

Canada Emergency Business Account

Loan Application Tip Sheet

Updated June 26, 2020

The Canada Emergency Business Account Loan is an interest-free loan of up to \$40,000 for eligible small businesses and non-profits. The loan is intended to help cover operating costs if your revenue has been temporarily reduced due to the COVID-19 crisis.

If repaid by December 31, 2022, 25% of the loan (up to \$10,000) could be forgiven. The forgivable portion of the loan will be considered taxable income in the year it was forgiven.

Business can be eligible using 2019 Payroll or 2020 Expenses.

YOU ARE ELIGIBLE IF:

- You are a Canadian operating business as of March 1, 2020
- You have a federal tax registration number
- You have an active business chequing/operating account with your financial institution, and have opened the business account on or prior to March 1, 2020
- You are not in arrears on existing borrowing facilities, if applicable, by the lender, by 90 days + of March 1, 2020
- You have not previously used the program for the business or applied for the loan through any other bank or credit union (note, if you have multiple businesses that meet this criteria, you can apply for each business individually)
- You acknowledge your intentions to continue to operate your business or resume operations
- You agree to participate in post-funding surveys conducted by the Government of Canada or any of its agents
- **PAYROLL:** You can demonstrate you had payroll expenses between \$20,000 to \$1.5 million in the 2019 calendar year or
- **EXPENSES:** You have eligible non-deferrable expenses in 2020 between \$40,000 and \$1.5 million

APPLICATION REQUIREMENTS: PAYROLL STREAM

You must apply for the CEBA Loan through your business' primary financial institution. Each one has a slightly different process or online form. Some will require you to apply through your online business account, while others let you apply directly through a link on their website.

The person filling out the application must have the authority to attest and bind your business to the terms of CEBA.

Here is a list of items you should have ready in advance of your application:

- Credentials for your financial institution's online banking (username and password)
- A copy of your business T4 Summary of Remuneration Paid for 2019 (T4SUM)*
- CRA Business Number (BN). You can find this at the top of your 2019 T4SUM
- Your Total Employment Income: The sum of all employment income reported in Box 14 of the 2019 T4SUM and all employment income reported in Box 71 of T4 statements issued to all employees for 2019. This amount must be between \$20,000 and \$1,500,000.
- Your Legal Business Name, Business Phone, Email and Business Address (this should match the information on your T4SUM)

*Contact the Canada Revenue Agency (CRA) if you require a copy of your 2019 Summary of Remuneration Paid. Call the CRA Business Enquiries Line at 1.800.959.5525, Monday to Friday between 9AM-6PM EDT

FBC can help you with your Canada Emergency Business Account Loan Application and other Federal Emergency Financial Support Programs. Register today for a free eligibility assessment:

FBC Members: www.fbc.ca/reboot-member or **Non-Members:** www.fbc.ca/reboot-your-business

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If your 2019 T4 Payroll is less than \$20,000, you may be eligible for the CEBA loan using eligible 2020 non-deferrable expenses. Eligible expenses must be between \$40,000 and \$1.5 million.

ELIGIBLE EXPENSE INFORMATION:

The Eligible Non-Deferrable Expense categories are the following:

- Wages and other employment expenses to independent (arm's length) third parties;
- Rent or lease payments for real estate used for business purposes;
- Rent or lease payments for capital equipment used for business purposes;
- Payments incurred for insurance related costs; Payments incurred for property taxes;
- Payments incurred for business purposes for telephone and utilities (gas, oil, electricity, water and internet);
- Payments for regularly scheduled debt service;
- Payments incurred under agreements with independent contractors and fees required in order to maintain licenses, authorizations or permissions necessary to conduct business by the Borrower.

The following Government of Canada programs will cause adjustments to the amount of expenses reported:

- Canada Emergency and/or 10% Temporary Wage Subsidy,
- Canada Emergency Commercial Rent Assistance,
- Regional Relief and Recovery Fund,
- Futurpreneur Canada,
- Northern Business Relief Fund,
- Fish Harvester Grant,
- relief measures for Indigenous businesses,
- and \$250 million COVID-19 IRAP Subsidy Program

APPLICATION INFORMATION: EXPENSES STREAM

CEBA applications under the 2020 Eligible Non-Deferrable Expenses Stream will follow a two-step process:

- Step 1: Businesses will initiate applications directly at their primary financial institution where they hold their primary business chequing / operating account. The financial institution will then direct applicants to Step 2 of the application process.
- Step 2: Following the initial application through your financial institution, applicants will be directed to a CEBA website to provide supporting documentation of the 2020 Eligible Non-Deferrable Expenses and to complete the application.

The Government of Canada will assess application information submitted via financial institutions in Step 1 together with the supporting documentation and information provided in Step 2. If successful, the Government of Canada will notify your financial institution and provide funding for your CEBA loan.

Once the expanded eligibility criteria become effective, you will need three main pieces of information to complete the application:

- The name of the financial institution where you submitted your application; and
- Your 9-digit business number (same number you used in your application with your financial institution); and
- Electronic or paper copies of Receipts / Invoices / Agreements to be uploaded as evidence of your 2020 Eligible Non-Deferrable Expenses

The application process using the Expenses Stream is now available. Please contact your financial institution to get started or contact FBC. See below for details.

FBC can help you with your Canada Emergency Business Account Loan Application and other Federal Emergency Financial Support Programs. Register today for a free eligibility assessment:

FBC Members: www.fbc.ca/reboot-member **or Non-Members:** www.fbc.ca/reboot-your-business