person Entities

I am the owner of my business. My income comes both from payroll I run for myself, as well as from quarterly distributions. What can I count as my income?

You should work with your banker to determine the correct amount.

How do I determine if I'm considered a sole proprietor or an independent contractor?

There is no clear distinction as the terms are often used together. Often a sole proprietor may receive their income through 1099 payments.

I do a mix of W-2 and 1099 work. I file taxes as an individual, not as a business. Can I file for SBA programs in addition to unemployment benefits?

You can apply for unemployment for your W-2 wages and an SBA loan for your 1099 work. However, you can only collect once so total payments should not exceed your average income.

How do I decide if I should apply for unemployment benefits or for SBA programs?

You should consult your advisors such as your accountants and lawyers.

FAQ Specific to Multiple-person Entities

Can company principals be included in the employee count for payroll protection?

Yes

I have an LLC, but I am the only W-2 employee of it. Everyone that I hire (crew, editors, associate producers), I pay as independent contractors on 1099s. Am I filing for PPP for just my own payroll costs, or should I include my contractors as well?

You would apply only for your own payroll costs.

Because filmmakers often have multiple LLCs, LLPs, Corporations etc. built around their films, how does that affect how we would apply?

Each LLC should apply separately for its own payroll costs.

Common Filmmaker Scenarios

I received grant money in 2019. Should that be considered 1099 income?

You should consult with your accountant and the foundation or organization that made the grant for guidance.

Can we apply if we use a payroll company?

Yes.

I'm a permanent resident who may want to apply for citizenship. Does receiving funds from any of these programs impact being denied citizenship based on Public Charge Grounds?

You should consult your immigration attorney.

For undocumented people who are self-employed, independent contractors via their own LLC, are they eligible for the small business provisions of the stimulus package even if the person has no DACA/SSN?

Undocumented people are typically not eligible for SBA programs. You should contact your advisors.

You can learn about other government benefits (including food security benefits and stimulus checks) that are available to individuals with varying levels of documentation in this [powerpoint by the National Immigration Law Center](#).

My company is operating at a negative balance (no income yet). Can I still qualify for relief?

Yes, if you were making payroll payments.

I have a single-member LLC. I signed a documentary distribution deal, eligible for obvious but unprovable loss of income. An example is anticipated but unprovable loss of income from spring education distribution aimed at universities.

PPP is not designed for loss of income but to replace payroll expenses and certain other fixed costs. The EIDL program specifically addresses loss of revenue. If you apply for an EIDL, you will need to work with the SBA in underwriting your loan.

I have a single member LLC, which brings in around \$50,000/year from renting gear to productions. Am I able to apply for the SBA PPP loan?

You are eligible for PPP if you have payroll expenses. If you only paid yourself via an annual distribution, aka “owner’s draw,” you should consult your local banker.

Is a tiny incorporated production company or its sole employee/owner eligible for government relief even if the company is still receiving client checks for work completed before the COVID shutdown?

You are eligible if your business has been impacted by the shutdown. If you have money that was earned before but are not completing new jobs, you are also eligible.

I have a fiscal sponsor, am I eligible for any of these programs?

If your fiscal sponsor practices a “Model C” regranting model of fiscal sponsorship (most arts and media fiscal sponsors including IDA, Women Make Movies, IFP, Film Independent, Southern Documentary Fund, The Film Collaborative and Fractured Atlas are “Model C”) you are an independent entity and may apply on your own if you otherwise qualify.

If your fiscal sponsor practices a “Model A” direct project model of fiscal sponsorship (less common for film and media projects) where they pay your staff directly, manage your payroll or are the employer of record for project expenses, you are likely not eligible to apply on your own. Discuss your situation with your fiscal sponsor.

Additional Resources *UPDATED*

- Federal Dept of Labor Outline of Unemployment Benefits during COVID-19 Outbreak (This will guide you to your state’s unemployment office for details on how to apply in your state, but this site clearly lays out what you are entitled to, regardless of which state you live in, due to national legislation passed at the end of March)

- [How to apply for unemployment benefits from the *Washington Post*](#)
- Crowd-sourced updates [state-by-state for Unemployment Benefits](#)
- [The Music Industry's Step-by-Step Guide to Applying for Unemployment](#)
- [PPP resources from the Department of Treasury \(USDT\)](#) *TIP* This page is being frequently updated, make sure to bookmark.
- [Applying for SBA Disaster Loans \(EIDL\) Guide from SBA West Virginia Office](#)
- [F.A.Q. on Coronavirus Relief for Small Businesses, Freelancers and More from the *New York Times*](#)
- [SBA PPP Overview from Cornerstone Government Affairs](#)
- [SBA COVID-I and COVID-II small business loan programs overview from Cornerstone Government Affairs](#)
- [Smart Asset's](#) updated list on participating lenders and their individual application requirements. *TIP* Lenders with two asterisks are currently welcoming applications from non-customers.
- Fiscal Management Associates (FMA PPP) Toolbox. *NEW* Excellent guides for both small businesses and freelancers, along with links for *free daily webinars*.

Resources for Undocumented Immigrants *UPDATED*

- National Immigration Law Center FAQ: [Understanding the Impact of Key Provisions of COVID-19 Relief Bills on Immigrant Communities](#)
- National Immigration Law Center webinar from 4/16/20: Equal Opportunities to Thrive: Covering Rebates, Tax/SSN/ITIN, Food Security & Access to Food Programs. [Powerpoint here](#).
- [FAQ for Immigrant-Owned Worker Cooperative Businesses on Federal Coronavirus Funding Options](#)
- InformedImmigrant.com [State-Level Directory for Resources for Immigrants during the coronavirus crisis](#)
- [COVID-19 Resources for Undocumented Communities](#) (organized by state)
- Fact Sheet on Eligibility for Unemployment Benefits During COVID-19, National Employment Law Project

- Access COVID-19 Support as a DACA Recipient or as an Undocumented Immigrant, Immigrants Rising