

## **Coronavirus (COVID-19): Small Business Guidance & Loan Resources**

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The following is a summary of resources available as of April 1, 2020. Programs for contractors/1099/Gig Economy etc. will be available the week of April 10<sup>th</sup>.

Please go to the FAQ pages available for any of the programs where available.

<http://www.ctdol.state.ct.us/DOLCOVIDFAQ.PDF>

<https://www.ctdol.state.ct.us/progsupt/unemplt/new-faqui.htm>

Many local and regional organizations have information – they will all essentially have the same information when it becomes available. Some of these organizations are as follows:

Southeastern CT Enterprise Region (seCTer) [www.secter.org](http://www.secter.org)

Small Business Administration (SBA) <http://www.SBA.gov/Coronavirus>

Chamber of Commerce of Eastern CT <https://chamberect.com/coronavirus-updates/>

Department of Labor <http://www.ctdol.state.ct.us/>

State website: ct.gov <https://portal.ct.gov/>

**Please also reach out to Juliet Hodge, Planning, Development and Zoning Official for any assistance or further clarification on these programs.**

**[jhodge@northstoningtonct.gov](mailto:jhodge@northstoningtonct.gov)**

**Stay tuned as programs are changing daily. Check the North Stonington Economic Development Face Book page for updates and information as well.**

<https://www.facebook.com/nostoedc/>

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**USE THE FOLLOWING LINKS TO GET FULL DETAILS OF EACH PROGRAM – OR SCROLL DOWN THIS PAGE TO FIND THE SAME DETAILS**

- [Paycheck Protection Program](#)

- [Economic Injury Disaster Loans and Loan Advance](#)
- [SBA Debt Relief](#)
- [SBA Express Bridge Loans](#)
- [Guidance for Businesses and Employers](#)
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### **Paycheck Protection Program (PPP)**

<https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

**The Paycheck Protection Program is specifically designed to help small businesses keep their workforce employed.**

The CARES Act established a new \$349 billion Paycheck Protection Program. The new loan program will help small businesses with their payroll and other business operating expenses. It will provide critical capital to businesses without collateral requirements, personal guarantees, or SBA fees – all with a 100% guarantee from SBA. All loan payments will be deferred for six months. Most importantly, the SBA will forgive the portion of the loan proceeds that are used to cover the first eight weeks of payroll costs, rent, utilities, and mortgage interest. Local lenders will be the single point-of-contact for small businesses – the application, loan processing, and disbursement of funds will all be administered at the community level.

The new loan program will be available **retroactive** from Feb. 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020.

### **Loan Terms & Conditions**

- Eligible businesses: All businesses, including non-profits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors, with 500 or fewer employees, or no greater than the number of employees set by the SBA as the size standard for certain industries
- Maximum loan amount up to \$10 million
- Loan forgiveness if proceeds used for payroll costs and other designated business operating expenses in the 8 weeks following the date of loan origination (due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs)
- All loans under this program will have the following identical features:

- Interest rate of 0.5%
- Maturity of 2 years
- First payment deferred for six months
- 100% guarantee by SBA
- No collateral
- No personal guarantees
- No borrower or lender fees payable to SBA

SBA's announcement comes on the heels of a series of steps taken by the Agency since the President's Emergency Declaration to expeditiously provide capital to financially distressed businesses affected by the Coronavirus (COVID-19) pandemic. Since March 17, SBA has taken the following steps:

- [Declared all states and territories eligible for Economic Injury Disaster Loan assistance](#)
- 1-year deferment on Economic Injury Disaster Loans provided due to COVID-19
- [Automatic deferment of previous disaster loans for homeowners and businesses through 2020](#)
- Waiver of garnishments through 2020

Visit [SBA.gov/Coronavirus](https://www.sba.gov/coronavirus) for more information on SBA's assistance to small businesses.

## **Economic Injury Disaster Loan**

**To apply for a COVID-19 Economic Injury Disaster Loan, [click here.](#)**

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.

The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

## **SBA Debt Relief**

The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.

Under this program:

- The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
- The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

## **SBA Express Bridge Loans**

**Express Bridge Loan Pilot Program** allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct [SBA Economic Injury Disaster loan](#). If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an **SBA Express Disaster Bridge Loan**.

### **Terms**

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan

**Find an Express Bridge Loan Lender** by connecting with your [local SBA District Office](#).

Guidance for Businesses and Employers

## **The President's Coronavirus Guidelines for America - 30 Days to Slow the Spread**

The Centers for Disease Control and Prevention (CDC) offers the most up-to-date information on COVID-19. This interim guidance is based on what is currently known [about the coronavirus disease 2019 \(COVID-19\)](#). For updates from CDC, please see the following:

- [Interim Guidance for Businesses and Employers to Plan and Respond to Coronavirus Disease 2019 \(COVID-19\)](#)
- [Preventing Stigma Related to COVID-19](#)
- [Share Facts about COVID-19](#)
- [CDC Coronavirus Disease 2019 \(COVID-19\) Web page](#)
- [Information on Coronavirus Disease 2019 \(COVID-19\) Prevention, Symptoms and FAQ](#)

The following interim guidance may help prevent workplace exposures to acute respiratory illnesses, including COVID-19, in non-healthcare settings. The guidance also provides planning considerations if there are more widespread, community outbreaks of COVID-19.

To prevent stigma and discrimination in the workplace, use the guidance described below and on the [CDC's Guidance for Businesses and Employers](#) web page.

Below are recommended strategies for employers to use now. In-depth guidance is available on the [CDC's Guidance for Businesses and Employers](#) web page:

- Actively encourage sick employees to stay home
- Separate sick employees
- Emphasize staying home when sick, respiratory etiquette and hand hygiene by all employees
- Perform routine environmental cleaning
- Advise employees before traveling to take certain steps
  - Check the [CDC's Traveler's Health Notices](#) for the latest guidance and recommendations for each country to which you will travel. Specific travel information for travelers going to and returning from designated countries with risk of community spread of Coronavirus, and information for aircrew, can be found on the [CDC website](#).
- Additional Measures in Response to Currently Occurring Sporadic Importations of the COVID-19:
  - Employees who are well but who have a sick family member at home with COVID-19 should notify their supervisor and refer to CDC guidance for [how to conduct a risk assessment](#) of their potential exposure.
  - If an employee is confirmed to have COVID-19, employers should inform fellow employees of their possible exposure to COVID-19 in the workplace but maintain confidentiality as required by the Americans with Disabilities Act (ADA). Employees exposed to a co-worker with confirmed COVID-19 should refer to CDC guidance for [how to conduct a risk assessment](#) of their potential exposure.

### **Common Issues Small Businesses May Encounter:**

- **Capital Access** – Incidents can strain a small business's financial capacity to make payroll, maintain inventory and respond to market fluctuations (both sudden drops and surges in demand). Businesses should prepare by exploring and testing their capital access options so they have what they need when they need it. See [SBA's capital access resources](#).
- **Workforce Capacity** – Incidents have just as much impact on your workers as they do your clientele. It's critical to ensure they have the ability to fulfill their duties while protected.
- **Inventory and Supply Chain Shortfalls** – While the possibility could be remote, it is a prudent preparedness measure to ensure you have either adequate supplies of inventory for a sustained period and/or diversify your distributor sources in the event one supplier cannot meet an order request.
- **Facility Remediation/Clean-up Costs** – Depending on the incident, there may be a need to enhance the protection of customers and staff by increasing the frequency and intensity by which your business conducts cleaning of surfaces frequently touched by

occupants and visitors. Check your maintenance contracts and supplies of cleaning materials to ensure they can meet increases in demand.

- **Insurance Coverage Issues** – Many businesses have business interruption insurance; Now is the time to contact your insurance agent to review your policy to understand precisely what you are and are not covered for in the event of an extended incident.
- **Changing Market Demand** – Depending on the incident, there may be access controls or movement restrictions established which can impede your customers from reaching your business. Additionally, there may be public concerns about public exposure to an incident and they may decide *not to* go to your business out of concern of exposing themselves to greater risk. [SBA's Resources Partners and District Offices](#) have trained experts who can help you craft a plan specific to your situation to help navigate any rapid changes in demand.
- **Marketing** – It's critical to communicate openly with your customers about the status of your operations, what protective measures you've implemented, and how they (as customers) will be protected when they visit your business. Promotions may also help incentivize customers who may be reluctant to patronize your business.
- **Plan** – As a business, bring your staff together and prepare a plan for what you will do if the incident worsens or improves. It's also helpful to conduct a tabletop exercise to simulate potential scenarios and how your business management and staff might respond to the hypothetical scenario in the exercise. For examples of tabletop exercises, visit FEMA's website at: <https://www.fema.gov/emergency-planning-exercises>

## **SBA Products and Resources**

SBA is here to assist small businesses with accessing federal resources and navigating their own preparedness plans as described by the [CDC's Guidance for Businesses and Employers](#).

SBA works with a number of local partners to counsel, mentor and train small businesses. The SBA has 68 District Offices, as well as support provided by its Resource Partners, such as SCORE offices, Women's Business Centers, Small Business Development Centers and Veterans Business Outreach Centers. When faced with a business need, use the [SBA's Local Assistance Directory](#) to locate the office nearest you.

## **Access to Capital**

SBA provides a number of loan resources for small businesses to utilize when operating their business. For more information on loans or how to connect with a lender, visit: <https://www.sba.gov/funding-programs/loans>. **May also contact Annie Chambers, Director of Loan Programs at the Southeastern CT Enterprise Region (seCTer) located in Groton for assistance. 860-437-4659 x204.**

- **7(a) program** offers loan amounts up to \$5,000,000 and is an all-inclusive loan program deployed by lending partners for eligible small businesses within the U.S. States and its territories. The uses of proceeds include: working capital; expansion/renovation; new construction; purchase of land or buildings; purchase of equipment, fixtures; lease-hold improvements; refinancing debt for compelling reasons; seasonal line of credit; inventory; or starting a business.
- **Express** loan program provides loans up to \$350,000 for no more than 7 years with an option to revolve. There is a turnaround time of 36 hours for approval or denial of a completed application. The uses of proceeds are the same as the standard 7(a) loan.
- **Community Advantage** loan pilot program allows mission-based lenders to assist small businesses in underserved markets with a maximum loan size of \$250,000. The uses of proceeds are the same as the standard 7(a) loan.
- **504** loan program is designed to foster economic development and job creation and/or retention. The eligible use of proceeds is limited to the acquisition or eligible refinance of fixed assets.
- **Microloan** program involves making loans through nonprofit lending organizations to underserved markets. Authorized use of loan proceeds includes working capital, supplies, machinery & equipment, and fixtures (does not include real estate). The maximum loan amount is \$50,000 with the average loan size of \$14,000.

## **Exporting Assistance**

SBA provides export loans to help small businesses achieve sales through exports and can help these businesses respond to opportunities and challenges associated with trade, such as COVID-19. The loans are available to U.S. small businesses that export directly overseas, or those that export indirectly by selling to a customer that then exports their products.

- **Export Express** loan program allows access to capital quickly for businesses that need financing up to \$500,000. Businesses can apply for a line of credit or term note prior to finalizing an export sale or while pursuing opportunities overseas, such as identifying a new overseas customer should an export sale be lost due to COVID-19.
- **Export Working Capital** program enables small businesses to fulfill export orders and finance international sales by providing revolving lines of credit or transaction-based financing of up to \$5 million. Businesses could use a loan to obtain or retain overseas customers by offering attractive payment terms.
- **International Trade** loan program helps small businesses engaged in international trade to retool or expand to better compete and react to changing business conditions. It can also help exporting firms to expand their sales to new markets or to re-shore operations back to the U.S.

## **Government Contracting**



SBA is focused on assisting with the continuity of operations for small business contracting programs and small businesses with federal contracts. For more information on federal contracting, visit <https://www.sba.gov/federal-contracting/contracting-guide>

More specifically:

- **8(a) Business Development** program serves to help provide a level playing field for small businesses owned by socially and economically disadvantaged people or entities, and the government limits competition for certain contracts to businesses that participate. The 8(a) program offer and acceptance process is available nationwide, and the SBA continues to work with federal agencies to ensure maximum practicable opportunity to small businesses. 8(a) program participants should stay in touch with their Business Opportunity Specialist (BOS).
- **HUBZone** program offers eligibility assistance every Thursday from 2:00-3:00 p.m. ET at 1-202-765-1264; access code 63068189#. Members of the HUBZone team answer questions to help firms navigate the certification process. For specific questions regarding an application, please contact the HUBZone Help Desk at [hubzone@sba.gov](mailto:hubzone@sba.gov).
- **Women-owned Small Business** firms who have questions, please visit [www.sba.gov/wosbready](http://www.sba.gov/wosbready) or write to [wosb@sba.gov](mailto:wosb@sba.gov).

If a situation occurs that will prevent small businesses with government contracts from successfully performing their contract, they should reach out to their contracting officer and seek to obtain extensions before they receive cure notices or threats of termination. The SBA's Procurement Center Representatives can assist affected small businesses to engage with their contracting officer. Use the [Procurement Center Representative Directory](#) to connect with the representative nearest you. [WWW.SECTOR.ORG](http://WWW.SECTOR.ORG)

## **Local Assistance**

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## **Department of Revenue Services (DRS) tax payment extensions.**

Sales and Use Tax

**The DRS extended the filing and payment deadlines for sales tax returns as of 3/30/2020** within the parameters outlined below.

### **Qualifying small business taxpayers**

Taxpayers that have \$150,000 or less in annual Sales Tax liability qualify for an automatic extension of time to file and pay. Similarly, taxpayers that have \$150,000 or less in annual



Room Occupancy Tax also qualify for this relief. A taxpayer that collects both Sales Tax and Room Occupancy Tax must evaluate each tax separately to determine eligibility for relief.

**How does a taxpayer determine if it is a qualified small business?**

Taxpayers are required to utilize a calendar year look back period of January 1, 2019, through December 31, 2019. Any taxpayer that reported \$150,000 or less in tax during that period qualifies for the relief.

**What returns are covered by this extension?**

- For monthly Sales Tax and Room Occupancy Tax filers: returns and payments due March 31, 2020, and April 30, 2020, are extended to May 31, 2020.
- For quarterly Sales Tax and Room Occupancy Tax filers: returns and payments due April 30, 2020, are extended to May, 31, 2020.

<https://portal.ct.gov/DRS/COVID19/DRS-COVID-19-Response-FAQ>