



COVID-19 Response: SMALL BUSINESS OWNERS and EMPLOYERS

- **Am I required to provide emergency sick leave or family and medical leave to my employees?**

YES, if you have 500 employees or less. Your employees are eligible for both emergency paid sick leave and family and medical leave under the Family First Coronavirus Response (FFCR) Act.

If you have less than 50 employees and providing this leave could be detrimental to your business, you may be eligible for a waiver through the Department of Labor. More information on how to apply for such a waiver is forthcoming and will be determined by the Department of Labor (DOL). In the meantime, owners should make their decisions with the health of their employees in mind and document everything.

- **What loans are available to help cover the expenses of my small business?**

Small Business Association (SBA) Disaster Loans - Small businesses and self-employed individuals can apply for disaster loans to cover up to \$2 million of payroll costs, rent, etc.

Paycheck Protection Program Loans – expanded 7(a) loans 100 percent guaranteed by the SBA to allow small businesses with no more than 500 employees to cover monthly payroll costs.

- Maximum loan amount is the lesser of \$10 million or 2.5 times the average monthly payroll based on the prior year's payroll.

- **Are non-profits, chambers, and physician practices eligible for loans?**

YES, 501(c)(3) non-profits are eligible for both SBA Disaster Loans and the Paycheck Protection Program. No other 501(c)(3) organizations are eligible, including chambers structured as 501(c)(6)s.

Physician practices are eligible for the Paycheck Protection Program, no matter how they are structured.

- **Is it possible to receive loan forgiveness?**

YES, under the Paycheck Protection Program, borrowers who maintain payroll continuity from February 15, 2020 through June 30, 2020 as defined by headcount can request loan forgiveness on covered costs for an eight-week period.

Businesses can hire new or returning employees by June 30, 2020 and still qualify under the headcount requirements.

- **Is it possible to receive two loans at once?**

YES - Borrowers may be cleared to receive both a SBA disaster loan and a Paycheck Protection loan if the loans are being used for different expenses. Check with your lending institution to see if your business qualifies.

- **How will employee retention credit work?**

The Employee Retention Credit provides a refundable payroll tax credit equal to 50 percent of up to \$10,000 in wages per employee (including health benefits) paid by certain employers during the coronavirus crisis.

The credit is available to employers whose operations were fully or partially shut down by government order limiting commerce, travel, or group meetings due to coronavirus, or whose quarterly receipts are less than 50 percent for the same quarter in the prior year.

- Wages paid to employees during which they are furloughed or otherwise not working (due to reduced hours) as a result of their employer's closure or economic hardship are eligible for the credit.
- Employers with 100 or fewer employees, all employee wages qualify for the credit, regardless of whether they are furloughed or face reduced hours.
- Not available to employers that receive Small Business interruption loans, and wages that qualify for the required paid leave are also not eligible.

- **How can I access these small business loans, and how quickly should I expect the loans to come through?**

The SBA is working hard to increase capacity to process loans by adding new lenders. While there could still be some delays during this unprecedented time, under normal circumstances, SBA loans typically take only a couple of weeks from the time an owner fills out the application to the time the money is direct deposited into their account.

To apply for an SBA disaster loan, please visit: <https://disasterloan.sba.gov/ela/>.

Instructions on how to apply for the new loans established in the CARES Act are forthcoming and will be established as soon as possible by the SBA. The quickest way to get access to this assistance is to contact your existing lender. While the SBA is the lead on distributing these loans, the program is designed to go through your local lenders so we can get these funds out quicker.