

SBA & Coronavirus Stimulus Bill Updates

The Small Business Administration is a federal administration that works to keep small businesses in the United States afloat. They provide resources, aid, capital, and expertise for small business owners. The SBA has plenty of resources for business owners during this chaotic time.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a measure passed by the national government to help the United States weather the COVID-19 crisis.

SBA COVID-19 Economic Injury Disaster Loans

The loan application can be found here: <https://covid19relief.sba.gov/#/> The SBA has said that they are trying to get funds out starting as early as next week.

- Businesses can apply for loans of up to \$2,000,000
- Up to \$10,000 of a loan will be forgiven – that is FREE MONEY
- The application has been streamlined to be as simple as possible
- For property owners, there is a section about loss of income due to rent loss
- The SBA says that business owners can receive a direct deposit of \$10,000 directly into their bank account in 2-3 days if they provide the relevant details.
 - Landlords and brokers qualify, depending on their business setup

****Please Note****

Businesses CANNOT claim both the Employee Retention Tax Credit and the SBA Paycheck Protection Program.

SBA Paycheck Protection Program

The Paycheck Protection Program is a loan program designed to help small businesses keep their employees on the payroll. Information about the program can be found here:

<https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>

- Lenders can begin processing application as soon as April 3, 2020. The program is available through June 30, 2020.
- The loan amount will be fully forgiven if employers keep their employees on payroll for 8 weeks, using the loan funds to continue payroll.
- At least 75% must be used for payroll, the other 25% can be used for interest on mortgages, rent, and utilities. As long as that 75% is used for payroll, the entire loan will be forgiven.
 - Forgiveness will be reduced if the full-time headcount declines or there is a cut in salaries or wages.
- Any small business can apply. This includes small businesses in hospitality and food industries if the individual stores employ less than 500 workers. Each store location can be eligible for the program.

Employee Retention Tax Credit

This is a refundable payroll tax credit for all businesses and non-profits that retain employees during the COVID-19 crisis. It is a part of the CARES Act. For more information, click here:

<https://www.schatz.senate.gov/coronavirus/employee-retention-tax-credit>

- The credit is provided through December 31, 2020.
- The credit equals 50% of wages and compensation.

- Businesses are eligible if:
 - They have been fully or partially suspended due to a government order.
 - They experience a 50% reduction in quarterly receipts due to the crisis.
- Small businesses (100 employees or less) can claim a credit for wages paid to employees, up to \$10,000 per person
- Larger businesses can claim credit for employees who are furloughed or face reduced hours due to business closure or economic hardship.

For More Information About The CARES Act

The act is too expansive to break down into just a few bullet points. Check out [this video](#) for a review of the act that cuts through all of the legal language and explains everything in plain English.