Educating the Community on Government Relief Programs

Live Webinar will begin shortly

April 9, 2020 5:00PM

SCORE | Santa Barbara County
Speakers

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Neither SCORE or SCORE Mentors provide legal or accounting advice. This presentation provides a general overview of the subject matter. You should seek advice from your lawyers, accountants and other advisor regarding the specifics of your business.
Emergency Relief Bills

In response to COVID-19, and the subsequent impact on our economy, the US government has passed a series of relief measures to help companies and employees:

• New Tax Deadline
• Economic Industry Disaster Loans
• Relief Phase 1 & 2
• Relief Phase 3
Overview: What is Available

- Small Business Aid and Protection
- Direct Payments
- Federally Guaranteed Loans
- Unemployment Benefits
- Industry Aid
- Payroll Tax Deferments
- State and Local Government
- Use of Retirement Funds
- Coronavirus Testing

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Calculating Lost Revenue

• This is a detailed record showing the difference between the amount of money you make in a given period versus revenue during the same period last year.

• Keep these detailed records for aid applications. Many will ask you to estimate the amount of revenue you lost because of the crisis.
Paycheck Protection Program

- Details in Webinar from April 6. View at: SantaBarbara.Score.Org

- Creates a paycheck protection program (PPP) for small employers, self-employed individuals, and “gig economy” workers.

- The PPP provides 8 weeks of cash-flow assistance through 100 percent federally guaranteed loans to small employers who maintain their payroll during this emergency.

- If employers maintain their payroll, the loans would largely be forgiven.

- This proposal would be retroactive to February 15th, 2020 to incentivize bringing laid-off employees back onto payrolls.
Emergency Economic Injury Grants

- The stimulus includes $10 billion in funding for a provision to provide an advance of up to $10,000 to small businesses and nonprofits that apply for an SBA economic injury disaster loan (EIDL) within three days of applying.

- These grants do not need to be repaid, even if the grantee is subsequently denied an EIDL.

- Funds can be used to provide paid sick leave to employees, maintaining payroll, meet increased production costs due to supply chain disruptions, or pay business obligations (debts, rent, mortgage, etc).

- Eligible grant recipients must have been in operation by Jan. 31st, 2020.
Debt Relief for Small Businesses

- Federal agencies will be required to extend performance periods for small businesses and independent contractors.

- The bill provides $17 billion in funding to provide immediate relief for small businesses with existing loans.

- The SBA is required to pay the principal, interest and fees on existing SBA loans, providing small businesses with SBA loans some debt relief.

- The SBA must make these payments for a period of 6 months and must start doing so no later than 15 days from the date the Act is signed into law.
Resources for Business Counseling Services

Provides $275 million in grants to the nation’s network of Small Business Development Centers (SBDCs), Women’s Business Centers (WBCs), and the Minority Business Development Agency’s Business Centers (MBCDCs) to provide mentorship, guidance, and expertise to small businesses.
Payroll Taxes

- Businesses able to defer payment of their 2020 payroll taxes until 2021 and 2022, leading to nearly $300 billion in extra cash flow.

- Allows businesses to carry back losses from 2018, 2019, and 2020 to the previous 5 years, which will allow businesses access to immediate tax refunds.
Immediate Tax Relief

- Allows businesses that made investments into Qualified Improvement Properties in 2018 and 2019 to claim their eligible tax refunds now.

- Qualified Improvement Properties include:
  - Some aesthetic and accessibility improvements
  - Energy efficiency improvements
  - Some natural disaster prevention and protection improvements
Relief Bill: Employee and Individual Assistance

- Provides **paid sick and family leave** to employees taking unpaid leave due to the outbreak.
- Expands unemployment assistance and provides grants to states to process and pay state-level unemployment claims.
- Expands nutrition assistance (Food Stamps and WIC).
- Expands allotted funding for COVID-19 testing.
- Increases funding available to Medicare patients.
What This Means For Employers

With the spread of COVID-19, many people are forced to stay home from work either due to illness or because they are caring for others who are sick.
Sick Leave Reimbursement Plan

Employers with fewer than 500 employees will have to pay sick leave initially. However, the federal government will fully reimburse this leave through refundable tax credits which count against the employer's payroll tax.

Companies with fewer than 50 employees will be able to opt out of the program to avoid jeopardizing their business.
Employees are entitled to 10 weeks of job-protected leave if:

- They have been exposed or exhibit symptoms of the virus
- They are quarantined by a healthcare provider and unable to work from home
- They need to care for a symptomatic or exposed family member
- They need to care for a child under the age of 18 due to school closure and a lack of available childcare

The first 10 days would be unpaid and then employees will be paid according to their normally scheduled hours at 2/3 their regular rate.
THANK YOU!

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