

Q: What resources are available for my small business to prevent me from laying off staff and to help me pay bills I may have trouble paying because of COVID-19?

A: The COVID-19 AID, Relief and Economic Security (CARES) Act provides funding for multiple programs, including the Paycheck Protection Program and the SBA Debt Relief Program. There are also traditional SBA Loans, such as the SBA Economic Injury Disaster Loan Programs and Florida's Short Time Compensation program. See below for more information about each program. More information can also be found on our website at Floridajobs.org/COVID-19.

Paycheck Protection Program- In order for small businesses to have an incentive to keep employees on payroll, the CARES Act bill offers extensive debt relief through the U.S. Small Business Administration (SBA). The Paycheck Protection Program is a loan designed to provide businesses with fewer than 500 employees loans to keep their workers on the payroll. The program provides eight weeks of cash-flow assistance through 100 percent federally guaranteed loans. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest or utilities.

SBA Debt Relief Program- The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis. Under this program the SBA will pay the principal and interest of new 7(a) loans issued prior to September 27, 2020. The SBA will also pay the principal and interest of current 7(a) loans for a period of six months.

SBA Economic Injury Disaster Loan Program- The SBA Economic Injury Disaster Loan program is available to small businesses and nonprofits that have been severely impacted by COVID-19. These targeted, low-interest loans of up to \$2 million can provide vital economic support to help overcome the temporary loss of revenue during this time.

The Short Time Compensation Program- The Short Time Compensation Program helps employers retain their workforce in times of temporary slowdown by encouraging work sharing as an alternative to layoff. To avoid total layoff of some employees, the Short Time Compensation program permits prorated Reemployment Assistance benefits to employees whose work hours and earnings are reduced as part of a Short Time Compensation plan. To apply for the Short Time Compensation Program, please follow this link to the Employer Login page of [CONNECT](#).

Q. Does the bill provide assistance to cruise lines, the owners and operators of small passenger vessels or port facilities?

A. Eligible businesses are Florida businesses that lost business revenue as a result of COVID-19; therefore, cruise lines, the owners and operators of small passenger vessels or port facilities are expected to qualify.

Q. How does the CARES Act provide relief for rural communities and farmers?

A. Farmers will be able to work with their trusted farm credit institutions for the purposes of securing payroll tax loans along with 1-year deferrals, 100% guarantees and low rates. Visit the U.S. Department of Agriculture (USDA) website for additional resources.

Q. How quickly will businesses be able to access loans?

A. The SBA is working quickly to expand its capacity to set things into place, including onboarding new lenders, with assistance from resources Congress has provided.

Paycheck Protection Loan:

Q. What is the Paycheck Protection Loan Program?

A. The COVID-19 AID, Relief and Economic Security Act (CARES) creates the Paycheck Protection Program, which is a new program within the SBA that provides a paycheck protection for small employers, self-employed individuals and “gig economy” workers. This funding helps prevent workers from losing their jobs and small businesses from closing their doors due to economic losses caused by the COVID-19 pandemic. Existing and new SBA lenders will be able to offer these loans to eligible businesses. The Paycheck Protection Program will be 100-percent guaranteed by the SBA and have an interest rate of 4%. The loan may cover payroll costs including costs related to the continuation of group healthcare benefits during periods of paid sick, medical or family leave and insurance premiums; employee salaries, commissions or similar compensations; payments of interest on any mortgage obligation (which shall not include any prepayment of or any payment principal on a mortgage obligation); rent (including rent under a lease agreement); utilities; and interest on any other debt obligations incurred before February 15, 2020.

Q: Is the entire amount of the loan eligible for forgiveness for the Paycheck Protection Loan Program?

A: The amount of loan forgiveness under this section shall not exceed the principal amount of the financing made available under the applicable covered loan. The amount of loan forgiveness shall not exceed the sum of:

- The total payroll costs incurred by the eligible recipient during the covered period;
- The amount of payments made during the covered period (March 1, 2020 through June 30, 2020) on debt obligations that were incurred before the covered period; and
- The amount of loan forgiveness is reduced if the businesses full-time equivalent (FTE) count has been reduced.

Q. What are the exact steps for small businesses to access the capital? Where can I find the information? Is there a video or other form of assistance?

A. The best place to go is an SBA-approved lender. Please reach out to your lender to inquire if they are SBA-approved.

Q: What type of business losses will the Paycheck Protection Loan Program fund?

A: Funding can cover the following costs:

- Payroll costs;
- costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;
- Employee salaries, commissions, or similar compensations;
- Payments of interest mortgage payments (which shall not include any prepayment of, or payment of principal on a mortgage obligation);
- Rent (including rent under a lease agreement); utilities;
- Interest on any other debt obligations that were incurred before February 15, 2020.

Q: Is my business eligible for the Paycheck Protection Loan Program?

A: Eligible businesses include:

- Businesses and 501(c)(3) organizations with less than 500 employees;
- Sole proprietors, independent contractors and self-employed individuals;
- Small businesses in the hospitality and food service industry with more than one location, if the store or location employs fewer than 500 workers; and
- For franchises that appear in the SBA's National Franchise Directory, assistance will be extended to the franchisee at the store or location level.

Q: If I've already laid off employees, but if I rehire them, do I qualify for loan forgiveness?

A. Yes, the amount of loan forgiveness will be calculated based on a formula to calculate the percentage of full time equivalent reduction.

Q. What is the Loan Forgiveness Program through the Paycheck Protection Program?

A. Loan Forgiveness allows businesses that maintain payroll continuity from February 15, 2020, through June 30, 2020, as defined by headcount, to request forgiveness on a Paycheck Protection loan for the use of payroll costs; mortgage interest; rent and utility pay over an 8-week period.

Q. What is the maximum loan amount a business may receive through the Paycheck Protection Loans?

A. The maximum loan amount for loan recipients must not exceed \$10 million or 2.5 times the average monthly payroll based on the prior year's payroll.

Q. In the Paycheck Protection Program, are nonprofits eligible, are churches eligible, are chambers of Commerce eligible and physician practices eligible?

A. Nonprofits and churches designated as 501(c)(3) may participate in the Paycheck Protection Program. Physician practices are eligible, regardless of how they are structured (i.e. as an S-Corp, C-Corp or sole proprietorship). Unfortunately, most trade associations (therefore most Chambers) are organized as 501(c)(6)s. They are not eligible to participate under the Senate bill.

Q. In the Paycheck Protection Program, can small businesses hire back employees they fired and still have the loans forgiven? What is the hire back date?

A. Yes. There is flexibility in the program to allow businesses to rehire folks they have laid off and still qualify. They simply need to be in business before February 15, 2020, and show the lender they have had employees on the payroll.

Q: Where do I go to receive funding for the Paycheck Protection Program?

A: Local lenders and the Small Business Administration (SBA) have authority to delegate and approve loans. For more information, visit FloridaJobs.org/COVID-19.

Q. How much will be forgiven through the Paycheck Protection Program?

A. The amount forgiven will be reduced proportionally by any reduction in employees retained compared to the prior year and reduced by the reduction in pay of any employee beyond 25 percent of their prior year compensation. The loan forgiveness program provides flexibility for businesses that re-hire workers that were previously laid off.

Q. How can I receive loan forgiveness?

A. Each business will need to work with a lender to justify that payroll was maintained through documentation.

Q. Are small business concerns (as defined in section 3 of the Small Business Act, 15 U.S.C. 632) required to have 500 or fewer employees to be eligible borrowers in the PPP?

A. No. Small business concerns can be eligible applicants even if they have more than 500 employees, as long as they satisfy the existing statutory and regulatory definition of a “small business concern” under section 3 of the Small Business Act, 15 U.S.C. 632. A business can qualify if it meets the SBA employee-based or revenue-based size standard corresponding to its primary industry. Visit www.sba.gov/size for the industry size standards. Additionally, a business can qualify for the Paycheck Protection Program as a small business concern if it met both tests in SBA’s “alternative size standard” as of March 27, 2020: (1) maximum tangible net worth of the business is not more than \$15 million; and (2) the average net income after Federal income taxes (excluding any carry-over losses) of the business for the two full fiscal years before the date of the application is not more than \$5 million. A business that qualifies as a small business concern under section 3 of the Small Business Act, 15 U.S.C. 632, may truthfully attest to its eligibility for PPP loans on the Borrower Application Form, unless otherwise ineligible.

Q. Does my business have to qualify as a small business concern (as defined in section 3 of the Small Business Act, 15 U.S.C. 632) in order to participate in the PPP?

A. No. In addition to small business concerns, a business is eligible for a PPP loan if the business has 500 or fewer employees whose principal place of residence is in the United States, or the business meets the SBA employee-based size standards for the industry in which it operates (if applicable). Similarly, PPP loans are also available for qualifying tax-exempt nonprofit organizations described in section 501(c)(3) of the Internal Revenue Code (IRC), tax-exempt veterans organization described in section

501(c)(19) of the IRC and Tribal business concerns described in section 31(b)(2)(C) of the Small Business Act that have 500 or fewer employees whose principal place of residence is in the United States, or meet the SBA employee-based size standards for the industry in which they operate.

Q. Are applicants required to apply SBA's affiliation rules under 13 C.F.R. 121.301(f)?

A. Yes. Borrowers must apply the affiliation rules set forth in SBA's Interim Final Rule on Affiliation. An applicant must certify on the Borrower Application Form that they are eligible to receive a PPP loan and that certification means that the borrower is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632), meets the applicable SBA employee-based or revenue-based size standard or meets the tests in SBA's alternative size standard, after applying the affiliation rules, if applicable. SBA's existing affiliation exclusions apply to the PPP, including, for example the exclusions under 13 CFR 121.103(b)(2).

Q. The CARES Act excludes any employee compensation more than an annual salary of \$100,000 from the definition of payroll costs. Does that exclusion apply to all employee benefits of monetary value?

A. No, the exclusion of compensation more than \$100,000 annually applies only to cash compensation, not to non-cash benefits, including:

- Employer contributions to defined-benefit or defined-contribution retirement plans;
- Payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums; and
- Payment of state and local taxes assessed on compensation of employees.

Q. Do PPP loans cover paid sick leave?

A. Yes, PPP loans cover payroll costs including employee vacation, parental, family, medical and sick leave; however, the CARES Act excludes qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act. Learn more from the IRS COVID-19-Related Tax Credits for Required Paid Leave Provided by Small and Midsize Businesses [FAQ](#).

Q. My small business is seasonal between April and June. Considering activity from that period would be a more accurate reflection of my business's operations; however, my small business was not fully ramped up on February 15, 2020. Am I still eligible?

A. To determine an applicant's eligibility, a lender may consider whether a seasonal applicant was in operation on February 15, 2020, or for an 8-week period between February 15 and June 30, 2019.

Q. What time period should applicants use to determine their number of employees and payroll costs to calculate their maximum loan amounts?

A. In general, applicants can calculate their payroll costs using data either from the previous 12 months or from calendar year 2019. Applicants with seasonal business may use average monthly payroll for the period between February 15, 2019, or March 1, 2019, and June 30, 2019. An applicant that was not in business from February 15 to June 30, 2019, may use the average monthly payroll costs for the period between January 1 and February 29, 2020.

Applicants may use their average employment over the same time periods to determine their number of employees for the purposes of applying an employee-based size standard. Alternatively, applicants may elect to use SBA's usual calculation: the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application (or the average number of employees for each of the pay periods that the business has been operational, if it has not been operational for 12 months).

Q. I need to request a loan to support my small business operations; however, I pleaded guilty to a felony crime a very long time ago. Am I still eligible to apply for the PPP?

A. Yes. Businesses are only ineligible if an owner of 20 percent or more of the equity of the borrower is presently incarcerated, on probation, on parole; the subject to an indictment, criminal information, arraignment or other means by which formal criminal charges are brought in any jurisdiction; or, within the last five years, for any felony, has been convicted; pleaded guilty; pleaded nolo contendere; been placed on pretrial diversion; or been placed on any form of parole or probation (including probation before judgment).

Q. For my business, I have made a payment to an independent contractor or sole proprietor. Should that be included to calculate my payroll costs?

A. No, you should not include any payments to an independent contractor or sole proprietor in the business' payroll costs; however, an independent contractor or sole proprietor will be eligible for a loan under the PPP if the applicable requirements are satisfied.

Q. How should I account for federal taxes when determining payroll costs for purposes of the maximum loan amount, allowable uses of a PPP loan and the amount of a loan that may be forgiven?

A. Under the CARES Act, payroll costs are calculated on a gross basis without regard to (i.e., not including subtractions or additions based on) federal taxes imposed or withheld, such as the employee's and employer's share of Federal Insurance Contributions Act (FICA) and income taxes required to be withheld from employees. As a result, payroll costs are not reduced by taxes imposed on an employee and required to be withheld by the employer, but payroll costs do not include the employer's share of payroll tax. For example, an employee who earned \$4,000 per month in gross wages, from which \$500 in federal taxes was withheld, would count as \$4,000 in payroll costs. The employee would receive \$3,500 and \$500 would be paid to the federal government; however, the employer-side federal payroll taxes imposed on the \$4,000 in wages are excluded from payroll costs under the statute.

Q. I filed a loan application based on the version of the PPP Interim Final Rule published on April 2, 2020. Do I need to take any action based on the updated guidance in these FAQs?

A. No. Applicants may rely on the laws, rules and guidance available at the time of the relevant application; however, applicants who previously submitted loan applications have not yet been processed may revise their applications based on clarifications reflected in these FAQs.

Economic Injury Disaster Loan:

Q: What provisions does the COVID-19 AID, Relief and Economic Security (CARES) Act include for the Economic Injury Disaster Loan (EIDL) program offered through the SBA?

A: The provisions expand eligibility, waive the requirement for personal guarantees and offer up to eight weeks of loan forgiveness. Visit FloridaJobs.org/COVID-19 for more information about the EIDL program.

Q. Can an applicant apply for both an Economic Injury Disaster Loan (EIDL) and a new Paycheck Protection loan under the Senate proposal.

A. Businesses will be able to receive an EIDL and a Paycheck Protection loan as long as they are used for different purposes. For example, a business can receive an EIDL for working capital and a Paycheck Protection loan for payroll assistance. Additional flexibility is granted through no repayment penalties on EIDLs and no repayment penalties on Payment Protection loans. Additionally, a refinancing option has been included.

Q. What is the maximum loan amount a business may receive through the SBA Economic Injury Disaster Loan?

A. SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance per small business and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

Q. How can I use the Economic Injury Disaster Loan and what is the interest rate on the loan?

A: These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.

Q. What are the loan terms for the Economic Injury Disaster Loan?

A. SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each applicant's ability to repay.

General Business Reemployment Assistance Frequently Asked Questions:

Q: I may have to lay off employees due to business demand slowing down as a result of the state's mitigation efforts to prevent the spread of COVID-19. Will my tax account be impacted?

A: Reemployment Assistance benefits are available to individuals who are unemployed through no fault of their own, assuming all other eligibility requirements are met. Currently, there are no modifications to Florida law regarding employer's chargeability, contributions and/or reimbursements. Employers are encouraged to provide detailed responses on the Notice of Claim regarding how COVID-19 affected the temporary or permanent separation or leave of absence.

Q: Can my employees apply Reemployment Assistance benefits if they are told to go home for medical reasons?

A: While on paid medical leave, an employee would not be considered "unemployed" under Florida Reemployment Assistance laws. Therefore, if an employee is receiving paid leave benefits, they are ineligible for Reemployment Assistance benefits.

Q: What if my employees are not getting paid leave, are they eligible for Reemployment Assistance?

A: If an employee is on unpaid leave, they may be eligible to receive Reemployment Assistance benefits depending on the circumstances surrounding the leave of absence.

Q: Do my employees get Reemployment Assistance benefits even if they are too sick to work?

A: Any employee can file a claim for Reemployment Assistance benefits. However, they must meet the eligibility requirements in order to draw benefits.