BRAC’S GUIDE TO COVID-RELATED FEDERAL LEGISLATION

OVERVIEW

This guide offers quick access to recent federal legislation relative to the Covid-19 pandemic, including information on the CARES Act and the Families First Act with a focus on provisions for small business recovery. Included are resources from the Small Business Administration and the U.S. Chamber of Commerce.

Economic Injury Disaster Loan (EIDL)

The first COVID-related Small Business Administration funding source, which became available to all parishes in Louisiana on March 17, 2020, is the Economic Injury Disaster Loan. The EIDL loan program provides vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing as a result of the COVID-19 pandemic.

CARES Act

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed on March 27, 2020 to provide emergency assistance and health care response for individuals, families, and businesses affected by the 2020 coronavirus pandemic. Provisions relevant to small businesses include the Paycheck Protection Program, Economic Injury Recovery Loan advances, a new employee retention tax credit, and debt relief for existing SBA loans.

Families First Act

Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor’s (Department) Wage and Hour Division (WHD) administers and enforces the new law’s paid leave requirements.

BRAC published this document on April 9, 2020. Please check brac.org/recovery periodically for the most up-to-date version of this document which will be revised as new information is released.
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BRAC’S TIPS FOR SMALL BUSINESS OWNERS

1. If you closed because of the Governor’s Stay At Home order, but aren’t sure if your business qualifies as essential, call the Louisiana Department of Economic Development to ask at (833) 457-0531 or via email at LEDbiz@la.gov. There are many businesses allowed to remain open, but must do so following safety protocols.

2. Call your bank and ask for advice. Tell them what’s going on at your business, and ask them if there’s anything out there that can help you.

3. Call your landlord or mortgage bank and ask if they are offering any temporary relief from owing rent or mortgage payments. Most banks and credit unions are right now, usually it’s case-by-case that they consider when called. Do the same for other creditors.

4. Go to www.SBA.gov/disaster – The CARES Act passed and was signed into law on March 27. The package includes several provisions for small businesses, including the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan Advances of $10,000. It is important to note that while businesses can apply for and receive both a PPP and EIDL, they cannot be used for the same purpose.

5. If you have laid off someone or cut back their hours or furloughed them for a while, please direct them to the Louisiana Workforce Commission for information and an application. You can also talk to your accountant and get some financial assistance in new tax credits that passed Congress.

Webinar


CARES Act Q&A
U.S. Senator Bill Cassidy
and
Mike Ricks, District Director of the SBA

Baton Rouge Area Chamber®
The Small Business Owner’s Guide to the CARES Act

The programs and initiatives in the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was just passed by Congress are intended to assist business owners with whatever needs they have right now. When implemented, there will be many new resources available for small businesses, as well as certain non-profits and other employers. This guide provides information about the major programs and initiatives that will soon be available from the Small Business Administration (SBA) to address these needs, as well as some additional tax provisions that are outside the scope of SBA.

To keep up to date on when these programs become available, please stay in contact with your local Small Business Administration (SBA) District Office, which you can locate here.

Struggling to get started? The following questions might help point you in the right direction. Do you need:

- **Capital to cover the cost of retaining employees?** Then the Paycheck Protection Program might be right for you.
- **A quick infusion of a smaller amount of cash to cover you right now?** You might want to look into an Emergency Economic Injury Grant.
- **To ease your fears about keeping up with payments on your current or potential SBA loan?** The Small Business Debt Relief Program could help.
- **Just some quality, free counseling to help you navigate this uncertain economic time?** The resource partners might be your best bet.

Source: U.S. Senate Committee on Small Business and Entrepreneurship
ECONOMIC INJURY DISASTER LOANS (WORKING CAPITAL LOANS)

Louisiana businesses are eligible for Economic Injury Disaster Loans (EIDLs) of up to $2 million, with interest rates of 3.75% for businesses and 2.75% for non-profits, and terms of up to 30 years. The loans provide vital economic support to small businesses to help overcome temporary loss of revenue. The loans may be used to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the situation around COVID-19. The loans are available to business with fewer than 500 employees. These loans are not forgivable. Applicants may request an advance of up to $10,000 which, if approved, will be administered within three days. See “Economic Injury Disaster Loan Grants (Advances)” on page 20 for more information.

Who: Businesses with 500 employees or fewer, sole proprietorships, independent contractors, cooperatives and employee-owned businesses, tribal small businesses. Small businesses and agricultural coops that meet the size standard are eligible, as are most private non-profits of any size.

What: Non-forgivable loans up to $2M

When: Businesses can apply immediately

Webinar

BRAC held a business webinar focused on the Small Business Administration’s Economic Injury Disaster Loan Program in the wake of COVID-19. Recorded 03/27/20.

https://vimeo.com/402289993

Economic Injury Disaster Loans

EIDLs are available to small businesses small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations

Examples of eligible businesses:

• Businesses directly affected by the disaster
• Businesses that offer services directly related to the businesses targeted in the declaration
• Other businesses indirectly related to the industry that are likely to be harmed by losses in their community
The Coronavirus Aid, Relief, and Economic Security (CARES) Act expands the Small Business Administration’s long-standing Economic Injury Disaster Loan Program (EIDL). The EIDL program was created to assist businesses, renters, and homeowners located in regions affected by declared disasters.

Who is ELIGIBLE?
In general, all of the following entities that have suffered substantial economic injury caused by a disaster provided they were in existence on January 31, 2020:
- Businesses with fewer than 500 employees
- Cooperatives, ESOPs, and tribal small businesses with fewer than 500 employees
- Sole proprietors
- Independent contractors
- Most private nonprofits

What are the LOAN PARAMETERS?
- The maximum EIDL is a $2 million working capital loan at a rate of 3.75% for businesses and 2.75% for nonprofits with up to a 30-year term
- Payments on Coronavirus EIDL loans are deferred for one year
- Up to $200,000 can be approved without a personal guarantee
- Approval can be based on a credit score and no first-year tax returns are required
- Borrowers do not have to prove they could not get credit elsewhere
- No collateral is required for loans of $25,000 or less. For loans of more than $25,000, general security interest in business assets will be used for collateral instead of real estate
- The borrowers must allow the SBA to review its tax records

How can I access an EMERGENCY $10,000 GRANT?
- Eligible applicants for an EIDL can receive a $10,000 emergency grant within three days of application (through Dec. 31)
- There is no obligation to repay the grant. To receive the $10,000 emergency grant, it is not necessary to have an approved EIDL loan. However, if you are able to secure a PPP loan, the $10,000 grant will be subtracted from the forgiveness amount

NOTE: The Paycheck Protection Program (PPP) created by the CARES Act prohibits borrowers from taking out two loans for the same purpose. For more information on PPP loans, visit uschamber.com/sbloans

How do I APPLY?
Apply online at SBA.gov/disaster
CARES ACT

Paycheck Protection Program

Paycheck Protection Program of the CARES Act provides business loans up to $10M made directly by private, local banks and CDFIs, which will enhance speed of processing and delivery. Interest rates are fixed at 1%. The loans, if used on payroll and other defined operating expenses in a defined time period, are forgivable, although no more than 25% of the loan forgiveness may be attributable for non-payroll expenses.

Who: Small business, 501(c)3, or veteran’s organization with 500 employees, or the applicable size standard for the industry as provided by SBA, if higher. Includes sole-proprietors, independent contractors, and other self-employed individuals impacted by COVID-19. Loans are available through June 30, 2020.

What: Forgivable loans up to $10M by private, local banks and CDFIs

When: Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply. We encourage you to apply as quickly as you can because there is a funding cap.

APPLICATION  DETAILS

Interim Final Guidance_April 2, 2020
SBA-approved lenders in the Capital Region (non-exhaustive)

Webinar

BRAC held a business webinar focused on navigating the SBA 7(a) process in the wake of COVID-19 with representatives from Cardinal Capital. Recorded on 03/30/20. https://vimeo.com/402275425

SBA Loan Comparison
(not including SBA Express, microloans & 504)
CARES ACT

PPP Summary Updates
On April 3, 2020, the SBA released the following new [documents and guidance](#) on the Paycheck Protection Program (PPP):

1. A new lender application form;
2. Interim Final Rules on affiliation;
3. Applicable affiliation rules;
4. A list of eligible lenders; and,
5. A (seemingly preliminary) FAQ sheet.

The [new lender application](#) form is the means by which the SBA and Department of Treasury will expand the number of lenders eligible to make loans under the PPP. Given the expected number of applicants, rapidly increasing the number of eligible lenders will be critical to preventing a bottleneck of applications.

The [interim final rules on affiliation](#) provide details as to which entities are eligible to apply for a PPP, stating that in most cases, borrowers will be considered along with their affiliated for determining eligibility. Further, it states that entities may be considered affiliates based on factors such as stock ownership, overlapping management, and identity of interest. Notably, these rules focus primarily on religious exemptions, extending the PPP eligibility to organizations that would otherwise be eligible but for their faith-based affiliation.

The [applicable affiliation rules](#) state that entities are affiliates of each other when one can or does control the other, or a third party can or does control both. The rules provide four tests to determine affiliation, and affiliation under any of the four is sufficient: 1) equity ownership; 2) affiliation arising from stock options, convertible securities, and agreements to merge; 3) shared management; or 4) identity of interest between close relatives.

Under the PPP, these affiliation rules are waived for 1) any business of 500 or fewer employees assigned a NAICS code beginning with 72; any business operating as a franchise and assigned a franchise ID code by the SBA; and, 3) any business that receives funding through a small business investment company.

The long-awaited [list of eligible lenders](#) is an interactive tool into which borrowers can input their zip codes and find lenders nearby. There are approximately 150 eligible lender locations in the 9-parish Capital Region, a number that is sure to grow as more lenders apply to service PPP loans.

Finally, the [SBA released an FAQ](#), which it notes will be updated on a regular basis. BRAC encourages lenders and borrowers to check this FAQ regularly.
Paycheck Protection Program (PPP) Loans

The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as 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. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. **Loans are available through June 30, 2020.**

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<thead>
<tr>
<th>QUESTION:</th>
<th>What types of businesses and entities are eligible for a PPP loan?</th>
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| Answer:   | • Businesses and entities must have been in operation on February 15, 2020.  
           | • Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.  
           | • Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.  
           | • Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.  
           | • Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company. |

| QUESTION: | What are affiliation rules? |
| Answer:   | Affiliation rules become important when SBA is deciding whether a business’s affiliations preclude them from being considered “small.” Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Please see this resource for more on these rules and how they can impact your business’s eligibility. |

| QUESTION: | What types of non-profits are eligible? |
| Answer:   | In general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer as most non-profit SBA size standards are based on revenue, not number of employees. You can check here. |

Source: U.S. Senate Committee on Small Business and Entrepreneurship
<table>
<thead>
<tr>
<th>QUESTION:</th>
<th>How is the loan size determined?</th>
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<tr>
<td>Answer:</td>
<td>Depending on your business’s situation, the loan size will be calculated in different ways (see below). The maximum loan size is always <strong>$10 million</strong>.</td>
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<td>• If you were in business <strong>February 15, 2019 – June 30, 2019</strong>: 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.</td>
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<td></td>
<td>• If you were <strong>not</strong> in business between <strong>February 15, 2019 – June 30, 2019</strong>: Your max loan is equal to 250 percent of your average monthly payroll costs between <strong>January 1, 2020 and February 29, 2020</strong>.</td>
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<td>• If you took out an <strong>Economic Injury Disaster Loan (EIDL)</strong> between <strong>February 15, 2020 and June 30, 2020</strong> and you want to refinance that loan into a <strong>PPP</strong> loan, you would add the outstanding loan amount to the payroll sum.</td>
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<tr>
<th>QUESTION:</th>
<th>What costs are eligible for payroll?</th>
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<tr>
<td>Answer:</td>
<td>• Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)</td>
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<td></td>
<td>• Payment for vacation, parental, family, medical, or sick leave</td>
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<td>• Allowance for dismissal or separation</td>
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<td></td>
<td>• Payment required for the provisions of group health care benefits, including insurance premiums</td>
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<td></td>
<td>• Payment of any retirement benefit</td>
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<td>• Payment of State or local tax assessed on the compensation of employees</td>
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<tr>
<th>QUESTION:</th>
<th>What costs are not eligible for payroll?</th>
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<tbody>
<tr>
<td>Answer:</td>
<td>• Employee/owner compensation over <strong>$100,000</strong></td>
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<td></td>
<td>• Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code</td>
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<td>• Compensation of employees whose principal place of residence is outside of the U.S.</td>
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<td>• Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the <strong>Families First Coronavirus Response Act</strong></td>
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<tr>
<th>QUESTION:</th>
<th>What are allowable uses of loan proceeds?</th>
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<tr>
<td>Answer:</td>
<td>• Payroll costs (as noted above)</td>
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<td>• Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums</td>
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<td></td>
<td>• Employee salaries, commissions, or similar compensations (see exclusions above)</td>
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<td>• Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)</td>
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<td></td>
<td>• Rent (including rent under a lease agreement)</td>
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<td>• Utilities</td>
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<td></td>
<td>• Interest on any other debt obligations that were incurred before the covered period</td>
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Source: U.S. Senate Committee on Small Business and Entrepreneurship
### Question: What are the loan term, interest rate, and fees?

**Answer:** For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is 4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).

### Question: How is the forgiveness amount calculated?

**Answer:** Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over $100,000):

- Payroll costs plus any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation plus and any covered utility payment.

### Question: How do I get forgiveness on my PPP loan?

**Answer:** 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.

### Question: What happens after the forgiveness period?

**Answer:** Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.

### Question: Can I get more than one PPP loan?

**Answer:** No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.

### Question: Where should I go to get a PPP loan from?

**Answer:** All current SBA 7(a) lenders (see more about [7(a) here](#)) are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including non-bank lenders, to help meet the needs of small business owners.

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Source: U.S. Senate Committee on Small Business and Entrepreneurship

FAQ's continue on the next page!
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<tr>
<th><strong>QUESTION:</strong></th>
<th>How does the PPP loan coordinate with SBA’s existing loans?</th>
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<td><strong>Answer:</strong></td>
<td>Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from Small Business Investment Corporations (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.</td>
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<table>
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<tr>
<th><strong>QUESTION:</strong></th>
<th>How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program?</th>
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<tr>
<td><strong>Answer:</strong></td>
<td>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. Refer to those sections for more information.</td>
</tr>
</tbody>
</table>
The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated $350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program (PPP), the initiative provides 100% federally guaranteed loans to small businesses.

Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward.

The administration has released initial guidelines; they are available at www.treasury.gov. The U.S. Chamber of Commerce has issued this guide to help small businesses and self-employed individuals check eligibility and prepare to file for a loan.

Small businesses and sole proprietors can begin applying on April 3. Independent contractors and self-employed individuals can apply beginning on April 10.

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating.

While the program is open until June 30, 2020, the government is advising borrowers to apply as soon as possible given the loan cap on the program.

Here are the questions you may be asking—and what you need to know.
Am I ELIGIBLE?

You are eligible if you are:

- A small business with fewer than 500 employees
- A small business that otherwise meets the SBA’s size standard
- A 501(c)(3) with fewer than 500 employees
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business
- A Tribal business concern that meets the SBA size standard
- A 501(c)(19) Veterans Organization that meets the SBA size standard

In addition, some special rules may make you eligible:

- If you are in the accommodation and food services sector (NAICS 72), the 500-employee rule is applied on a per physical location basis
- If you are operating as a franchise or receive financial assistance from an approved Small Business Investment Company the normal affiliation rules do not apply

REMEMBER: The 500-employee threshold includes all employees: full-time, part-time, and any other status.

What will lenders be LOOKING FOR?

Borrowers will need to complete the Paycheck Protection Loan Application (which is available HERE) and payroll documentation

Lenders will also ask you for a good faith certification that:

1. The uncertainty of current economic conditions makes the loan request necessary to support ongoing operations
2. The borrower will use the loan proceeds to retain workers and maintain payroll or make mortgage, lease, and utility payments
3. Borrower does not have an application pending for a loan duplicative of the purpose and amounts applied for here
4. From Feb. 15, 2020 to Dec. 31, 2020, the borrower has not received a loan duplicative of the purpose and amounts applied for here (Note: There is an opportunity to fold emergency loans made between Jan. 31, 2020 and the date this loan program becomes available into a new loan)

If you are an independent contractor, sole proprietor, or self-employed individual, lenders will also be looking for certain documents (final requirements will be announced by the government) such as payroll tax filings, Forms 1099-MISC, and income and expenses from the sole proprietorship.

What lenders will NOT LOOK FOR

- That the borrower sought and was unable to obtain credit elsewhere.
- A personal guarantee is not required for the loan.
- No collateral is required for the loan.
How much can I BORROW?

Loans can be up to \( 2.5 \times \) the borrower’s average monthly payroll costs, not to exceed $10 million.

How do I calculate my average monthly PAYROLL COSTS?

\[
\text{sum of INCLUDED payroll costs} - \text{sum of EXCLUDED payroll costs} = \text{PAYROLL COSTS}
\]

INCLUDED Payroll Cost:

1. **For Employers:** The sum of payments of any compensation with respect to employees that is a:
   - 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 the employee

2. **For Sole Proprietors, Independent Contractors, and Self-Employed Individuals:** The sum of payments of any compensation to or income of a sole proprietor or independent contractor that is a wage, commission, income, net earnings from self-employment, or similar compensation and that is in an amount that is not more than $100,000 in one year, as pro-rated for the covered period.

EXCLUDED Payroll Cost:

1. Compensation of an individual employee in excess of an annual salary of $100,000, as prorated for the period February 15, to June 30, 2020
2. Payroll taxes, railroad retirement taxes, and income taxes
3. Any compensation of an employee whose principal place of residence is outside of the United States
4. Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116–5127); or qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act

PREPARED BY THE U.S. CHAMBER OF COMMERCE
Will this loan be FORGIVEN?

Borrowers are eligible to have their loans forgiven.

How Much?

A borrower is eligible for loan forgiveness equal to the amount the borrower spent on the following items during the 8-week period beginning on the date of the origination of the loan:

- Payroll costs (using the same definition of payroll costs used to determine loan eligibility)
- Interest on the mortgage obligation incurred in the ordinary course of business
- Rent on a leasing agreement
- Payments on utilities (electricity, gas, water, transportation, telephone, or internet)
- For borrowers with tipped employees, additional wages paid to those employees

NOTE: The government is now advising that because of high participation, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. The loan forgiveness cannot exceed the principal.

How could the forgiveness be reduced?

The amount of loan forgiveness calculated above is reduced if there is a reduction in the number of employees or a reduction of greater than 25% in wages paid to employees. Specifically:

Reduction based on reduction of number of employees

PAYROLL COST Calculated on page 2

Average Number of Full-Time Equivalent Employees (FTEs) Per Month for the 8-Weeks Beginning on Loan Origination

Reduction based on reduction in salaries

PAYROLL COST Calculated on page 2

For any employee who did not earn during any pay period in 2019 wages at an annualized rate more than $100,000, the amount of any reduction in wages that is greater than 25% compared to their most recent full quarter.

What if I bring back employees or restore wages?

Reductions in employment or wages that occur between February 15, 2020 and April 26, 2020 (as compared to February 15, 2020) shall not reduce the amount of loan forgiveness IF by June 30, 2020 the borrower eliminates the reduction in employees or reduction in wages.
# SBA Options Comparison

## 7A CARES Paycheck Protection Program Loans
(“PPP”)

- Any small business, non-profit org, veterans org, or tribal business concern with 500 or less employees.
- Any sole proprietor, independent contractor of self-employed individual.
- Any business with a NAICS Code starting with 72 (hotel and food services) and not more than 500 employees per physical location.
- Franchises listed in SBA’s Franchise Directory.
- Businesses receiving financial assistance from a licensed Small Business Investment Company.

### Allowable Uses

- Payroll costs: Payroll costs of up to $100,000 annually (prorated for the covered period) per employee (including health & retirement benefits and state & local payroll tax). Includes part-time employees. Does NOT include independent “1099” contractors (they should file separately) Must be U.S. resident. Cannot double count paid sick or family leave that receives a payroll tax credit under the Families First Act.
- Group healthcare benefits
- Employee salaries, commissions, etc.
- Mortgage interest only
- Lease payments
- Utility payments
- Interest on all other prior debt

### Loan Amount

Lesser of: a) $10 million or b) 2.5 times the average monthly payroll for the previous 12 months (12 weeks for seasonal businesses or Jan-Feb 2020 for startups) + o/s balance of existing 7A loans made after 1/31/20.

This equates to essentially 2.5 months of payroll.

### Rate

1.00%

### Term

Legislation reads “Maximum of 10 years” for amounts not forgiven. Recent guidance indicates 2 years.

### Eligibility

Small businesses, agriculture coops, aquaculture orgs, most private non-profit orgs. Unable to obtain credit elsewhere. Ability to repay.

## Economic Injury Disaster Loans
(“EIDL”)

- Up to $2 Million

### Allowable Uses

- Working capital to pay fixed debts, payroll, A/P, other bills that could have been paid if the disaster had not occurred. Funds are not intended to replace lost income. Cannot refinance long-term debt.

### Rate

3.75%; 2.75% for non-profits

### Term

Up to 30 years

### Eligibility

Small businesses, agriculture coops, aquaculture orgs, most private non-profit orgs. Unable to obtain credit elsewhere. Ability to repay.
# SBA Options Comparison

## 7A CARES Paycheck Protection Program Loans ("PPP")

<table>
<thead>
<tr>
<th>Collateral</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Guarantee</td>
<td>None</td>
</tr>
<tr>
<td>Fees</td>
<td>None</td>
</tr>
<tr>
<td>Prepayment Penalties</td>
<td>None</td>
</tr>
<tr>
<td>Lender</td>
<td>Any bank authorized by the SBA to make 7A loans. Federal government provides a 100% guarantee of the loan.</td>
</tr>
<tr>
<td>Covered Period</td>
<td>Feb 15 – June 30, 2020</td>
</tr>
<tr>
<td>Forgiveness</td>
<td>The sum of all covered expenses during the 8 weeks after loan origination shall be forgiven and treated as cancelled indebtedness (May 5, 2020 is 8 weeks prior to the end of the program). Forgiveness amount is reduced if you decrease your full-time employee headcount, OR if you decrease salaries and wages by more than 25% for any employee earning less than $100,000 in 2019, UNLESS employees laid off from Feb 15 – Apr 26 are rehired by June 30, 2020. It is anticipated that not more than 25% of the forgiven amount may be used for non-payroll costs.</td>
</tr>
<tr>
<td>Cash Advance</td>
<td>None</td>
</tr>
<tr>
<td>Deferral</td>
<td>6 – 12 months P&amp;I payments deferred. Interest accrues during the period.</td>
</tr>
<tr>
<td>Duplication</td>
<td>An applicant can still receive the PPP loan even if they already received an EIDL, as long as the two loans are not used for the same purpose.</td>
</tr>
<tr>
<td>Refinance</td>
<td>An EID Loan made after January 31, 2020 may be refinanced as part of a PPP Loan</td>
</tr>
<tr>
<td>How to Apply</td>
<td>Through your local lender</td>
</tr>
</tbody>
</table>

## Economic Injury Disaster Loans ("EIDL")

<table>
<thead>
<tr>
<th>Collateral</th>
<th>Uncertain. Officially the terms say none for loans under $25,000. Recent guidance says no collateral is necessary for any applications.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Guarantee</td>
<td>No for loans under $200,000. For loans over $200,000 then any owner that owns 20% or more must guarantee.</td>
</tr>
<tr>
<td>Fees</td>
<td>None</td>
</tr>
<tr>
<td>Prepayment Penalties</td>
<td>None</td>
</tr>
<tr>
<td>Lender</td>
<td>U.S. Treasury</td>
</tr>
<tr>
<td>Covered Period</td>
<td>Application period is through 12/31/2020</td>
</tr>
<tr>
<td>Forgiveness</td>
<td>None</td>
</tr>
<tr>
<td>Cash Advance</td>
<td>$10,000 within 3 days of application. This amount is not required to be repaid even if the applicant does not receive the loan.</td>
</tr>
<tr>
<td>Deferral</td>
<td>TBD for new EIDLs; 6 months for existing disaster loans</td>
</tr>
<tr>
<td>Duplication</td>
<td></td>
</tr>
<tr>
<td>Refinance</td>
<td></td>
</tr>
<tr>
<td>How to Apply</td>
<td>Apply via sba.gov</td>
</tr>
</tbody>
</table>

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Please Note: This information is based from various sources and represents what we believe to be correct at this time, but may not be relied on as fact. Actual terms may change according to the lender and new guidance may be issued from federal authorities.

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CARES ACT

Economic Injury Disaster Loan Grants (Advances)

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 under any circumstance, 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. Businesses may take both an EIDL and a PPP, but if they do they cannot use the two for the same purpose. Businesses may also refinance an EIDL and its associated advance into a forgivable PPP loan (although that $10K will be deducted from the forgivable portion).

Who: Small Businesses

What: Up to $10,000 advance

When: Available within three days of applying for an SBA Economic Injury Disaster Loan (EIDL)

APPLICATION
Economic Injury Disaster Loans & Emergency Economic Injury Grants

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 under any circumstance, 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.

<table>
<thead>
<tr>
<th>FREQUENTLY ASKED QUESTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUESTION: Are businesses and private non-profits in my state eligible for an EIDL related to COVID-19?</td>
</tr>
<tr>
<td>Answer: Yes, those suffering substantial economic injury in all 50 states, DC, and the territories may apply for an EIDL.</td>
</tr>
<tr>
<td>QUESTION: What is an EIDL and what is it used for?</td>
</tr>
<tr>
<td>Answer: EIDLs are lower interest loans of up to $2 million, with principal and interest deferment at the Administrator’s discretion, that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.</td>
</tr>
<tr>
<td>QUESTION: Who is eligible for an EIDL?</td>
</tr>
<tr>
<td>Answer: Those eligible are the following with 500 or fewer employees:</td>
</tr>
<tr>
<td>- Sole proprietorships, with or without employees</td>
</tr>
<tr>
<td>- Independent contractors</td>
</tr>
<tr>
<td>- Cooperatives and employee owned businesses</td>
</tr>
<tr>
<td>- Tribal small businesses</td>
</tr>
<tr>
<td>Small business concerns and small agricultural cooperatives that meet the applicable size standard for SBA are also eligible, as well as most private non-profits of any size. See below for more info on size standards.</td>
</tr>
<tr>
<td>QUESTION: My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?</td>
</tr>
<tr>
<td>Answer: Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, or if you can provide satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law. However, a recipient that is principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities is not eligible to receive an EIDL. If you are uncertain whether you qualify, please consult with legal counsel to determine whether your organization meets program criteria.</td>
</tr>
<tr>
<td>QUESTION: Who is eligible for an Emergency Economic Injury Grant?</td>
</tr>
<tr>
<td>Answer: Those eligible for an EIDL and who have been in operation since January 31, 2020, when the public health crisis was announced.</td>
</tr>
</tbody>
</table>

Source: U.S. Senate Committee on Small Business and Entrepreneurship
| QUESTION: | How long are Emergency Economic Injury Grants available? |
| Answer: | **January 31, 2020 – December 31, 2020.** The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant. |

| QUESTION: | If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan? |
| Answer: | Whether you’ve already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP. However, you cannot use your EIDL for the same purpose as your PPP loan. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April. |

| QUESTION: | How do I know if my business is a small business? |
| Answer: | Please visit [https://www.sba.gov/size-standards/](https://www.sba.gov/size-standards/) to find out if your business meets SBA’s small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business’s 3-year average annual revenue. |

| QUESTION: | How do I apply for an economic injury disaster loan? |
| Answer: | To apply for an EIDL online, please visit [https://disasterloan.sba.gov/ela/](https://disasterloan.sba.gov/ela/). Your [SBA District Office](https://disasterloan.sba.gov/ela/) is an important resource when applying for SBA assistance. |

| QUESTION: | I am unfamiliar with the EIDL process, can anyone help me apply? |
| Answer: | Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women’s Business Center, or SCORE mentorship chapter at [https://www.sba.gov/local-assistance/find/](https://www.sba.gov/local-assistance/find/). |
CARES ACT

Small Business Debt Relief

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the CARES Act into law.

**Who:** Eligibility varies by program

**What:** Coverage of loan payments for up to six months

**When:** Available immediately

[DETAILED INFORMATION]

Contact your Small Business Development Center
Small Business Debt Relief Program

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

FREQUENTLY ASKED QUESTIONS

<table>
<thead>
<tr>
<th>QUESTION</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Which SBA loans are eligible for debt relief under this program?</strong></td>
<td>7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible (see p. 7 for more information on these).</td>
</tr>
<tr>
<td><strong>How does debt relief under this program work with a PPP loan?</strong></td>
<td>Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.</td>
</tr>
<tr>
<td><strong>How do I know if I’m eligible for a 7(a), 504, or microloan?</strong></td>
<td>In general, businesses must meet size standards, be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business’s 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see <a href="https://www.sba.gov/funding-programs/loans">https://www.sba.gov/funding-programs/loans</a> for more details.</td>
</tr>
<tr>
<td><strong>What is a 7(a) loan and how do I apply?</strong></td>
<td>7(a) loans are an affordable loan product of up to $5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit this site to find the one that’s best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called Lender Match to help find a lender near you.</td>
</tr>
<tr>
<td><strong>What is a 504 loan and how do I apply?</strong></td>
<td>The 504 Loan Program provides loans of up to $5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called Lender Match to help find a lender near you.</td>
</tr>
<tr>
<td><strong>What is a microloan and how do I apply?</strong></td>
<td>The Microloan Program provides loans up to $50,000 to help small businesses and certain not-for-profit childcare centers to start up and expand. The average microloan is about $13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called Lender Match to help find a microlender near you.</td>
</tr>
<tr>
<td><strong>I am unfamiliar with SBA loans, can anyone help me apply?</strong></td>
<td>Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women’s Business Center here.</td>
</tr>
</tbody>
</table>
CARES ACT


Payroll Retention Credit

Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship due to COVID-19. A refundable tax credit is 50% of up to $10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19. This credit is available until December 31, 2020.

To qualify, the employer’s business is fully or partially suspended by government order due to COVID-19 during the calendar quarter, or the employer’s gross receipts are below 50% of the comparable quarter in 2019. Once the employer’s gross receipts go above 80% of a comparable quarter in 2019, they no longer qualify after the end of that quarter.

If the employer had 100 or fewer employees on average in 2019, the credit is based on wages paid to all employees regardless of if the employee works or not. If over 100 employees on average for 2019 the credit is allowed only for wages paid to employees who did not work during the quarter.

The credit is not available to employers who receive benefits from the Paycheck Protection Program.

Delay of Payroll Taxes

Employers can defer their portion of social security taxes over the next two years. Fifty percent could be deferred through the end 2021, and the remaining could be deferred through the end of 2022.

Modification of Net Operating Losses

Net operating losses arising in a tax year beginning in 2018, 2019, or 2020 can be carried back five years, and the taxable income limitation to allow an NOL to fully offset income has been removed. This change can be used to amend prior year tax returns to provide additional liquidity.

Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship

This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.

Wages of employees who are furloughed or face reduced hours as a result of their employer's closure or economic hardship are eligible for the credit. For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation, including health benefits, and is provided for the first $10,000 in wages and compensation paid by the employer to an eligible employee. Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S).

- The credit is not available to employers receiving assistance through the Paycheck Protection Program. The credit is provided through December 31, 2020.

Delay of Payment of Employer Payroll Taxes

This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability.

- Deferral is not provided to employers receiving assistance through the Paycheck Protection Program.
The Coronavirus Aid, Relief, and Economic Security (CARES) Act created a new employee retention tax credit for employers who are closed, partially closed, or experiencing significant revenue losses as a result of COVID-19.

Who is ELIGIBLE?
Private employers, including non-profits, carrying on a trade or business in 2020 that:

- Have operations partially or fully suspended as a result of orders from a governmental authority due to COVID-19, or
- Experience a decline in gross receipts by more than 50% in a quarter compared to the same quarter in 2019 (eligibility ends when gross receipts in a quarter exceed 80% compared to the same 2019 quarter)

With respect to tax-exempt organizations under 501(c) of the tax code, the requirement to be partially or fully suspended applies to all operations of the organization.

Employers who receive a Paycheck Protection Program (PPP) loan are not eligible for a tax credit. To learn more about PPP loans, visit uschamber.com/sbloans

How much is the TAX CREDIT?
This new employee retention tax credit is a 50% tax credit for the first $10,000 of compensation, including the employer portion of health benefits, for each eligible employee.

- Compensation does not include paid sick or family leave for which the employer is reimbursed under the Families First Coronavirus Response Act
- The credit only applies to wages paid after March 12, 2020 and before January 1, 2021

WHICH EMPLOYEES COUNT toward eligibility?

- For employers with more than 100 employees: Full-time employees who are (i) being paid but (ii) not providing service due to either a full or partial shutdown or a reduction in gross receipts count toward eligibility
- For employers with 100 or fewer full-time employees: All employees, regardless of whether those employees are providing service, count toward eligibility
- Employers may not claim the same employee for this credit and the Work Opportunity Tax Credit for the same period. In addition, employers may not claim the same wages for an employee under this credit and also under the employer credit in section 45S for FMLA

How is the CREDIT PAID?
The refundable credit is applied against the employer portion of payroll taxes. The Treasury Department will develop a process for employers to receive an advance payment of the tax credit.

The Internal Revenue Service will issue further guidance and manage the ERTC process. Please contact the IRS with specific questions.
FAMILIES FIRST ACT

Emergency Family and Medical Leave Act

EFMLEA expands the existing federal medical leave program. Currently, the program provides for 12 weeks of job-protected leave without pay. The new legislation requires companies under 500 employees to provide 12 weeks of leave with the first 2 weeks unpaid, and the final 10 weeks paid at two-thirds of their regular pay for both part-time and full-time employees in the event an employee needs to care for a child because daycare or school is closed.

Each employee is limited to $200/day to a $10,000 maximum. Employers will receive a tax credit on their portion of Social Security taxes capped at $200/day per employee and $10,000 overall per quarter. Importantly, the Secretary of Labor has the authority to exclude employers with fewer than 50 employees under certain circumstances.

Emergency Paid Sick Leave Act

EPSLA applies to only companies with under 500 employees. This new mandate requires companies to pay full wages to employees for up to 2 weeks because of Coronavirus-related leave. The EPSLA applies to both full-time and part-time workers only if the employee is unable to work or telework when:

1. The employee is subject to a federal, state, or local quarantine or isolation order related to COVID-19. Generally, payments are capped at $511 per day and $5,110 per employee.
2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19. Generally, payments are capped at $511 per day and $5,110 per employee.
3. The employee is experiencing symptoms of COVID-19 and needs to seek a medical diagnosis. Generally, payments are capped at $511 per day and $5,110 per employee.
4. The employee is caring for an individual who is subject to an order similar to those set forth in 1 and 2 above. Generally, payments are capped at $200 per day and $2,000 per employee.
5. The employee is caring for a son or daughter because school is closed, and the usual child care provider is unavailable due to COVID-19 precautions. Generally, payments are capped at $200 per day and $2,000 per employee.
6. The employee experiences a substantially similar condition as specified by the government. Generally, payments are capped at $200 per day and $2,000 per employee.

Like with the EFMLEA, employers will be eligible for tax credits on their Social Security taxes cap at $511/day for the first three types of events and 200/day for the last 3 types of events.

EMPLOYERS MUST POST NOTICE IN THE FORM OF THIS POSTER

Details from Department of Labor
Fact Sheet for Employers
Questions and Answers
SMALL BUSINESS RESOURCES

Small Business Counseling and Assistance

In addition to the resources linked in the small business guide, below is a non-exhaustive list of Baton Rouge area SBA counselors.

SBA District Office
Louisiana District Office
365 Canal St. suite 2820
New Orleans, LA 70130
504-589-6685
504-589-2339
Visit website

Baton Rouge SCORE
SCORE Business Mentor
Louisiana Technology Park, 7117 Florida Blvd, Suite 313
Baton Rouge, LA 70806
225-215-0080
Visit website
scorebr@scorebr.org

Louisiana SBDC at Southern University Baton Rouge
Small Business Development Center
616 Harding Blvd.
Baton Rouge, LA 70813

Louisiana Capital Region SBDC
Small Business Development Center
304 East Parker St.
Baton Rouge, LA 70803
Tel: (225) 615-8932

Veterans Business Outreach Center at Gulf Coast State College
Veterans Business Outreach Center
800-542-7232
Visit website
bpeacock@vboc.org

Women’s Business Resource Center/Urban League of Greater New Orleans
Women’s Business Center
4640 S Carrollton Avenue, Suite 230
New Orleans, LA 70119
504-620-9647
Visit website
kduncan@urbanleagueula.org
The Good Work Network
The organization works to increase minority business growth by addressing the well-documented barriers to success — contacts, contracts, and capital.

Contracting
The Louisiana Procurement Technical Assistance Center (LA PTAC) provides specialized and professional procurement technical assistance to Louisiana businesses who are actively seeking and/or performing on contracts and subcontracts with the U.S. Department of Defense and other federal, state and local governments. This procurement technical assistance center is funded in part through a cooperative agreement with the Defense Logistics Agency. Additional funding provided from the University of Louisiana at Lafayette and Louisiana Economic Development.

LA PTAC University of Louisiana at Lafayette
In Baton Rouge at the David E. Roberts Center for Economic Development
564 Laurel Street
Baton Rouge LA 70801
(225) 831-7530

University of Louisiana at Lafayette
Louisiana PTAC
537 Cajundome Blvd. Ste.232
Lafayette, LA 70506
(337) 482-6422 | la-ptac@louisiana.edu
**Counseling & Training**

If you, like many small business owners, need a business counselor to help guide you through this uncertain time, you can turn to your local Small Business Development Center (SBDC), Women’s Business Center (WBC), or SCORE mentorship chapter. These resource partners, and the associations that represent them, will receive additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19. There will soon be a joint platform that consolidates information and resources related to COVID-19 in order to provide consistent, timely information to small businesses. To find a local resource partner, visit [https://www.sba.gov/local-assistance/find/](https://www.sba.gov/local-assistance/find/).

In addition, the Minority Business Development Agency’s Business Centers (MBDCs), which cater to minority business enterprises of all sizes, will also receive funding to hire staff and provide programming to help their clients respond to COVID-19. Not every state has a MBDC. To find out if there is one that services your area, visit [this site](https://www.sba.gov/local-assistance/find/).

### FREQUENTLY ASKED QUESTIONS

**QUESTION:** Do I have to pay for counseling and training through SBDCs, WBCs, and MBDCs?

**Answer:** Counseling is free and training is low-cost with these partners. The additional funds that Congress provided will help keep this possible. Mentorship through SCORE is always free.

**QUESTION:** What is a SBDC?

**Answer:** SBDCs are a national network of nearly 1,000 centers that are located at leading universities, colleges, state economic development agencies and private partners. They provide counseling and training to new and existing businesses. Each state has a lead center that coordinates services specifically for that state, which you can find by clicking the link above. To find out more about SBDCs, visit [https://americassbdc.org/about-us/](https://americassbdc.org/about-us/).

**QUESTION:** What is a WBC; is it only for women?

**Answer:** WBCs are a national network of more than 100 centers that offer one-on-one counseling, training, networking, workshops, technical assistance and mentoring to entrepreneurs on numerous business development topics. In addition to women, WBCs are mandated to serve the needs of underserved entrepreneurs, including low-income entrepreneurs. They often offer flexible hours to meet the needs of their diverse clientele. To find out more about WBCs, visit [https://www.awbc.org/](https://www.awbc.org/).

**QUESTION:** What is SCORE?

**Answer:** SCORE provides free, confidential business advice through our volunteer network of 10,000+ business experts. You can meet with a mentor online. Find out more [here](https://www.sba.gov/local-assistance/find/).

**QUESTION:** Who do MBDCs serve?

**Answer:** MBDCs are a good option for minority-owned businesses (including those owned by Black, Hispanic, Asian American/Pacific Islander, and American Indian business owners), especially those seeking to penetrate new markets — domestic & global — and grow in size and scale.

Source: U.S. Senate Committee on Small Business and Entrepreneurship
**Contracting**

If you are a government contractor, there are a number of ways that Congress has provided relief and protection for your business. Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave. The contractors eligible are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.

If you need additional assistance, please reach out to your local Small Business Development Center, Women’s Business Center, SCORE chapter, or SBA District Office. You should also work with your agency’s contracting officer, as well as the agency’s Office of Small and Disadvantaged Business Utilization (OSDBU).