Small Business Relief Resource Guide

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US small businesses are being tested like never before in the face of COVID-19.

As the uncertainty surrounding the coronavirus outbreak has seemingly brought the world to a grinding halt, it's the backbone of the US economy, small business, that has been left the most vulnerable.

According to the US Small Business Administration (SBA) there are 30.7 million small businesses across the country, accounting for 99.7% of all companies. In all, they employ 60 million Americans, roughly 47% of the entire national workforce.

These businesses have always been resilient and innovative, driving economic growth and they undoubtedly will play a major role helping the country recuperate from COVID-19.

While most predict that the coming recovery will take months, there are available resources to assist these businesses today. The recently passed and $2 trillion stimulus package designed to kickstart the economy includes cash and other assistance for both individuals and businesses.

This resource guide covers available relief programs created for small businesses by the recently passed Coronavirus Aid, Relief, and Economic Security (CARES) Act.

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US Small Business:
By the Numbers

99%

of all companies in the US are small businesses.

* according to a United States Small Business Administration Report from 2019.

Total Number of US Small Businesses	Total Number of Employed Workers	Percentage of US Workforce
30.7 M	59.9 M	47.3%

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Economic Injury Disaster Loans

The SBA provides low-interest, long-term Economic Injury Disaster Loans (EIDL) of up to $2 million to small businesses so that they can help meet their financial obligations and operating expenses, including payroll, that the company could have met had a major disaster not occurred.

The recently passed $2 trillion CARES Act has provisions to expand eligibility for these EIDLs and made the application process easier. Applicants can now be approved by the SBA based solely on their credit score. In addition, EIDLs smaller than $200,000 can be approved without a personal guarantee.

Borrowers also can receive a $10,000 emergency cash advance within 3 days that will be forgiven if spent on paid leave, payroll, mortgage or lease payments, or repaying other obligations that can't be met due to revenue losses.

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Who Is Eligible For EIDLs?

Those eligible are the following with 500 or fewer employees:

- All Sole Proprietorships
- Independent Contractors
- Co-Ops/Employee Owned Businesses
- 501(c)(3) Nonprofits

What Are EIDL Advance Grants?

These grants provide an emergency advance of up to $10,000 within 3 days of applying for an SBA EIDL. This advance doesn't need to be repaid under any circumstance.

$10K Can be used to pay payroll, sick leave or any other business obligations, including mortgage or rent payments.

What Are The Rates?

3.75%
Fixed Interest Rate For Small Businesses

2.75%
Fixed Interest Rate For Nonprofits

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EIDL Process

Step 1
Apply For Loan

- Apply Online At The SBA's Secure Website
- You May Request To Borrow Up To $2 M For Economic Injury To Pay Necessary Operating Expenses

Step 2
Loan Decision Made

- SBA Will Review Your Credit
- Loan Officer Will Determine Your Eligibility
- Decision Made In 2-3 Weeks
- You Will Be Advised Of All Loan Decisions

Step 3
Funds Disbursed

- SBA Will Prep & Send Loan Closing Docs
- Once Signed, Disbursement Will Be Made In 5 Days
- Decision Made in 2-3 Weeks
- Loan May Be Adjusted After Closing Due to Changing Circumstances

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Paycheck Protection Program

The Paycheck Protection Program is a key program in the newly passed stimulus bill and will provide even more relief for most small businesses. In it, the SBA has set aside $350 billion in government backed loans that can be forgiven if certain requirements are met.

All small businesses with fewer than 500 employees will be eligible to receive funds, but they must be spent to maintain payroll through June in an effort to keep from laying off workers. Select types of businesses with fewer than 1,500 employees and 501(c)(3) nonprofits with fewer than 500 employees may also qualify.

Money spent on payroll costs combined with those made as rent and utility payments can be forgiven as long as the company has kept paying employees at normal levels during the 8 weeks following the origination of the loan. Businesses that have been approved for an EIDL still also qualify for the Paycheck Protection Program.

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What Costs Are Eligible As Payroll?

Most costs associated with employee payroll are eligible:

- Employee Compensation
- Vacation & Sick Leave
- Allowance For Dismissal
- Healthcare Benefits
- Retirement Benefits
- Taxes On Compesation

Costs not eligible include employee compensation over $100,000; taxes imposed under chapters 21, 22, and 24; compensation for employees whose principal place of residence is outside of the US; and qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act.

What Are Terms Outside Forgiveness Period?

1.0%
Interest Rate

2 Yrs
Loan Term

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How Is Forgiveness Calculated?

Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages:

Payroll Costs + Lease/ Mortgage + Utilities Costs

How Do I Get Forgiveness?

You must apply through your lender for forgiveness. In this application, you must include documentation for:

- Payroll Costs
- Real Estate Costs
- Self Certify

Where Should I Get My Loan?

All current SBA 7(a) lenders are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including nonbank lenders, to help meet the needs of small business owners.

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SBA Debt Relief Program

In an effort to help all businesses with existing non-disaster SBA loans, the CARES Act has instituted a new debt relief program to provide assistance for managing loan payments.

Under it, the SBA will cover all loan payments, including principal, interest and other fees for up to six months. New borrowers who take out non disaster loans within the next six months will also be eligible under the terms of requirements. Debt relief will be automatic, but make sure to check with your lender.

In general, businesses must meet certain size criteria, demonstrate a reasonable ability to repay and have a sound business purpose to be approved for this type of loan. Under the new law the SBA is directed to make payments within 30 days of the date on which the first payment is due.

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New Tax Provisions

Small business owners are also going to be eligible for certain tax relief programs designed to relieve some pain from the loss of revenue.

As part of an employee retention credit, all employers would be eligible for a refundable payroll tax credit equal to 50% of the qualified wages paid up to $10,000. The result is a maximum credit of $5,000 per employee. To qualify you must show your business has at least partially been suspended due to orders from a government authority and show gross receipts for one quarter less than 50% of those received during that same quarter last year.

The CARES Act expands payroll tax relief by allowing employers to delay payment of their share of Social Security tax that would be deposited between now and the end of the year. Instead, 50% of those taxes must be deposited by the end of 2021 with the remainder due by the end of 2022.

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Small Business Counseling

In this quickly evolving situation, it can be easy to feel powerless and uncertain the best way to proceed. Don't get overwhelmed, reach out for help.

There are many dedicated small business resources that offer business consultations to help guide you through this uncertain time, including the Houston chapters of the Small Business Development Center, SCORE, and Women's Business Center. Dedicated expert volunteers are available to answer your questions and help you make the right decisions for your business.

Many of these organizations will receive additional funding to expand their reach to better support the business community. The CARES Act also is creating a consolidated platform that will provide consistent information to small businesses to help provide clarity on available resources.

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10 Small Business Resources

The list of relief programs for small businesses is ever growing. Below are some key resources to gather additional information.

Small Business Administration

www.sba.gov

Created in 1953, the SBA continues to help small business owners and entrepreneurs pursue the American dream. The SBA is the only cabinet-level federal agency fully dedicated to small business and provides counseling, capital, and contracting expertise as the nation's only go-to resource and voice for small businesses.

Texas Economic Development Council

www.texasedc.org

The Texas Economic Development Council (TEDC) is an Austin-based, statewide, non-profit professional association dedicated to the development of economic and employment opportunities in Texas. We are the largest state association of economic development professionals, volunteers, and elected officials.

US Chamber of Commerce

www.uschamber.com

The U.S. Chamber of Commerce is the world's largest business organization representing the interests of more than 3 million businesses of all sizes, sectors, and regions. Members range from mom-and-pop shops and local chambers to leading industry associations and large corporations.

Greater Houston Partnership

www.houston.org

Since 1840, the Greater Houston Partnership has strived to make the region the best place to live, work and build a business. We serve over 1,000 member companies in the 11-county Houston region. The Partnership addresses Houston's unique challenges, and champions the growth and success of our region.

National Small Business Association

www.nsba.biz

Celebrating more than 80 years representing America's small-business owners, NSBA is a staunchly nonpartisan organization with 65,000 members in every state and every industry in the U.S. We offer access to the latest resources, information, and best practices in advocacy and communications for our members.

Small Business Development Center

www.sbdctexas.org

With over 60 centers strategically located in rural, urban, and suburban communities throughout the Lone Star state, the Texas Small Business Development Center Network has the knowledge, tools and resources you need to succeed. SBDC assistance is fully customized to your needs.

IRS

www.irs.gov

The Internal Revenue Service is the revenue service of the United States federal government. The government agency is a bureau of the Department of the Treasury, and is under the immediate direction of the Commissioner of Internal Revenue, who is appointed to a five-year term by the President of the US.

SCORE

www.houston.score.org

SCORE, the nation's largest network of volunteer, expert business mentors, is dedicated to helping small businesses get off the achieve their goals. Since 1964, we have provided education and mentorship to more than 11 million entrepreneurs. SCORE is a resource partner of the SBA.

CDC

www.cdc.gov

The Centers for Disease Control and Prevention is the leading national public health institute of the United States. It is a United States federal agency, under the Department of Health and Human Services. The CDC protects America from health, safety and security threats, both foreign and in the U.S.

Houston Women's Business Center

www.wbea-texas.org

The WBEA -Women's Business Center (HWBC) represents a national network of nearly 100 educational centers designed to start and grow small businesses. WBCs operate with the mission to "level the playing field" for entrepreneurs, who still face unique obstacles in the world of business.

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About Cresa

For more than 20 years, Cresa has served as an objective, stable business partner to Houston-area commercial tenants. We join our clients' teams, working to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to occupiers' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

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