

Frequently Asked Questions (FAQ)

U.S. Small Business Administration (SBA) Coronavirus Relief Funding for Child Care Providers

This document addresses the whole array of **early childhood operations**, including Head Start, Early Head Start, Child Care Assistance Program, day care, early learning, preschool and related services. As a provider, the recently passed federal CARES Act provides two really good options for you to get financial relief related to the coronavirus. Each program works a little differently, so we have answered the most commonly asked questions about each.

First things first, can I apply for both of these?

In order to get the most money possible without having to pay any back, you should choose ONE of these programs. [Use our decision tool](#) to pick the best option for you.



Economic Injury Disaster Loan (EIDL) Emergency Advance

What is it?

This program provides up to \$10,000 to small business, independent contractor, or nonprofit that are currently experiencing temporary difficulties.

Am I eligible for this money?

Any small business, independent contractor, or nonprofit with 500 or less employees is eligible.

Who should use this program?

Providers with only one or two employees OR providers that cannot provide payroll and financial reports for 2019.

Do I have to pay it back?

You do not have to pay this money back.

When will I get the money?

The Small Business Administration is trying to turn this money around in a matter of days.

How do I apply?

Providers can apply for this money directly from the Small Business Administration. Just fill out the form provided by the SBA at <https://covid19relief.sba.gov/#>

Where can I learn more?

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>



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Paycheck Protection Program (PPP)

What is it?

This program is designed to help small businesses, independent contractors, and nonprofits keep their workers on the payroll by providing forgivable loans up to 2.5 times your average monthly payroll in 2019.

Am I eligible for this money?

Any provider with 500 or less employees is eligible but this program does require that you show detailed payroll and financial reports for 2019.

Who should use this program?

Providers who have three or more employees AND can provide payroll and financial reports for 2019.

What can I use the money for?

The money through this program has to be primarily used for payroll related expenses. A small portion (25%) can be used to pay rent, utilities, and/or mortgage interest. If you've already had to reduce your workforce due to COVID-19, determine if you would like to rehire them. They will be covered.

Do I have to pay it back?

Loans through this program are known as "forgivable", meaning you don't have to pay them back as long you keep the same number of people on payroll. If you end up reducing your staff you would need to pay back the money you didn't use on payroll (or other allowable expenses) within two years at a 1% interest rate. You can also just pay this "extra" money back right away if you would like.

How do I apply?

Even though this is a government program you have to apply for this loan through your bank. Check with your bank to see whether they are an SBA certified lender. Most certified banks have created a special page on their website where you can apply. You will need to gather the necessary paperwork and loan amount calculations before applying.

When will I get the money?

This is not yet clear but banks are trying to get the money out to organizations as quickly as possible.

Where can I learn more?

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

