Small Business: EIDL Does Not Roll into PPP Loan

### CARES Act Parameters

<table>
<thead>
<tr>
<th>Loan Eligibility:</th>
<th>CARES Act Parameters</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Employees:</td>
<td>45</td>
</tr>
<tr>
<td>• Industry:</td>
<td>Gift Store</td>
</tr>
<tr>
<td>• NAICS:</td>
<td>53220</td>
</tr>
<tr>
<td>• Operation Date:</td>
<td>1/30/19</td>
</tr>
<tr>
<td>• Annual Revenue:</td>
<td>$799,000</td>
</tr>
</tbody>
</table>

### Business Expenses:

- **Annual Payroll:** $669,000 (hypothetical amount used from prior example)
- **Monthly Mortgage (principal + interest):** $8,500
- **Monthly Utilities:** $4,000

### Loan to EIDL before 4/3/20

- **Loan Amount:** $75,000 (up to $2mm)
- **Collateral:** yes (none required because funds used for Covid19-triggered expenses)
- **Trade Payable:** $50,000
- **Payroll:** $0 (business planned to also apply for PPP, so it did not apply funds to payroll)
- **Fixed Debts:** $25,000 (excludes refinancing debt incurred prior to Covid19, repairing physical damage, or paying dividends)
- **Total:** $75,000

### Immediate Use of EIDL:

- **Loan Amount:** $75,000 (note: EIDL and PPP cannot be used for same purpose)
- **Trade Payable:** $50,000
- **Payroll:** $0
- **Total:** $75,000

### Separately Applied to PPP on 4/3/20

- **PPP Loan Amount:** $139,375 (hypothetical amount (see PPP-only scenario for calculation))
- **EIDL Amount:** $75,000 (this amount is not rolled into a PPP loan because it was not used on PPP-qualifying expenses)

---

This analysis represents a fictitious business per SBA guidance as of April 2, 2020 and is to be used as an example only. GPEC is not held responsible for the accuracy of the application of CARES Act guidelines. Please talk to your lender for individual details.