

CONGRESSWOMAN STACEY E. PLASKETT

COVID-19
SMALL BUSINESS
WEBINAR



S P E A K E R S

Wayne Huddleston

Senior Area Manager - U.S. Virgin Islands
Small Business Administration (SBA)

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State Director

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A G E N D A

- Opening Remarks- Congresswoman Plaskett
 - Remarks- Wayne Huddleston
 - Remarks- Ted Gutierrez
 - Presentation- Congresswoman Plaskett & Jeffrey Nowill
 - Q&A-moderated by Mike McQuerry
 - Closing Remarks- Congresswoman Plaskett
-

A BRIEF EXPLANATION OF

THE
C.A.R.E.S. ACT
CORONAVIRUS AID, RELIEF, & ECONOMIC SECURITY ACT

THE C.A.R.E.S ACT

On Friday, March 27, 2020
the C.A.R.E.S Act was signed
into law.

The 2 trillion dollar package is the largest
economic stimulus in U.S. history.

The bill provides economic assistance to
working Americans, small businesses,
local and state governments including
the Virgin Islands.

FOR SMALL BUSINESSES

The C.A.R.E.S Act provides federally guaranteed SBA loans for businesses with 500 or fewer employees.

These loans are available immediately through existing Small Business Administration-certified lenders, including certain banks, credit unions, and other financial institutions

A streamlined process will be created to quickly approve other lenders for the program.

FOR SMALL BUSINESSES CONT'D

The size of the loans is tied to the small business's average monthly payroll, going back to February 15th.

The maximum loan amount is \$10 million.

If small businesses retain and pay their employees, the portion of the loan used to cover payroll and mortgage interest, rent, and utility payments will be forgiven.

FOR SMALL BUSINESSES CONT'D

On March 21st the Virgin Islands recieved a disaster declaration from the Small Business Administration.

This declaration allows for small business owners to apply for disaster loans.



RESOURCES OVERVIEW

PAYCHECK PROTECTION PROGRAM

Working capital to cover the cost of retaining employees.

ECONOMIC INJURY DISASTER LOANS

Low interest loans for those suffering substantial economic injury related to COVID-19.

EMERGENCY ECONOMIC INJURY GRANTS

A quick infusion of a smaller amount of cash to cover immediate expenses.

SMALL BUSINESS DEBT RELIEF PROGRAM

Provides assistance keeping up with payments on a current or potential SBA loan.



RESOURCES

OVERVIEW

CONT'D

SMALL BUSINESS TAX CREDIT

Employee retention credit for employers subject to closure or experiencing economic hardship.

DELAYED PAYMENT OF PAYROLL TAXES

Allows taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020.



RESOURCES CONT'D

PAYCHECK PROTECTION PROGRAM (PPP)

Provides 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.

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.

This program is 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.



RESOURCES CONT'D

ECONOMIC INJURY DISASTER LOANS

Economic Injury Disaster Loan (EIDL) is a lower interest loan of up to \$2 million, with principal and interest deferment available for up to 4 years.

These loans are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.

EIDLs are available to the following categories with 500 or fewer employees:

- Small Business Owners
- Independent Contractors
- Cooperatives
- Private Non-Profits



RESOURCES CONT'D

EMERGENCY ECONOMIC INJURY GRANTS

These grants provide an emergency advance of up to \$10,000 for small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL).

The advance does not need to be repaid under any circumstance.

The advance 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.

The grants are backdated to January 31, 2020 and are available until December 31, 2020.



RESOURCES CONT'D

SMALL BUSINESS DEBT RELIEF PROGRAM

Provides immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans.

Under this program, 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 between **March 27, 2020 and September 27, 2020**.



RESOURCES CONT'D

SMALL BUSINESS TAX CREDIT

Will provide a refundable payroll tax credit for 50% of wages paid by eligible employers during the COVID-19 crisis.

The credit is available to employers whose operations have fully or partially been suspended as a result of a government order related to COVID-19.

The credit is also available to employers who experienced a greater than 50% reduction in quarterly receipts.

The credit is provided for wages and compensation including health benefits.

Credit is provided through **December 31, 2020.**

Not available to employers receiving assistance through PPP.



RESOURCES CONT'D

DELAYED PAYMENT OF PAYROLL TAXES

The employer portion of FICA taxes and half of SECA tax liability.

All 2020 deferred amounts will be due in two equal installments. One at the end of 2021 and the other at the end of 2022.

Not available to employers receiving assistance through PPP.

CONTACT US

**THANKS FOR
PARTICIPATING!**

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BUSINESS ASSISTANCE](#)**

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