

# CARES Act Federal Assistance

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APRIL 1, 2020





Welcome from  
Mayor Debbie  
Kling

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## Business Frequently Asked Questions

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**Note: This is still a fluid and evolving situation. The information provided today is as of today.**

Follow general breaking information on the news or here:  
<https://covid19relief.sba.gov/#/>

Breaking news on unemployment information in Idaho will be relayed through our Governor and translated here:

<https://idahoatwork.com/2020/03/18/faqs-about-unemployment-insurance-and-covid-19/>

# Pandemic Unemployment Assistance



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JAMIE CHAPMAN, WORKFORCE DEVELOPMENT & HR DIRECTOR,  
CITY OF NAMPA

## Pandemic Unemployment Assistance (PUA) – EVOLVING

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U.S. Department of Labor has not finished  
modifying the Pandemic Unemployment  
Assistance Act.

State Department of Labor

## Pandemic Unemployment Assistance (PUA) – EVOLVING

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U.S. Department of Labor PUA



Independent Contractors & Self  
Employment are Included

Part time and temps also included.

## Pandemic Unemployment Assistance (PUA) – EVOLVING

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### Additional Information

- Five previous quarter eligibility requirement under review for removal
- Waiting week has been waived
- \$448.00 weekly maximum amount for those eligible is being increased an additional \$600.00, depending on what current weekly wage
- People who had exhausted previous eligibility may be eligible for an expanded benefit under the PUA

Part time and temps also included.

## Pandemic Unemployment Assistance (PUA) – EVOLVING

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### Continued

- Watch news for updates from our State House
- DOL is not available for assistance until they have clarity from the Federal Government – U.S. DOL
- Don't rely on private groups to inform you. This is an evolving situation.
- Use the links we recommended for updates.

Part time and temps also included.



# Other Assistance

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# SBA Resources for Small Business



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BETH INECK

ECONOMIC DEVELOPMENT DIRECTOR, CITY OF NAMPA

## Paycheck Protection Program

- Intended to help employers maintain payroll during this emergency.
- Loan forgiveness of up to 8 weeks of payroll based on employee retention and salary levels.
- No SBA fees, and at least six months of deferral with maximum deferrals of up to a year.
- Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020.
- Retroactive to February 25, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans available through June 30, 2020.

Eligible businesses must have been in business on by February 15, 2020

Eligible for 501( c) 3, c 19, veteran organizations.

Must have fewer than 500 employees

Does include contractors, sole proprietors, and self-employed.

Affiliation rules are waived for franchises.

Loan period available from 2/25/20 – 6/30/20

Generally loan amount will be equal to 250% of 8 weeks of payroll expense. For example if your payroll cost is \$100,000/month would receive loan value of \$250,000.

If you were in business February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.

- If you were not in business between February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.

**Re-Hire** – If you have laid off employees already, you have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between Feb. 15, 2020 and April 26, 2020.

Prioritization for minority and women owned businesses, businesses that have operated less than two years. Lenders have an incentive from SBA to process smaller loans in order to target capital towards smaller businesses.

Application process is through your local SBA Lenders that already process 7 a loans.

## Eligible Payroll Costs

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- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of State or local tax assessed on the compensation of employees

Costs not eligible: Employee/owner compensation over \$100,000 • Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code • Compensation of employees whose principal place of residence is outside of the U.S. • Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act

## Paycheck Protection Program

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- Zero Loan Fees, Zero Prepayment fees
- Application process through existing SBA 7 a lenders
  - <https://www.sba.gov/offices/district/id/boise/resources/idaho-local-lender-list>
- Fixed Interest Rate of .50%, 2 year payback, payments deferred for 6 months.
- To obtain forgiveness, must apply through lender with documentation verifying payroll and payments on covered obligations.

You must apply through your lender for forgiveness on your loan. In this application, you must include:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use

Original legislation was: For non-forgivable portion: converts to 10 year loan with maximum interest rate of 4%

## Application Process – Initial Application on Website

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- Application process is anticipated to begin **April 3rd** for small businesses and sole proprietors.
  - Interest rate of 0.5%, Maturity of 2 years
  - First payment deferred for six months
  - 100% guarantee by SBA
  - No collateral
  - No personal guarantees
  - No borrower or lender fees payable to SBA
- Applications for independent contractors and self employed individuals anticipated to begin **April 10, 2020**.

## Emergency Injury Disaster Loan (EIDL) & Emergency Economic Injury Grants

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- These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL).
- To access the advance, you first apply for an EIDL and then request the advance.
- The advance does not need to be repaid and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments

Eligible businesses include: cooperatives, ESOP's, individual contractors, sole proprietors and non-profits – 501 c 6 are also eligible

- Less than 500 employees




## Emergency Grant

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- Must apply through SBA - <https://www.sba.gov/funding-programs/disaster-assistance>
- In operation by 1/31/2020
- Grants available from January 31, 2020 – December 31, 2020
  - Available retroactive if previously applied for EIDL
- Application process estimated at 2 hours.

## Small Business Debt Relief Program

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- Applicable to any new or existing SBA non-disaster loans – 504, 7a and microloans
  - SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months.
  - Relief will also be available to new borrowers who take out loans within six months of March 27, 2020
  - Payments covered as a grant.
  - Work through your current lender.
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## SBA 7(a) Loans

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- Funding for borrowers who lack credit elsewhere and need access to versatile financing for working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies.
- Work through existing lenders approved by SBA.
- Provide up to \$5 Million for 25 year with variable interest depending on size of the loan.

## How do these programs work together?

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- Emergency Economic Injury Grant and Economic Injury Disaster Loan (EIDL) recipients and those who receive loan payment relief through the Small Business Debt Relief Program may apply for and take out a PPP loan as long as there is no duplication in the uses of funds.
- An employer can not take both the PPP and the Tax Credit for Employee Retention Credit.

## Buyer Beware

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- Note about fraud:
  - Be sure you are using trusted websites, for information make sure they are .gov based
  - Work directly with an SBA Lender.
  - There are no fees affiliated with these programs for the business.

## Great Resources

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- <https://commerce.idaho.gov/covid-19/>
- <https://www.labor.idaho.gov/dnn/COVID-19>
- <https://covid19relief.sba.gov/#/>
- <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>
- <https://idahoatwork.com/2020/03/18/faqs-about-unemployment-insurance-and-covid-19/>
- <https://www.cityofnampa.us/1323/COVID-19-Resources>