

COVID-19 Relief Programs for Businesses

Relief programs are being updated daily. Following are some programs available to help impacted businesses:

- Philadelphia COVID-19 Small Business Relief Fund – This fund is a tiered program providing targeted support by revenue level:
 - Micro-enterprise grants — \$5,000 for businesses with less than \$500,000 in annual revenue
 - Small-business grants — up to \$25,000 for businesses with annual revenue between \$500,000 and \$3 million.
 - Small-business zero-interest loans — up to \$100,000 for businesses with annual revenue between \$3 million and \$5 million.
 - https://phila-yims.formstack.com/forms/philadelphia_covid_19_small_business_relief_fund
- Pennsylvania funding – The Pennsylvania Industrial Development Authority (PIDA) has approved guidelines for the new COVID-19 Working Capital Access program. Over \$60 million is available in the form of no-interest loans up to \$100,000 for small businesses with 100 or fewer full-time employees. Businesses will need to apply through their local Certified Economic Development Organization. The application window just opened at 3 p.m. today (for Chester County applications; others are expected to follow.)
 - As an example, the Chester County Economic Development Council lists program details and has links for information to be gathered/ application Exhibits to complete, as well as a link to the full Program Guidelines booklet.
<https://ccedcpa.com/cwca/>
 - Certified Economic Development Organizations by county:
<https://dced.pa.gov/cedo/>
- The SBA is offering “Disaster assistance” loans, which also includes “economic injury.” There is a list of Eligible Disaster Areas which includes DE, MD, NJ, and PA (among other states) for COVID-19. These loans provide up to \$2MM to help businesses meet financial obligations and operating expenses that could have been met had the disaster not occurred. The interest rate for a small business will be 3.75%, with terms determined on a case-by-case basis. There is also a one-year deferral on payments, but interest accrues. <https://www.sba.gov/funding-programs/disaster-assistance>.
- As noted in our Monday alert, there is a payroll tax credit available to pay for 100% of qualified emergency family leave/ sick leave wages established under the Families First Coronavirus Response Act. This credit is only for employees that meet specific criteria. Yesterday the Department of Labor released a Q&A page on these programs, and set the effective date of these programs to April 1, 2020 (was previously to begin April 2, 2020.) The Q&A also noted that these programs are not retroactive.
<https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>. We are all awaiting

regulations from the DOL which will hopefully clarify whether or not the government quarantine orders in certain states/ counties qualify under reason #1 in Q&A #7, for those “unable to work or telework due to a need for leave because you are (1) subject to a Federal, State, or local quarantine or isolation order related to COVID-19.”

- As an alternative to layoffs, many states offer a “shared-work program” to preserve employees’ jobs and employers’ trained workforces during times of lowered economic activity. This program allows employers to reduce hours of work for employees rather than laying-off some employees while others continue to work full-time. Those employees experiencing a reduction in hours are allowed to collect a percentage of their unemployment compensation benefits to replace a portion of their lost wages. This cushions the adverse effect of the reduction in business activity on workers by averting layoffs and ensures that these workers will be available to resume prior employment levels when business demand increases. As an example, this link explains Pennsylvania’s Shared-Work Program (similar programs are available in NJ, MD, NY, and other states.) <https://www.uc.pa.gov/employers-uc-services-uc-tax/shared-work/Pages/default.aspx#.V1gu3iGUJM4>
- The Senate is getting close to an agreement on a \$2 trillion dollar economic stimulus package. It is not yet clear when the House will vote to approve the package. The legislation, if it passes Congress, would be the largest emergency aid package in US history. It is expected to include loans to small businesses, support to furloughed workers, and cash payments to certain individuals, as well as other tax relief. We will send a separate alert on this as more details become available.

There is a lot of information here – please call us if you have any questions.