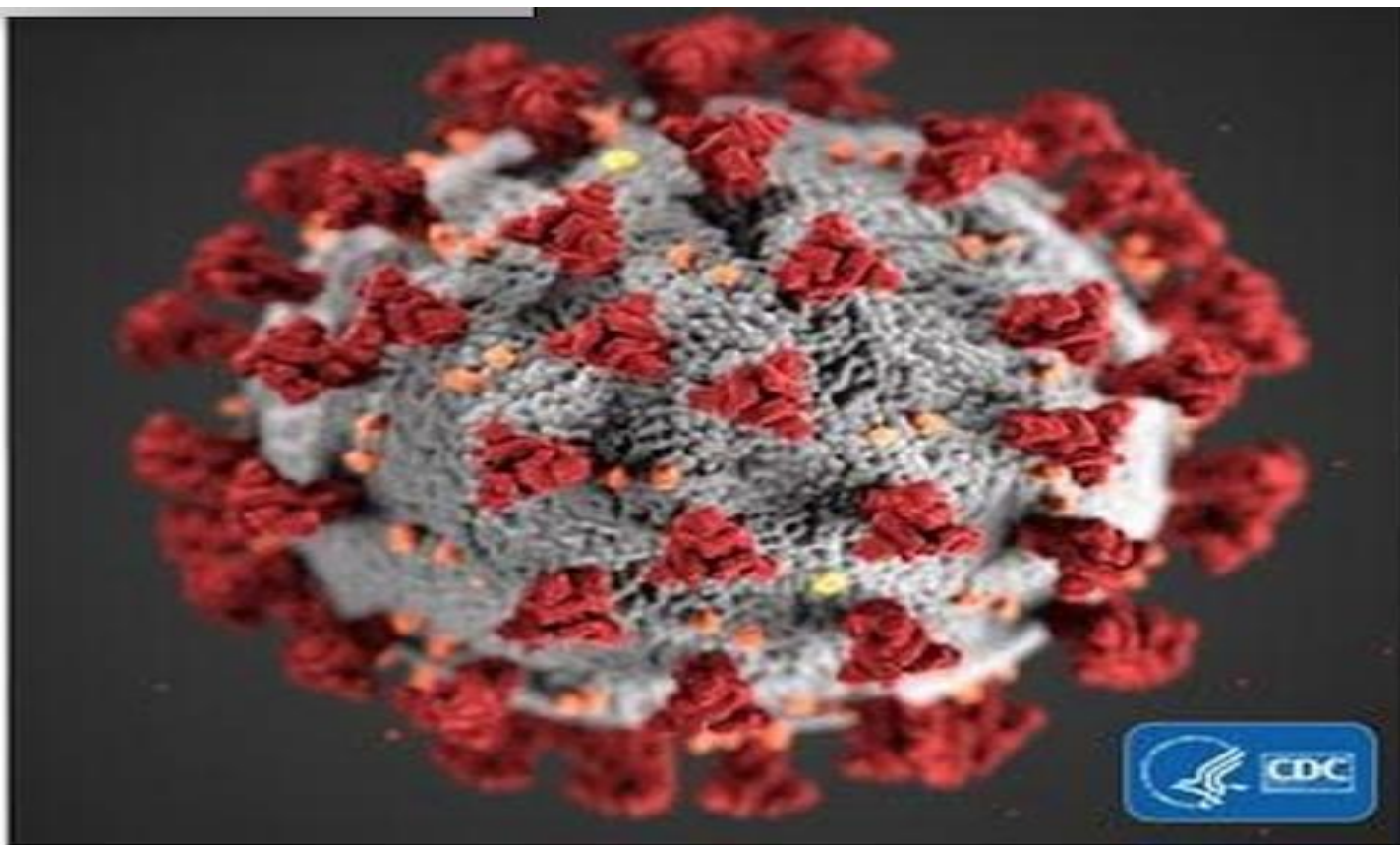


COVID-19: Guidance for Small Businesses

sba.gov/coronavirus



U.S. Small Business
Administration



I'M FROM THE
GOVERNMENT,
I'M HERE
TO HELP



Agenda

Relay information received direct from:

- White House
- Dept of Labor
- Dept of Treasury
- Small Business Administration

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Future Law - Federal

Federal Changes -

Temporary Tax Changes:

- IRS Notice 2020-17:
 - < \$1million in taxes due = payer able to defer payment without penalties or interest until July 15,2020
 - Applies to all individuals and business
 - filing calendar year return
 - 1st quarter estimated payment
 - Self-employment taxes
 - Interest and penalties will begin to accrue on July 15, 2020

Federal Changes -

Administration seeking “EMPLOYER PARTNERSHIP” model:

1. Employers have *direct* relationship with affected employees and their families
2. Removes “in-person” unemployment claims which current regulations require
3. States simply can’t handle the additional burden of mass claims – particularly if government employees affected by coronavirus
4. For those cash strapped employers, working to establish provision to be able to submit claim electronically with reimbursement ASAP – working toward ability to Direct Deposit relief

Federal Changes -

Families First Coronavirus Response – HR 6201:

- Amends FMLA definitions
- Applies to all employers < 500 employees (including govt)
- Sec of Labor can exempt employers < 50 emp if business viability is in jeopardy
- Exemptions for Health Care Providers and Emergency Responders

Families First Coronavirus Response – HR 6201

Employee Health Emergency Leave (Div. C)

- First 10 days unpaid (employee may use accrued time)
- Leave paid thereafter at no less than 2/3 of employee regular pay
 - Maximum of \$200 per day or \$10,000 in aggregate
 - Variable schedules = avg number of hours over prior 6 months
- Job restoration upon return (or equivalent)
 - < 25 employees, then “reasonable efforts” over 1 year window
 - If position does not exist due to coronavirus emergency, then no obligation
- Exceptions for Health Care Providers & Emergency Responders

Families First Coronavirus Response – HR 6201

Emergency PAID Sick Leave (Div. E)

- 2 weeks (80 hrs.) of paid sick time if employee unable to work
 - Quarantine or isolation order
 - Self-quarantine
 - Symptoms of Coronavirus
 - Caring for another – child, relative, quarantined individual
 - Experiencing conditions similar to Coronavirus
 - May not exceed \$511 per day or \$5,110 in aggregate
- NO tenure requirements
- Employer cannot require employee to use accrued time

Families First Coronavirus Response – HR 6201

Employer Tax Credits

- To offset employer costs
 - 100% of qualified Employee Emergency Leave
 - 100% of qualified Emergency Paid Sick Leave
- Refundable payroll tax credit allowed against employer portions of Social Security and Railroad Retirement payroll taxes
- Tax credit for wages under both types of leave
 - Includes Employer paid portion of employee's health plan coverage while on leave.

SBA Disaster Assistance – Available NOW

Economic Injury Disaster Loan Program:

- Activated by States “Emergency” declaration
- Loan amount up to \$2 million – 3.75% business, 2.75% Non-Profit
 - Working Capital & Business Expense only – cannot include “lost profits”
- 1 year payment deferment from disbursement – up to 30 yr. Term
- Must meet 3 qualifications:
 1. Eligibility – Business & Non-Profits (no church's or worship centers)
 2. Credit – lower than commercial standards
 3. Repayment ability – PRE-DISASTER CONDITION

SBA Disaster Assistance – Available NOW

Jovita Carranza – SBA Administrator:

- Cutting Red Tape – changing current policy
- If a business receives a DECLINE – the notice is referred to the local District SBA office same day and a SBA official MUST contact Borrower within 24 hours to match them with a different lender
- FEMA is supporting SBA with 500 additional support personnel

COVID-19 Future Law

Business Interruption Loan Program:

- 100% Government Guaranty
- Up to \$10 million
- Lender underwriting, SBA guarantee
- Loan forgiveness for employee payroll expense

Direct Payments to Individuals / Families:

Senate bill at \$1,200 / adult, \$500 / child

Need Help?

IBA is available to assist you with:

- Selecting a lender who can get your deals closed – 100% success
- Fair Market Valuation that utilizes Bankability Method™
- CEO2CEO coaching program that teaches owners how to improve profitability and grow the value of their companies.

Questions / Comments

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