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**Date:** April 1, 2020 at 6:07:24 PM CDT  
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**Subject:** Federal Resources for Small Businesses & Non-Profits

**Congress of the United States**  
Washington, DC 20515

Hello - Andrew Goczkowski in our office put this excellent guide together for small businesses and non-profits. Paycheck Protection Program Loan applications can be submitted as early as this Friday, details and links are included below.

For general questions, please email [Andrew.Goczkowski@mail.house.gov](mailto:Andrew.Goczkowski@mail.house.gov) or reach out by phone at 847-328-3409. For detailed questions regarding the intricacies of an application or supporting documentation, we encourage potential applicants to contact one of the small business counseling centers listed below, as those staff are specifically equipped to assist.

## **1. General Resources**

- [Small Business Owner Guide to the CARES Act](#) (from the U.S. Senate Committee on Small Business & Entrepreneurship)

This guide has frequently asked questions for each of the programs established or enhanced to support small businesses, and I have briefly summarized the major provisions of each program below to make it easier to digest.

## **2. Paycheck Protection Program Loans – Guidance now available.**

**General Information:** The PPP program is designed to help small businesses maintain payroll in light of the COVID-19 pandemic. Eligible businesses who enroll in the program will receive a forgivable loan to use for payroll purposes, in addition to helping pay for utilities, rent, mortgage interest payments, and more. Details are included in the links below.

**New Resources:** This morning, the Small Business Administration distributed additional guidance from the U.S. Department of the Treasury on how the Paycheck Protection Program is going to be implemented and what both lenders and borrowers need to know. The following documents were provided:

- [General Program Overview for the Paycheck Protection Program](#)

- [PPP: Information for Lenders](#)
- [PPP: Information for Borrowers](#)
- [Sample Paycheck Protection Program Application](#)
- [Small Business Administration's PPP Page](#)

**Key Dates:** The start date for small businesses and sole proprietorships to submit PPP loan applications is **April 3, 2020**. The start date for independent contractors and self-employed individuals to submit PPP loan applications is **April 10, 2020**. *Importantly, the Treasury Department guidance urges businesses to apply as soon as possible, due to a funding cap in place on this program.*

**Lender Information:** PPP loans will be 100% federally guaranteed but handled by SBA-certified lenders. Lending institutions that are not currently SBA-certified but want to participate should email [DelegatedAuthority@sba.gov](mailto:DelegatedAuthority@sba.gov).

**Application Information:** Interested parties should contact their local lender to see if they are SBA-certified and/or planning on participating in the program. Applicants will have to provide payroll documentation to the lender.

### **3. Economic Injury Disaster Loan Program remains available**

**General Information:** The SBA's Economic Injury Disaster Loan (EIDL) program received significant funding in the Families First Act, which was the 2<sup>nd</sup> COVID-19 stimulus package. These SBA loans provide small businesses with a long-term, low interest loan of up to \$2 million to pay for expenses they would have met if not for the COVID-19 pandemic.

Note that these are loans, not grants, although refinancing an EIDL into a PPP Loan is a possibility, provided you used the fund for the proper purpose. Additionally, applicants can apply for both EIDL and PPP loans simultaneously, although the funds can not be used for the same purpose.

**Application Process:** The SBA has just recently rolled out a new, streamlined application process that is [available here](#). Note that if your business needs short term assistance, and you applied before this week, you may need to re-submit your application (see below).

If you have already applied for funds through EIDL and do not need the \$10,000 advance, your application should continue to be processed without additional steps. You may check on the status of your application by calling 800-659-2955.

### **4. Emergency Economic Injury Grants (advance on EIDL loans)**

**General Information:** Businesses that need an infusion of capital in the short term and who have applied for a loan through the EIDL program can also apply for an Emergency Economic Injury Grant, which will provide an advance of \$10,000 from the requested EIDL amount. This process can be started from the EIDL application, [available here](#).

***Importantly, if you already submitted an EIDL application prior to the launch of this program (SBA says if you applied before Monday) you will have to resubmit an application using the streamlined process at the link above.***

## **5. SBA Small Business Debt Relief Program**

The Small Business Administration is providing a program to assist small businesses who have non-disaster SBA loans – namely 7(a) loans, 504 loans, and microloans.

**Program Benefits:** The SBA will cover payments (on principal and interest) in addition to fees for six months.

**Program Applicability:** This program will apply to preexisting loans in these categories, in addition to *new borrowers who take out these loans within six months of the CARES Act becoming law.*

**Loan Program Details:** Please see the below links if you think that your business could benefit from these options:

- [7\(a\) Loan Program Information](#)
  - 7(a) loans max out at \$5 million are targeted towards borrowers who lack credit elsewhere and need access to flexible capital. These loans are offered through approved 7(a) lenders ([a list is available here](#))
- [504 Loan Program Information](#)
  - 504 Loans max out at \$5.5 million and provide long-term fixed-rate financing and may be a good option for businesses looking to purchase property or large equipment
- [SBA Microloan Program Information](#)
  - The SBA's microloan program offers loans of up to \$50,000 to help small businesses start up or expand.

## **6. Employee Retention Tax Credit**

**General Information:** The CARES Act includes a Employee Retention Tax Credit, designed to encourage employers to retain their employees during the COVID-19 crisis. The IRS describes the credit as a “fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that Eligible Employers pay their employees. This applies to wages paid between March 12, 2020 and January 1, 2021, with a maximum credit for any employee amounting to \$5,000. Additional IRS guidance is [available here](#).

**Key Caveat:** This credit is ***not available*** to employers receiving assistance via the Paycheck Protection Program.

## **7. Employer Payroll Tax Deferral**

**General Information:** According to the Guide, a provision in the CARES Act allows for the deferral of the employer portion of certain payroll taxes through the end of 2020. These deferred amounts are due in two installments – one at the end of 2021, the other at the end of 2022. Included deferrable taxes include the employer portion of FICA taxes and half of SECA tax liability. I have not seen additional IRS guidance on this yet, but I expect it soon at the [IRS coronavirus webpage](#).

**Key Caveat:** Deferral is not available to employers receiving assistance via the Paycheck Protection Program.