



April 7, 2021

COVID-19 Resource Guide

Small Business



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●● A NOTE FROM CONGRESSWOMAN SUZAN DELBENE ●●

The COVID-19 pandemic is the largest public health and economic crisis our state and county have faced in a lifetime. Many people have lost their jobs, kids are out of school, and businesses have closed their doors. This situation requires bold action to provide relief to the most affected and provide a strong recovery.

I want you to know that I'm fighting for you in Congress. Since the beginning of this outbreak, my priorities at the federal level are protecting families, workers, and small businesses, and getting our health care system the resources it needs to save lives.

Congress has now passed three major bipartisan relief packages to address this pandemic and provide economic resources to our communities. This guide contains information about the resources available to small businesses impacted by the COVID-19 pandemic. It is meant to be a reference tool and the information within is not exhaustive. Inside you will find a compilation of existing federal and state resources.

Because the situation is constantly evolving, check my website (delbene.house.gov) or call my office in Kirkland at 425-485-0085 for additional assistance.

Please know that my staff and I are here to help. Stay safe and healthy.

Sincerely,

A handwritten signature in blue ink that reads "Suzan DelBene".

Suzan DelBene
U.S. Representative

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QUICK GUIDE

For an immediate, life-threatening emergency, call 911

For non-emergency assistance, call 211

Small Business Administration (SBA) Disaster Assistance Center:

1-800-659-2955; online [here](#).

WA State Department of Commerce: Startup Washington

Online [here](#).

FEMA Region X (Alaska, Idaho, Oregon, and Washington):

425-487-4600; online [here](#).

American Red Cross:

[Disaster and Emergency Assistance](#)

Washington State Emergency Management Division

800-562-6108 or (253) 512-7000; online [here](#).

Washington State Department of Revenue (DOR): WA DOR created a webpage with information for property owners and businesses impacted by natural disasters [here](#).

For assistance please contact any of my offices, or visit my website at

www.delbene.house.gov

Kirkland Office:

450 Central Way
Suite 3100
Kirkland, WA 98033
(425) 485-0085

Mount Vernon Office:

204 W. Montgomery St.
Mount Vernon, WA 98273
(360) 416-7879

Washington, DC Office:

2330 Rayburn HOB
Washington, DC 20515
(202) 225-6311

PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program (PPP) provides small businesses and nonprofits harmed by COVID-19 with low-interest, zero-fee loans of up to \$10 million. Under PPP, up to eight weeks of payroll and other expenses will be forgiven if the loan is used to maintain payroll, hire back employees, and cover overhead costs.

Principal and interest are deferred for up to a year and all borrower fees are waived. This temporary emergency assistance through the U.S. Small Business Administration (SBA) and the Department of Treasury can be used in coordination with other COVID-financing assistance established in the bill or any other existing SBA loan program. Due to a legislative change last year, small businesses will have 24 weeks to use the loans (instead of 8 weeks under the original CARES Act).

NEW: Small businesses and nonprofits may now apply for a second PPP loan of up to \$2 million. First and second round PPP loans are currently available through May 31, 2021.

More information about the Paycheck Protection Program can be found [here](#).

FREQUENTLY ASKED QUESTIONS

Q: What types of businesses and entities are eligible for a PPP loan?

A: The following businesses and entities are eligible:

- 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, certain 501(c)(6) organizations a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees or fewer employees than established by the relevant industry code.
- 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 North American Industry Classification System code beginning with 72, for which the affiliation rules are waived. To understand SBA’s affiliation rules, click [here](#).
- Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the administration, and a company that receives funding through a Small Business Investment Company.

Q: What kind of lender can I get a PPP loan from?

A: All current SBA 7(a) lenders are eligible for PPP, and you can apply for the PPP Loans directly through your local lending institution. You do not apply for these loans through the SBA.

The Treasury Department will authorize new lenders. Information on the 7(a) program can be found on SBA’s website.

For a list of PPP lenders in Washington state, please click [here](#).

Q: Can I get a second PPP loan?

A: Yes! New legislation established a “PPP second draw” for smaller and harder hit businesses with a maximum amount of \$2 million. To receive a second PPP loan, eligible businesses must:

- Employ not more than 300 employees;
- Have used or will use the full amount of their first PPP loan; and
- Demonstrate at least a 25% reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same 2019 quarter.

Q: What are the loan terms for the second loan?

A: This loan has an interest rate of 1% and has a five-year minimum repayment term for any non-forgivable portions of the PPP loans. Loan payments will be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees. In general, borrowers may receive a loan amount of up to 2.5x the average monthly payroll

costs in the year before the loan or the calendar year. No loan can be greater than \$2 million.

Q: Will my second PPP loan be forgiven?

A: Yes. Borrowers of a PPP second draw loan would be eligible for loan forgiveness equal to the sum of their payroll costs, as well as covered mortgage, rent, and utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures incurred during the covered period. The 60/40 cost allocation between payroll and non-payroll costs to receive full forgiveness will continue to apply.

Q: What costs are eligible for payroll?

A: Compensation (salary, wage, commission, cash tips); 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.

Q: What are allowable uses of loan proceeds?

A: The following are the allowable uses of the loans:

- Payroll costs (as noted above)
- Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
- Employee salaries, commissions, or similar compensations (see exclusions above)
- Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
- Rent (including rent under a lease agreement)
- Utilities
- Interest on any other debt obligations that were incurred before the covered period
- Payment for any software, cloud computing, and other human resources and accounting needs.

- Costs related to property damage due to public disturbances that occurred during 2020 and are not covered by insurance.
- Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect before taking out the loan that are essential to the recipient's operations at the time at which the expenditure was made. Supplier costs of perishable goods can be made before or during the life of the loan.
- Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration

Q: How do I apply for forgiveness?

A: If your loan is more than \$150,000, contact your lender and complete the correct form, compile the required documentation, including payroll and nonpayroll documentation, and submit all of this to your lender. Additionally:

- If your loan is \$50,000 or less, SBA has a simplified form that requires no documentation and provides a waiver from reductions in jobs and salaries. Contact your lender for the correct form.
- **NEW:** If your loan is between \$50,000 and \$150,000, there is a simplified forgiveness process. Your loan can be forgiven if you sign and submit to your lender a one-page certification attesting that you accurately provided the required certification and complied with PPP loan requirements. The SBA will establish this form for you to sign which will require that you provide:
 - A description of the number of employees you were able to retain because of the covered loan;
 - The estimated total amount of the loan spent on both payroll costs; and
 - The total loan amount.

Q: How is the forgiveness amount determined?

A: You may receive loan forgiveness equal to the sum of your payroll costs, as well as covered mortgage, rent, and utility payments, covered operations expenditures, covered property damage costs, covered

supplier costs, and covered worker protection expenditures incurred during the covered period.

NEW: The borrower may choose a covered period between 8 and 24 weeks after the loan is issued. To receive full loan forgiveness, you must use at least 60 percent of the PPP loan for payroll costs, as defined above, and not more than 40 percent of the loan forgiveness amount on nonpayroll costs. You must also maintain employee and compensation levels, excluding compensation over \$100,000. More information on forgiveness, including certain exceptions to the retention criteria, is found on the SBA website.

Q: Are non-profits eligible?

A: All 501(c)(3) non-profits with 500 employees or fewer, or more if SBA's size standards for the non-profit allows. Please visit <https://www.sba.gov/size-standards/> to find out your non-profit's SBA size standards by the number of employees. For example, churches and museums with fewer than 500 employees are eligible. You will need the 6-digit North American Industry Classification Code for your business.

Additionally, the recently passed American Rescue Plan expands access to PPP to nonprofits listed under 501(c) of the Internal Revenue Code (except 501(c)(4)s, which remain ineligible for PPP), including 501(c)(5) labor and agricultural organizations, provided that:

- The organization does not receive more than 15 percent of the receipts from lobbying;
- The lobbying activities do not comprise more than 15 percent of activities;
- The cost of lobbying activities did not exceed \$1,000,000 during the most recent tax year that ended before February 15, 2020; and
- The organization employs no more than 300 employees. The American Rescue Plan also makes local offices of larger nonprofit organizations eligible for PPP, like larger 501(c)(3) organizations, as long as each location does not exceed the 500 employee cap.

ECONOMIC INJURY DISASTER LOANS

As of April 6, 2021, SBA's [Economic Injury Disaster Loans](#) (EIDLs) offer up to \$500,000 in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.

Additionally, the last two relief packages provide a combined \$35 billion for EIDL small business grants. Under this program, small businesses and nonprofits in low-income communities who can show a revenue loss of 30% compared to the previous year are eligible to receive \$10,000 advance grants through EIDL, which do not have to be repaid. Any small business or nonprofit in a low-income community that previously received an EIDL Advance grant is also eligible to receive the full \$10,000 if their award was less in the first round of grants.

Of those amounts, \$5 billion will be used to provide additional \$5,000 EIDL grants to severely impacted businesses with ten or fewer employees and revenue losses of at least 50 percent.

Originally, the CARES Act provided an advance of \$1,000 per employee (\$10,000 maximum) for small businesses and nonprofits that applied for an EIDL. Even if the applicant was subsequently denied the loan, the advance grant would not have to be repaid. Although this program ran out of funding in July 2020, the December 2020 relief package and the American Rescue Plan provide additional resources through the EIDL program.

Note: The Paycheck Protection Program and Healthcare Enhancement Act authorizes businesses with less than 500 employees that are engaged in farming and agricultural-related industries to receive both Economic Injury Disaster Loans and EIDL emergency advances.

FREQUENTLY ASKED QUESTIONS

Q: What is the difference between loans and grants?

A: The majority of small business assistance in the first emergency supplemental bill for COVID-19 were small business loans offered by the SBA. Loans must be paid back and typically have an interest rate and grace period, which grants are direct cash infusions that can assist with economic uncertainty.

Q: Where do I apply for these loans?

A: You apply for an EIDL online [here](#) or they can also reach out to their local SBA District Offices.

Q: What's the timeline for processing my application?

A: Once a borrower submits an application, approval timelines depend on volume. The typical timeline for approval is 2-3 weeks and disbursement can take up to 5 days. Borrowers are assigned individual loan officers for servicing of the loan.

Q: If I get an EIDL and/or an Emergency Economic Injury Grant can I get a PPP loan?

A: 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.

Additionally, PPP borrowers are no longer required to deduct the amount of their EIDL advance from their PPP forgiveness amount.

Q: My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?

A: 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 businesses under state law.

Q: Am I eligible for a Targeted EIDL Advance?

A: To qualify, you must:

- Be eligible for an EIDL and apply between January 31, 2020, and December 31, 2021;
- Be located in a low-income community, as defined by Section 45D(e) of the Internal Revenue Code;
- Have suffered an economic loss of greater than 30 percent; and
- Employ no more than 300 employees.

Q: What if I already received an EIDL Advance in an amount less than \$10,000?

A: Eligible entities that already received an EIDL Advance are eligible to receive additional funds equal to the difference of what they already received and \$10,000. For example, if you received an EIDL Advance equal to \$1,000, you may be eligible to receive an additional \$9,000 grant.

RESTAURANT REVITALIZATION FUND GRANTS

The American Rescue Plan establishes a new \$28.6 billion grant program for restaurants and bars that have lost revenue because of the pandemic.

- The program will provide up to \$10 million grants, capped at \$5 million per physical location, to eligible entities, which include restaurants and drinking establishments of all sizes and formats (including food trucks, carts, bars, brewpubs, tasting rooms, etc.). Eligible entities may be comprised of up to 20 affiliated locations. Publicly traded companies are not permitted to receive awards, nor are entities that receive funds under the Shuttered Venue Operators Grant program.
- In general, restaurants may receive the difference between their 2019 gross receipts and their 2020 gross receipts. The law provides for separate calculations for businesses that began operations midway through 2019, that opened in 2020, or that are not operating yet but have incurred expenses before March 10, 2021, in anticipation of opening. Award amounts will be reduced by the amount of any PPP loan an applicant has received. Grants may be used for a wide variety

of expenses, including payroll, mortgage, rent, utilities, supplies, food and beverage expenses, paid sick leave, and operational expenses.

- \$5 billion is set aside for restaurants with 2019 gross receipts of \$500,000 or less. In addition, for the first 21 days, the program is open, the Small Business Administration (SBA) is required to prioritize applications from businesses owned by women, veterans, and members of economically and socially disadvantaged communities.
- The SBA is working to establish and launch this program in the coming weeks. Interested restaurants and bars should monitor the [SBA website](#) for next steps.

SHUTTERED VENUE OPERATOR GRANTS

The December 2020 relief package establishes a new \$15 billion relief program to provide grants of up to \$10 million to live venues, movie theaters, and museums that have been significantly harmed by the COVID-19 pandemic. The American Rescue Plan infused additional funding into this program, which opened April 8, 2021. You can learn more about the program and apply [here](#).

FREQUENTLY ASKED QUESTIONS

Q: Who is eligible?

A: Businesses and entities must have been in operation on February 15, 2020, and demonstrate at least a 25% reduction in gross revenues in the first, second, third, or fourth quarters in 2020 as compared to the same quarter in 2019. Eligible entities include:

- Live venue operators or promoters;
- Theatrical producers;
- Live performing arts organization operators;
- Museum operators;
- Motion picture theatre operators; and
- Talent representatives.

Q: How is the grant award amount calculated?

A: Grant awards are calculated based on which is the lesser amount of:

- The amount equal to 45% of the gross earned revenue during 2019, if in operation on January 1, 2019 (for entities that began operations after January 1, 2019, this amount would be equal to 6x the average monthly gross earned revenue for each full month during 2019); and
- \$10,000,000

Q: What are eligible uses of these grants?

A: Eligible uses include:

- Payroll costs;
- Rent or mortgage;
- Utilities;

- Payments made to independent contractors;
- Ordinary business expenses such as maintenance, licensing fees, taxes, operating leases, insurance policies, advertising, and production transportation; and
- Worker protection items, e.g. personal protective equipment

SMALL BUSINESS DEBT RELIEF PROGRAM

Under the CARES Act, 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.

NEW: Borrowers who received relief for six months under the CARES Act will have SBA resume payments of payment and interest for an additional three months beginning in February 2021. Going forward, those payments will be capped at \$9,000 per borrower per month. After the three-month period, the hardest-hit and smallest borrowers will be eligible to receive an additional five months of relief, also capped at \$9,000 per borrower per month. Payments and interest on the first 6 months of newly approved loans will resume for all loans approved between February 1 and September 30, 2021, capped at \$9,000 per month.

FREQUENTLY ASKED QUESTIONS

Q: Which SBA loans are eligible for debt relief under this program?

A: 7(a) loans not made under the PPP, 504 loans, and microloans. Disaster loans are not eligible.

Q: How does debt relief under this program work with a PPP loan?

A: Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.

Q: Are private loans eligible for this debt relief program?

A: No. Only SBA loans are eligible for this program.

EMPLOYEE RETENTION TAX CREDIT

The Employee Retention Tax Credit (ERTC) is a proven tool that encourages employers to keep employees on payroll. Preventing layoffs and keeping employees tied to their employers has the added benefit of providing relief to states' overwhelmed unemployment programs.

The new COVID-relief legislation extends and enhances the Employee Retention Tax Credit, offering a 70 percent credit on up to \$10,000 of wages per employee per quarter to help keep employees on payroll and connected with their jobs. Businesses must have had to fully or partially suspend operations due to government order OR see at least a 20% revenue loss versus the same quarter in 2020. Additionally, the legislation improves the coordination between the Employee Retention Tax Credit and the Paycheck Protection Program by allowing access to both programs while preventing a double-dip.

The employee retention tax credit expires on December 31, 2021.

FREQUENTLY ASKED QUESTIONS

Q: How does the enhanced employee retention tax credit work?

A: The ERTC is a 70 percent refundable payroll tax credit for wages paid by an employer whose business is either fully or partially suspended due to a COVID-19 related order or is experiencing at least a 20 percent decline in gross receipts compared to the same calendar quarter of the previous year.

Eligible employers with 1,500 or fewer full-time employees may claim the credit on all wages paid to their employees. All other eligible employers may claim the credit only for wages paid to employees who are furloughed or for the time the employees are not working.

Eligible employers receive immediate and certain relief without an application process and without being subject to a limited pool of funding. The credit is applied against quarterly payroll tax liability and is refundable, so employers can get the credit even if they have little tax liability. Employers can immediately reduce deposits from payroll taxes and income tax withholding and can file for an advance credit as soon as they incur expenses.

GUIDANCE FOR EMPLOYERS

As a small business owner, we realize you may have some questions about your responsibilities to your employees. As provided by the Families First Coronavirus Response Act, the Department of Labor will be issuing implementing regulations and will provide compliance assistance to employers and employees on their rights and responsibilities under this legislation. “Paid sick leave” – means paid leave under the Emergency Paid Sick Leave Act. “Expanded family and medical leave” – means paid leave under the Emergency Family and Medical Leave Expansion Act.

FREQUENTLY ASKED QUESTIONS

Q: Should I instruct my employees to file for unemployment insurance?

A: The state’s new emergency rules should make it easier for you to file a claim for unemployment benefits.

Go to the Employment security department's website: esd.wa.gov. It's constantly being updated with information for workers and businesses about the benefits process.

Unemployment benefits are paid on a weekly cycle, so if you can't file a claim today, you have until the end of the week to do it. The state's website explains the entire process.

Q: As an employer, how do I know if my business is under the 500-employee threshold and therefore must provide paid sick leave or expanded family and medical leave?

A: You have fewer than 500 employees if, at the time your employee's leave is to be taken, you employ fewer than 500 full-time and part-time employees within the United States, which includes any State of the United States, the District of Columbia, or any Territory or possession of the United States. In making this determination, you should include employees on leave; temporary employees who are jointly employed by you and another employer (regardless of whether the jointly-employed employees are maintained on only your or another employer's payroll); and day laborers supplied by a temporary agency (regardless of whether you are the temporary agency or the client firm if there is a continuing employment relationship). Workers who are independent contractors under the Fair Labor Standards Act (FLSA), rather than employees, are not considered employees for purposes of the 500-employee threshold.

Typically, a corporation (including its separate establishments or divisions) is considered to be a single employer and its employees must each be counted towards the 500-employee threshold. Where a corporation has an ownership interest in another corporation, the two corporations are separate employers unless they are joint employers under the FLSA with respect to certain employees. If two entities are found to be joint employers, all of their common employees must be counted in determining whether paid sick leave must be provided under the Emergency Paid Sick Leave Act and expanded family and medical leave must be provided under the Emergency Family and Medical Leave Expansion Act.

In general, two or more entities are separate employers unless they meet the integrated employer test under the Family and Medical Leave Act of 1993 (FMLA). If two entities are an integrated employer under the FMLA, then employees of all entities making up the integrated employer will be counted in determining employer coverage for purposes of expanded family and medical leave under the Emergency Family and Medical Leave Expansion Act.

Q: If I am a private-sector employer and have 500 or more employees, do the Acts apply to me?

A: No. Private-sector employers are only required to comply with the Acts if they have fewer than 500 employees.

Q: If providing childcare-related paid sick leave and expanded family and medical leave at my business with fewer than 50 employees would jeopardize the viability of my business as a going concern, how do I take advantage of the small business exemption?

A: To elect this small business exemption, you should document why your business with fewer than 50 employees meets the [criteria](#) set forth by the Department, which will be addressed in more detail in forthcoming regulations. You should not send any materials to the Department of Labor when seeking a small business exemption for paid sick leave and expanded family and medical leave.

COUNSELING & TRAINING

If you need a business counselor to help guide you through the process of applying for loans or grants, 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. To find a local resource partner, click [here](#).

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 an MBDC. To find out if there is one that services your area, visit [this site](#).

FREQUENTLY ASKED QUESTIONS

Q: Do I have to pay for counseling and training through these resource centers?

A: Counseling is free, and training is low-cost.

Q: What is an SBDC?

A: 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, click [here](#).

Q: What is a WBC? Is it only for women?

A: 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, click [here](#).

Q: What is SCORE?

A: 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.

Q: Who do MBDCs serve?

A: 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.