

PAYROLL PROTECTION PROGRAM SMALL BUSINESS ADMINISTRATION 7(A) LOANS – ADDITIONAL INFO

The Small Business Administration issues Interim Final Rules related to their programs provided through the CARES Act. These include the EIDL program and the Payroll Protection Program. Those rules can be found at: https://www.sba.gov/sites/default/files/2020-04/SBA%20IFR%202020_1.pdf

Of particular note is a definition of the eligible organizations. To be eligible, a hospital must have 500 or fewer employees and be a tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code. As has been noted previously, governmental entities have been excluded from the SBA 7(a) program. However, it appears that a governmental entity which has maintained a 501(c)(3) status can still be eligible for the SBA 7(a) program. Also note that many membership organizations including the Kansas Hospital Association and American Hospital Association are advocating for an expansion of the SBA 7(a) program to all hospitals of 500 employees and less, including county, city and district hospitals.