

Business Resources for COVID-19 Crisis

Floyd County, Virginia

4/15/2020 updates

In this frightening and unprecedented crisis, we are trying to keep up to date on information that could help your business. We have now separated the Resources for Impacted Workers to a separate [document](#).

Business Restrictions

Virginia has restricted operations of certain non-essential business. Note that so far that production companies can continue to operate (but should avoid meetings of more than 10), and restaurants can continue to do take-out and delivery. See Governor's Announcements below.

[Governor Northam Issues Stay-at-Home Order](#) 3/30/20

[Governor Northam Orders Statewide Closure of Certain Non-Essential Businesses, K-12 Schools Bans public gatherings of more than 10 people](#) 3/23/20

["Governor and Health Commissioner Issue Public Health Emergency Order to Enforce 10-Patron Limit Order; gives law enforcement the ability to enforce 10-patron limit in restaurants, fitness centers, and theaters."](#) 3/17/20

[This does not include normal operations at essential services such as manufacturers, distribution centers, airports, bus and train stations, medical facilities, grocery stores, or pharmacies."](#) 3/17/20

Business Loans, including Forgivable Loans and Cash Advances

There are low-interest loans available and some include potential loan forgiveness. Note that they will likely take a few weeks for approval after the complete application is submitted. **If you already have a non-disaster SBA 7a, 504 or microloan**, the SBA will cover all loan payments (including principal, interest and fees for 6 months.) Likewise on the two federally-back loans described next, no payments will be due for 6 months in most cases.

Federally-backed Forgivable Loans and Cash Advance grant through new CARES Act (passed 3/27/20)

There are two programs available to small businesses, sole-proprietors, independent contractors, and **501-c-3 non-profits** that offer small grants or potential loan forgiveness for certain expenses--**Economic Injury Disaster Loans (EIDL) Cash Advance and SBA Paycheck Protection Program loans.**

Economic Injury Disaster Loans (EIDL) with Cash Advance Grant—The Small Business Administration's (SBA) EIDL Cash Advance program offers up to \$1,000 to the business **per employee up to \$10,000.** The Cash Advance will not have to be repaid if used for qualifying business expenses. Unfortunately, farms are not eligible unless a cooperative. Apply [here](#). Be sure to write down your application number when you complete it. If general questions, reach out to the Small Business Development Center (in Roanoke) [here](#). If you completed an Economic Injury Disaster Loan (EIDL) application prior to Monday, March 30th, you will need to complete ANOTHER to request up to \$10,000 in grant funds. Use this link for the new application <https://covid19relief.sba.gov/#/>. **Beyond the Cash Advance, you can also apply for a true loan for operating funds for 2 months, for up to \$15,000. Interest rates are 2.75% for nonprofits and 3.75% for businesses and self-employed/independent contractors, with loans up to 30 years.**

Federally-backed Loans (continued)

Paycheck Protection Program (PPP)—These new loans carry with them a possibility of forgiveness. Borrowers will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. You will also owe money if you do not maintain your staff and payroll (basically forgiveness is proportional to how many employees and payroll you maintain from before pandemic)—see US Chamber of Commerce link below for more details.. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. These loans flow through participating private lenders like banks. I believe locally Skyline National Bank (sba@skylinenationalbank.com), [Atlantic Union](#) and Carter are participating lenders. No fees. Check with your lender to see if they are a participating SBA lender and what additional documents they will require with the applications. **General eligibility info and the sample application is available [here](#).** Much of the documentation with center on payroll for employers and income for the self-employed.

There should not be any fees to apply for these loans. **There is no personal guarantee or collateral required.** Make sure that the loan you are applying for has the loan forgiveness provision, and make sure you have a good understanding of how much forgiveness you will likely get before signing any loan closing documents. **For any balance you owe, it's a 2-year loan at 1%. Loan payments begin 6 months after the loan.**

For more info, see these helpful guidance documents from the [US Chamber of Commerce](#), [Senate Finance Committee](#), and the [National Employment Law Project](#).

It appears that you can apply for both the EIDL Cash Advance and the PPP, but they cannot be used for the exact same expenses. And the cash advance grant may limit how much of the PPP loan can be forgiven.

Local Low-interest loans (do not include debt forgiveness)

Floyd County 5 & 10 Small Business Loan Program: This is the local EDA's program that can provide up to \$5,000 in loan funds for any job to be saved or created; total loans up to \$45,000; for small businesses in Floyd County. Payments to be waived until at least July 1. Loans may be used for working capital.

Town of Floyd Business Loan Program: This program is for businesses in the Town of Floyd. Does not typically include working capital but will be considered during crisis.

Other Assistance through CARES and previous Federal stimulus legislation

Business and nonprofit employers whose operations have been fully or partly suspended as a result of a government order limiting commerce, travel or group meetings are eligible for a refundable payroll tax credit of 50 percent of wages for certain employees during the COVID-19 crisis. The credit is also provided to employers who have experienced a greater than 50% reduction in quarterly receipts, measured on a year-over-year basis.

Assistance Available direct to Impacted Workers can be found [here](#).

New Requirements for Businesses to Provide Paid Sick Leave and FMLA

The US **Families First Coronavirus Response Act**, signed on Wednesday, March 18, 2020, is an economic stimulus plan aimed at addressing the impact of the COVID-19 outbreak on Americans and temporarily introducing paid sick leave and an expanded family and medical leave act to the nation's employers. The leave provisions will go into effect on April 1, 2020 and remain in effect until December 31, 2020. There are two provisions for employers with fewer than 500 employees listed below. Note there are also new Employer Tax Credits to cover the Paid Sick Leave and Paid Family and Medical Leave. See below.

1)Emergency Paid Sick Leave: Generally, the Act provides that covered employers must provide to all employees:

-Two weeks (up to 80 hours) of paid sick leave at the employee's regular rate of pay where the employee is unable to work because the employee is quarantined (pursuant to Federal, State, or local government order or advice of a health care provider), and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or

-Two weeks (up to 80 hours) of paid sick leave at two-thirds the employee's regular rate of pay because the employee is unable to work because of a bona fide need to care for an individual subject to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider), or care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing a substantially similar condition as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor.

2)Emergency Family and Medical Leave Expansion act: An emergency expansion of the Family Medical Leave Act (FMLA). Under this provision employers with fewer than 50 employees are no longer exempt from FMLA. Any individual employed by the employer for at least 30 days (before the first day of leave) may take up to 12 weeks of job-protected leave to allow an employee, who is unable to work or telework, to **care for the employee's child (under 18 years of age) if the child's school or place of care is closed or the childcare provider is unavailable due to a public health emergency**. Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern. The process for seeking an exemption is not yet clear.

Employers must not only provide paid leave, they must **notify employees**. See posters you can use and other info [here](#).

For more detail on paid leave requirements, see [this](#).

Employer Tax Credits for Paid Sick and Paid Family And Medical Leave

There is also a series of refundable tax credits for employers who are required to provide the Emergency Paid Sick Leave and Emergency Paid Family and Medical Leave described above. These tax credits are allowed against the employer portion of Social Security taxes. While this limits application of the tax credit, employers will be reimbursed if their costs for qualified sick leave or qualified family leave wages exceed the taxes they would owe.

Paid Leave Tax Credits (continued)

Specifically, employers are entitled to a refundable tax credit equal to 100% of the qualified sick leave wages paid by employers for each calendar quarter in adherence with the Emergency Paid Sick Leave Act. The qualified sick leave wages are capped at \$511 per day (\$200 per day if the leave is for caring for a family member or child) for up to 10 days per employee in each calendar quarter.

Similarly, employers are entitled to a refundable tax credit equal to 100% of the qualified family leave wages paid by employers for each calendar quarter in accordance with the Emergency Family and Medical Leave Expansion Act. The qualified family leave wages are capped at \$200 per day for each individual up to \$10,000 total per calendar quarter. Only those employers who are required to offer Emergency FMLA and Emergency Paid Sick Leave may receive these credits.

See this [page](#) for more info on paid leave and tax credits.

Other Important Information:

Health Concerns, potentially COVID-19: if you feel sick with fever, cough, or difficulty breathing, and have been in close contact with a person known to have COVID-19, call your healthcare professional or the New River Health District Hotline 540-267-8240 Hours: Monday-Friday, 8 am-8pm; Saturday – 8-12 am; Sunday – 12-4. **If you have a Medical Emergency, call 911.**

Continuity of Operations Plan: If you haven't already done so,

- Prepare for the fact that current business leaders may be unavailable to do illness.
- Designate at least one person who knows all critical business operations to work in a separate location for now.
- Crisis Communication Plan: establish now how you will communicate with all employees
Seek to assure alternate sources of supplies.
- Who will be in charge of the premises if business must close?
–Source: FEMA

Communicate Early and Often With Customers:

- Use Social Media in new ways...e.g. consider Facebook live to update customers on offerings or steps you're taking to assure health and safety of staff and customers
- Start pick/up or delivery of current products
- Create new convenience items or items that meet current needs
- Promote special online sales to your customer base via email or social media, including gift cards/certificates
- Update your hours and services on Google business page and on Floyd events calendar if applicable
visitfloydva.com

Small Business Resiliency Guide

You can find a guidebook [here](#) to help your business withstand disruptions, as well as a templates for a Business Resiliency Plan and Emergency procedures.

Questions about your Business or how to access new Business Assistance: contact Lydeana Martin, lmartin@floydcova.org or Tabitha Hodge, thodge@floydcova.org.