



# COVID-19 Resources

Recent updates as a result of the passage of the \$900 Billion COVID-19 Relief Bill, Including:

- Second Round of PPP Loans
- Expanded Employee Retention Tax Credits
- Emergency Income Disaster Loans and Advances

Plus

- Information on California's \$500 Million Grant Program for Small Businesses



U.S. Small Business  
Administration



# Paycheck Protection Program 2.0

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The \$900 Billion COVID Relief Plan allocates \$284 billion for a new round of PPP new loans With applications open now through March 31, 2021.

[Form 2483](#) for borrowers who [did not receive or returned the first PPP loan](#)

[Form 2483-SD](#) for borrowers who [meet the eligibility requirements for a second PPP Loan.](#)

[Apply through a participating lender of choice, NOT directly with the SBA](#)

# Eligibility Requirements for a PPP Loan

## FIRST TIME BORROWERS

1. 500 or fewer employees
2. In operation on February 15, 2020 and had employees for whom the Applicant paid salaries and payroll taxes
3. Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant
4. The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, and
5. The Applicant has not received another Paycheck Protection Program loan

## SECOND TIME BORROWERS

1. 300 or fewer employees
2. Have used or will use the full amount of their first PPP loan
3. Can show a 25% gross revenue decline in any 2020 quarter compared with the same quarter in 2019.

# How is the 25% revenue reduction calculated?

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A borrower must calculate this revenue reduction by comparing the borrower's quarterly gross receipts for one quarter in 2020 with the borrower's gross receipts for the corresponding quarter of 2019.

For loans with a principal amount greater than \$150,000, the applicant must also submit documentation adequate to establish that the applicant experienced a revenue reduction of 25% or greater in 2020 relative to 2019. Such documentation may include relevant tax forms, including annual tax forms, or, if relevant tax forms are not available, quarterly financial statements or bank statements.

For loans with a principal amount of \$150,000 or less, such documentation is not required at the time the borrower submits its application for a loan, but must be submitted on or before the date the borrower applies for loan forgiveness.

# How is the loan amount determined?

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The maximum loan amount is \$2 million.

A business may qualify for up to 2.5 times average monthly payroll costs (includes gross wages, state unemployment cost, employer retirement plan matching contributions, and employer contributions toward the cost of employee group benefits).

Businesses with a [NAICS code beginning in 72](#) (generally hospitality businesses) may receive up to 3.5 times average payroll cost.

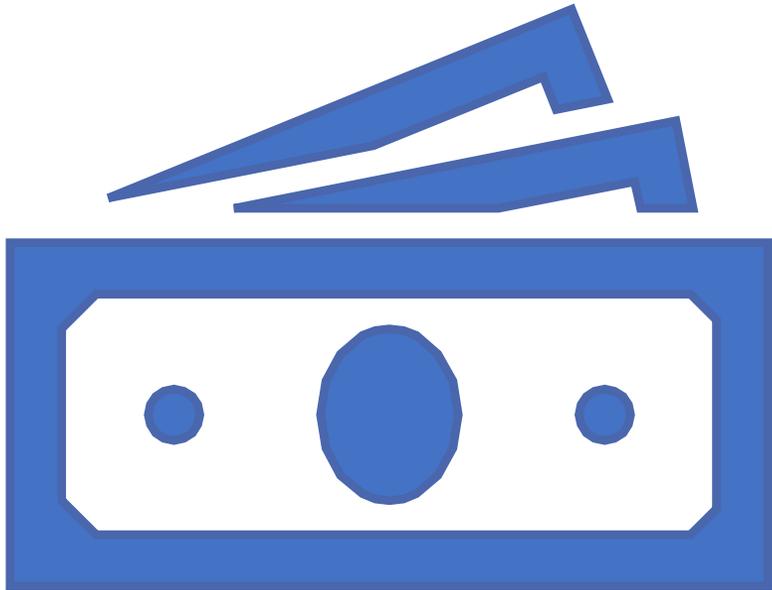
# How do I receive loan forgiveness?

Borrowers have up to 24 weeks (covered period) from the date the loan is funded to spend the loan on the following eligible expenses:

60% of loan proceeds funding on payroll cost

Borrowers may spend up to 40% on other qualified expenses, during the covered period. This list of eligible non-payroll expenses has been expanded to include:

- Rent
- Mortgage interest
- Utilities
- Covered operations expenditure
- Covered property damage cost
- Covered supplier cost
- Covered worker protection expenditures



# Employee Retention Tax Credit

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# Eligibility for Employee Retention Tax Credit

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Original Law: Business operations that are either fully or partially suspended by a COVID-19 lockdown order; or, for any quarter in 2020, if gross receipts are less than 50% of gross receipts for the same quarter in 2019.

New Law: Effective Jan. 1, 2021, business operations that are either fully or partially suspended by a COVID-19 lockdown order, or for a quarter in 2021, if gross receipts are less than 80% of gross receipts for the same quarter in 2019.

Previously, employers who received a PPP Loan were not eligible to receive the Employee Retention Credit. The new law changed this, retroactively, to wages paid after March 12, 2020 through June 30, 2021.

# How is the credit calculated?

## ELIGIBLE WAGES FROM MARCH 12, 2020 AND BEFORE JANUARY 1, 2021

50% of the qualified wages paid per employee (with a maximum credit of \$5000 for all of 2020) , plus the cost to continue providing health benefits to the employee.

Less than 100 Employees

Cannot include any wages paid with the proceeds of a PPP loan

## ELIGIBLE WAGES AFTER JANUARY 1, 2021 AND BEFORE JULY 1, 2021

70% of qualified wages (up to a maximum credit of \$14,000 per employee) which includes the cost to continue providing health benefits.

500 or less employees

Cannot include any wages paid with the proceeds of a PPP loan

# How to receive the credit

## REDUCE FEDERAL TAX DEPOSITS BY ELIGIBLE WAGES OR CLAIM CREDIT ON 941

Each pay period you may reduce the company's overall federal tax liability by the amount of eligible credit. For example:

The total federal tax liability for the pay period is \$10,000. Eligible wages are \$8,000. You would reduce the federal tax payment by \$8000 and pay the \$2000 difference to the IRS.

Or, show eligible credit amount on quarterly 941. The amount of credit will be treated as an overpayment and refunded by the IRS

## APPLY FOR A TAX CREDIT ADVANCE

Complete and file form [7200](#) using the following instructions [\(Click Here\)](#)

# Targeted Emergency Income Disaster Loan (EIDL) Advance

## WHO IS ELIGIBLE?

Advance funds of up to \$10,000 will be available to applicants located in low-income communities who previously received an EIDL Advance for less than \$10,000, or those who applied but received no funds due to lack of available program funding.

## HOW TO APPLY?

Applicants do not need to take any action at this time. The SBA will first reach out to EIDL applicants that already received a partial EIDL Advance (between \$1,000 - \$9,000).

Applicants will be contacted directly by SBA via email in the coming weeks with instructions to determine eligibility and submit documentation.

# COVID-19 Economic Injury Disaster Loans

## WHO IS ELIGIBLE AND WHAT ARE THE TERMS?

Businesses with 500 or fewer employees

### TERMS

- 3.75% Interest for businesses (fixed)
- 2.75% Interest for nonprofits (fixed)
- 30 years (Deferred one year; interest still accrues)
- No pre-payment penalty or fees

### Collateral Requirements

- Required for loans over \$25,000

## HOW TO APPLY?

[Click Here](#) to Apply

# California's \$500 Million Grant for Small Business

## California Small Business COVID-19 Relief Grant Program



### Grant Amounts and Eligibility

ELIGIBLE BUSINESS GROSS REVENUE	GRANT AWARD AVAILABLE PER BUSINESS
Annual gross revenue \$1,000 to \$100,000	\$5,000 grant
Annual gross revenue greater than \$100,000 up to \$1,000,000	\$15,000 grant
Annual gross revenue greater than \$1,000,000 up to \$2,500,000	\$25,000 grant

# CA Relief Grant Eligibility

## HOW WILL GRANT RECIPIENTS BE DETERMINED?

Geographic distribution based on COVID-19 health and safety restrictions following California's Blueprint for a Safer Economy, county status and the new Regional Stay-at-Home Order.

Industry sectors most impacted by the pandemic

Underserved small business groups served by the State supported network of small business centers (i.e., businesses majority owned and run on a daily basis by women, minorities/persons of color, veterans and businesses located in low-to-moderate income and rural communities)

## WHEN AND HOW TO APPLY?

First round of applications closed on January 13, 2021.

Second round opens on February 2, 2021 and goes through February 8, 2021 (for remaining \$250 Million).

Visit <https://careliefgrant.com> to learn more and apply