

SBA Approving Economic Injury Disaster Loans (EIDLs): What You Need To Know

They also provide a longer list of funds the loans **cannot** be used for:

- *Dividends and bonuses
- *Disbursements to owners, unless for performance of services
- *Repayment of stockholder/principal loans (with exceptions)
- *Expansion of facilities or acquisition of fixed assets**
- *Repair or replacement of physical damages
- *Refinancing long-term debt
- *Paying down (including regular installment payments) or paying off loans provided, or owned by another Federal agency (including SBA) or a Small Business Investment Company
- *Payment of any part of a direct Federal debt, (including SBA loans) except IRS obligations
- *Relocation (however, you can request written consent to relocate)

The SBA requires that you keep books and records "for the most recent 5 years until 3 years after the date of maturity, including extensions, or the date this Loan is paid in full, whichever occurs first."

In addition, you will have to keep "itemized receipts (paid receipts, paid invoices or cancelled checks) and contracts for all loan funds spent." In short, it's as important than ever to keep good records.

***Note: Fixed asset: assets which are purchased for long-term use and are not likely to be converted quickly into cash, such as land, buildings, and equipment.*

For Reference see article: [Forbes article SBA Approving Economic Injury Disaster Loans](#)