

Tips for applying for the Canada Emergency Banking Account (CEBA)

Courtesy of Lynette Fairweather

Plus some other grant info at the end.(trillium etc)

In 2020, COVID descended upon the world and affected MANY businesses and organizations - community theatre is no exception. Some businesses are able to weather this storm better than others. Those with ongoing overhead expenses are harder hit.

The CEBA is one the government programs designed to help organizations with ongoing overhead expenses. When this program first came out in April, community theatres were not eligible to apply. The government modified the eligibility requirements in May, and community theatres were still not eligible. The government again modified the eligibility requirements in June, and in early July 2020, phase-III of the program went live!

Why might I care about the CEBA?

If your application is approved, your organization receives a \$40,000 loan! This loan is **interest free** until December 31, 2022. If the organization pays the loan back in full at that time – they get to keep \$10,000.

In effect that is a \$10,000 GRANT – when do we ever get that!?!

If an organization is unable to pay the loan back in full by that date, the outstanding principle begins to accrue interest at 5% per annum. The full loan balance and all accrued and unpaid interest will be due and payable on December 31, 2025.

Who is eligible?

Certainly you can follow the link below to read the government eligibility criteria.

<https://www.canada.ca/en/department-finance/news/2020/06/more-small-businesses-can-soon-access-the-canada-emergency-business-account.html>

However, to summarize eligibility criteria here (and focused on elements applicable to our sector) the applicant organization must have:

- A Canada Revenue Agency business number, which was in place on or before March 1, 2020;
- A 2018 or 2019 tax return (our T3010 for charities);
- A business operating account at a participating financial institution (FI) (*practically all of them*):
 - That business operating account was in place on or before March 1, 2020 at the institution at which you are applying;
 - Your organization does not have any accounts or loans that were in arrears 90 days or more as at March 1, 2020;
- **Eligible non-deferrable expenses of between \$40,000 and \$1.5 million. Think:**
 - Rent;
 - Insurance;
 - Hydro, gas, phone, etc.
 - Other monthly obligations;
 - Other items which are critical to sustain business continuity;
- Experienced a 75% or more drop in income since the advent of COVID-19;
- Not been previously granted a CEBA loan;

Applications can be made through your primary financial institution any time **before October 31, 2020 THIS HAS BEEN EXTENDED UNTIL DECEMBER OF THIS YEAR– the sooner the better**

NOTE-1: It's not clear, but perhaps if you apply – and there are errors in your application and you are declined - then if the application window has not closed, you can re-apply and fix those errors.

Application tips, Part-1:

- Apparently, links to the application will be found on your financial institution's home page – after you have signed in – search the page for a **Canada Emergency Business Account loan** box.
- When you apply through your FI, you won't need any documents, you just have to answer a number of simple questions.
 - After your application is submitted through your FI, you will be sent a link to complete part-2 of the application via CRA.
 - At that time you will need to be able to upload documented evidence to support your previous claim on non-deferrable expenses. It is best to gather your documents in advance of completing your application through your FI;
 - **NOTE-2: Although not clear, it is probably best if the figure you quote via your FI is equal to the total of the documented evidence you'll be uploading via the CRA link;**
- The form was originally developed for organizations outside of the non-profit (and volunteers) sector. Thus some of the questions don't seem to apply;
- The individual completing the application MUST be one of the organization's signing authorities, as established at the FI;

There is LOTS to read as you are completing the application, but to focus on **some of the "tricky questions":**

- a. **Organization's Employment Income** – Unless you have persons on payroll, enter \$0;
- b. **Organization's Business Number** – Your organization's 9-digit business number;
- c. **Most Recent Income Tax Filing Year** - Probably you filed for your fiscal ending some time in 2019;
- d. **Is your Organization a Corporation?** Yes or No?
Is your organization incorporated? This might show in your legal name. Charities and non-profits often incorporate in order to defer liability. Check if you have Articles of Incorporation or Letters Patent;
- e. **Income as reported on line 400 of the organization's most recent T2 Corporation Income Tax Return.** I think this syntax is a hold over from Phase 1&2 of the appn when non-charities were applying. I decided to interpret it as:
Business Income for Most Recent Income Tax Filing Year – Make certain this MATCHES what you submitted on your T3010 on the above tax filing year.
NOTE-3: It is suspected that if you enter a figure that is different than what you submitted on your T3010, that could be a reason for the government to decline your application;
- f. **Organizations total 2020 Eligible Non-deferrable Expenses -**
There is likely a link in the application (RBC has a link) that provides additional detail, but remember to include rent, all utilities, insurance, etc.
Calculated as of March 1, 2020, the total amount of incurred and projected eligible non-deferrable expenses the organization was or is legally or contractually obligated to pay in the 2020 calendar year.
NOTE-4: Remember, you must have document-evidence of each expense that contributes to this total, and this total should equal the total of the evidence that you will provide on the CRA portion of the application;
- g. **Amount of benefited received - or expected to receive by December 31, 2020 – under any other Government of Canada COVID-19 Response Program -**
Most likely you are not receiving support under any other program, and if that is the case, the answer is \$0;
- h. **Organization's Net 2020 Eligible Non-deferrable Expenses** – It's a question, but the application auto completes it (it does for RBC);

You should then be able to **SUBMIT** your application. Likely your FI has a dedicated CEBA application phone-# for questions. Find that number and write it down for when you have questions later on.

After you submit, it's likely you will land on "Your application has been submitted successfully. Below is a link to complete the CRA portion of the application." (That is what happened via RBC).

But if you don't receive that link immediately, you might have to wait 1-5 days for CRA to review your bank application, and then send you a link to complete the CRA-portion of the application.

If you don't receive the link immediately – or by 5-days – call your bank's CEBA helpline.

Application tips, Part-2, the CRA-part:

- It asks the name of the FI through which you applied;
- **Organization's business number** (*again*);
- **Is this the first or second time you have uploaded documents?**
To me this implies that they will let us reapply &/or re-upload documents if we did that incorrectly the first time;
- **Total amount of non-deferrable expenses.**
Again, I think it's best if this equals what you submitted through your FI application AND equals the total of the evidence that you have amassed;
- Then for each document you are to upload, you answer several questions:
 - **Type of expense** (e.g., rent, utilities, insurance);
 - **Type of document** (there's a list peculiar to each type of expense);
 - **Payment frequency** (there's a list, but e.g., weekly, monthly, quarterly, annually);
 - **Amount of the expense on the bill** (look at your bill/invoice);
 - **Forecasted annual expense** (it auto-calcs that for you);
 - **Payment date on the bill you are about to upload** (look at your bill/invoice);
 - **File upload** (follow instructions to upload your "evidence");
- AND THEN REPEAT – with all of your non-deferrable expense evidence.
- The CRA application keeps a running total of what your total non-deferrable expenses are.
- You only need \$40,000, but I believe you should upload everything you have – that is eligible - just to be safe (as long as it is a legal expense)

There will again be several attestations to select (e.g., agree to the Terms and Conditions)

You'll be asked to confirm "you are not a robot"

You then SUBMIT your application to the government.

Make certain you record the info line of all telephone numbers offered, however, once you complete Application Part-1, the phone number is:

C E B A Information line – 1 (888) 324 - 4201

After you do all that, you click "Submit", and then be ready to be patient as CRA processes your application. This can take **SEVERAL** weeks.

After BOTH applications ...

Apparently, once the CRA rules on your application, they will send you an email with the results:

- **If you're declined**, we hope that they provide reasons why, so you can correct any errors and reapply;
- **If you're approved**, the money appears in your account within 5-business days;

Regardless, this is NOT a complex application process. It is certainly MUCH easier to do than, say, the average Trillium grant.

It is our responsibility to our organizations that we do everything we can to keep our organizations solvent and able to continue operations on the other side of this pandemic.

We don't know how long theatre closures – or reduced house sizes – will last. Maybe you think you don't need the loan, but in March 2021, you wish you had applied.

Just think – if you apply for the loan now, and are successful – great! If restrictions are lifted, and we get to go back to 100% houses in <April 2021>, and you realize you don't need the loan – you can pay it back immediately – no need to wait until December 2022. This loan could be an essential support to give you some breathing room.

Consider applying – and best of luck in your application!

SINCE WRITING- the Grant window has been extended. We are unsure of the changes. But please check out the government website.

- a. Make certain you have a CEBA-lead at your Bank;
- b. Make certain they have put you on “their list” for needing the amended process.

As well ... the government of Canada:

- a. Increased the application deadline to 20-Dec-31;
- b. Increased the loan amount from \$40k to \$60k;
- c. Increased the amt we can keep (if the rest is repaid by 22-Dec-31) from \$10k to \$20k;

OTHER GRANTS AVAILABLE- courtesy of Pamela Niesiobedzki-Curtis

TRILLIUM Fund is still offering grants- please check their website

<https://otf.ca/resilient-communities-fund?redirected=1>

Tourism Economic Development and Recovery Fund (TEDRF)

The [Tourism Economic Development and Recovery Fund \(TEDRF\)](#) is an application based, cost-sharing program designed to provide non capital funding to projects that either:

- Encourage the development of innovative new tourism products
- Support tourism investment
- Build the capacity of Ontario's tourism industry

The program also supports innovative tourism recovery projects aimed at increasing tourism within Ontario to address the reduction in global travel as a result of coronavirus (COVID-19).

There are a variety of HERITAGE FUNDING GRANTS available through various cities. You should check out your municipality.