

Contribute**American Rescue Plan Act of 2021 SEC. 5002. TARGETED EIDL ADVANCE.**

Copy provided by Murray Wennerlund developer of TruckAndTools.Com
Copyright © 2021 TruckAndTools.Com All Rights Reserved.

Original post location: <https://www.truckandtools.com/disaster/sba.asp?gdyk=329>

Published: 3-28-2021 Revised: 3-28-2021

EIDL Advance is to make payments to covered entities that have not received the full amounts to which the covered entities are entitled under section 331 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

I'll be sharing information that may actually help you understand better why you may not be eligible for the targeted EIDL advance. But first, let's review quickly the changes to the EIDL Advance Grant from the CARES Act Section 1110(e).

From the: **American Rescue Plan Act of 2021**

SEC. 5002. TARGETED EIDL ADVANCE.

(a) Definitions. - In this section -

(1) the term "Administrator" means the Administrator of the Small Business Administration and

(2) the terms "covered entity" and "economic loss" have the meanings given the terms in section 331(a) of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (title III of division N of Public Law 116-260).

(b) Appropriations. - In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2021, out of any money in the Treasury not otherwise appropriated, \$15,000,000,000 -

(1) to remain available until expended and

(2) of which, the Administrator shall use -

(A) \$10,000,000,000 to make payments to covered entities that **have not received** the full amounts to which the covered entities are entitled under section 331 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (title III of division N of Public Law 116&ndash260) and

(B) \$5,000,000,000 to **make payments under section 1110(e) of the CARES Act** (15 U.S.C. 9009(e)), each of which shall be -

(i) made to a covered entity that -

(I) has suffered an **economic loss of greater than 50 percent** and

(II) employs not more than 10 employees

(ii) in an amount that is \$5,000 and

(iii) with respect to the covered entity to which the payment is made, in addition to any payment made to the covered entity under section 1110(e) of the CARES Act (15 U.S.C. 9009(e)) or section 331 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (title III of division N of Public Law 116&ndash260).

NNNNN

Editors Note: Many will not see any additional funds because of 2020 eligibility issues. Your business also may have been flagged by any number of agencies to include banks and clearinghouses.

Sometimes when instructions are not written clear and in plain language we may make mistakes when we try to interpret the instructions.

Some common mistakes made by small business owners in processing EIDL Advance Grants are:

- You allowed a person to complete your application and that person did not complete the form that they were processing your application. To the Federal Government, a single IP connection processing multiple applications for business owners as the business owner and not a processing person created a red flag. Nearly \$68 billion federal tax dollars were flagged for this type of activity.
- You may have allowed a person to process your application and they listed their physical address which would have been a duplication of addresses if they did not identify themselves as a applications processor.
- You allowed someone to share your bank account or you shared a bank around. Typically when this happens it's flagged as a duplicate application and both are stopped. You may have at that point created a new bank account with a different bank which would have also generated red flags.
- Your original EIDL application showed a different bank account for the EIDL deposit. Many who changed bank accounts between the time they first filed their application and the the review time (before loan offer) were flagged for fraud when a notice to update bank account provided no business usage. Also, online banks setup as personal accounts after Jan. 2020 were used as a red flag. Not to say those who attempted to transfer the funds to foreign accounts or market accounts were also blocked and flagged.
- If you had any identity theft and old accounts or new accounts showed signs that more than one person or group were using your personal information you would have been flagged and blocked.
- Many felt if they didn't use their SSN and applied for a new Employer Identification Number after the cutoff date nothing would be traced back to the person completing the application. This was also a red flag during the application process.

I have many other examples of how a business could have been flagged for not understanding that when you asked for the advance grant you were to ask for \$1,000 per employee or if self-employed you were to ask for 1 or 0 noting that you are an independent contractor and they would have counted you as one person. When those who will remain nameless applied for \$10,000 in grants but couldn't provide proof they had 9 employees were being cut off you couldn't simply reapply claiming \$1,000 after you attempted fraud for \$9,000. The SBA was notified by other federal agencies to not process your application after these failed attempts. I believe it was more than 30 days after the first application was processed in April 2020 that the SBA started to see patterns and stop processing EIDL Advance Grants that appeared to be incorrectly filed.

About 1.4 million possible fraud cases were sent to the SBA OIG and OIG. These agencies still have many of these cases still open. More than half were suspected to be related to identify theft and the remaining 550,000 were classified as potentially fraudulent activity.

Copy provided by Murray Wennerlund developer of TruckAndTools.Com

Copyright © 2021 TruckAndTools.Com All Rights Reserved.

Original post location: <https://www.truckandtools.com/disaster/sba.asp?gdyk=329>

Published: 3-28-2021 Revised: 3-28-2021