COVID-19 SMALL BUSINESS RESOURCE GUIDE
Last updated: March 28, 2020 – 9:00 pm

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**ARKANSAS SMALL BUSINESS AND TECHNOLOGY DEVELOPMENT CENTERS**

* Provide confidential one-on-one business counseling
* Marketing plans
* Financial plans
* Will help navigate SBA loans
* ALL SERVICES ARE FREE FOR SMALL BUSINESSES (less than 500 employees)

*\*\* Center information listed below. Schedule appointments on their website or by email.*

**Lead Center at UA Little Rock**

**Counties Served:** Pulaski, Cleburne, Faulkner, Lonoke, Lee, Monroe, Perry, Phillips, Prairie, Saline, St. Francis, Van Buren, White, Woodruff

**Phone**: 501.683.7700 or 800.862.2040 (toll-free)
**Email:** leadcenter@asbtdc.org

**Fayetteville at University of Arkansas
Counties Served:** Benton, Boone, Carroll, Madison, Marion, Newton, Searcy, Washington

**Satellite Office:** Rogers

**Phone**: 479.575.5148
**Email:** uaf@asbtdc.org
**Website:** [sbtdc.uark.edu](https://sbtdc.uark.edu/)

**Arkansas State University**

**Counties Served:** Baxter, Clay, Craighead, Crittenden, Cross, Fulton, Greene, Independence, Izard, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp, Stone

**Phone**: 870.972.3517
**Email:** asu@asbtdc.org
**Website:** [www.astate.edu/a/sbtdc](http://www.astate.edu/a/sbtdc/)

**UA Monticello
Counties Served:** Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Jefferson, Lincoln

**Satellite Office:** Warren

**Phone**: 870.460.1910
**Email:** uam@asbtdc.org
**Website:** uamont.edu/sbtdc

2801 S. University Ave.
Lit

**SBA ECONOMIC IMPACT DISASTER LOAN**

01.683.7700
[**SBA has approved Disaster Declaration #16372 Arkansas Disaster number AR-00109 as a statewide declaration for small business affected by Coronavirus (COVID-19). Effective date 1/31/2020.**](https://disasterloan.sba.gov/ela/Declarations/DeclarationDetails?declNumber=6063583&direct=false)

\*\* THERE IS NO NEED FOR BUSINESSES TO CONTINUE FILLING OUT THE ECONOMIC INJURY WORKSHEET.

**APPLY FOR THE SBA DISASTER LOAN PROGRAM ELECTRONICALLY BY** [**CLICKING HERE**](https://disasterloan.sba.gov/ela/) **TO ACCESS THE APPLICATION PORTAL. CALL THE SBA DISASTER LOAN HELPLINE IF YOU HAVE QUESTIONS ABOUT THE APPLICATION WHILE YOU ARE FILLING IT OUT: 1-800-659-2955.**

**BUSINESSES CAN ALSO CONTACT THEIR LOCAL SMALL BUSINESS AND TECHNOLOGY DEVELOPMENT CENTER FOR FREE GUIDANCE.**

**GUIDANCE FOR BUSINESSES:  Please note this “Get Ready Guide” is tailored for businesses.** Private non-profit entities and agricultural cooperatives may need to seek guidance from other accounting and legal resources before completing the portal application.

***First, if your business is suffering economically and has a current business loan with any lender, consider contacting your lender to request a loan modification (interest only payments, partial or complete payment abatement, etc.) for the months in number it will allow;*** *the bank’s ability to respond will be dependant on the type of loan product you have such as US Small Business Administration (SBA) guaranty program loan, in-house private bank loan, or online lender.*

ThisSBA Economic Injury Disaster Loan Program (EIDL) is ONLY available for natural-born US Citizens or those with a valid Permanent Resident Card (green card).

**In a nutshell, the SBA economic disaster impact loan program includes the following guidelines:**

* *Working capital loans of up to $2 million*
* *Can be used to pay fixed debts, payroll, and other bills that can’t be paid because of the disaster’s impact.*
* *Collateral is required for any loan above $25,000*
* *The interest rate is 3.75% for small businesses.*
* *The interest rate for non-profits is 2.75%.*
* *The interest rate may be higher for businesses able to receive credit elsewhere – approximately 6% with cap of 8%*
* *Typically, a credit score around 600 is preferred on these applications*
* *The 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 borrower’s ability to repay.*
* *Processing time is 2-3 weeks. Upon approval you can receive up to $25,000 within 5 days.*

**Who can apply (from the Arkansas SBA District Director):**

In order to be eligible, you must be a small business (500 employees or less).

* Arkansas small businesses affected by the disaster - common eligible businesses include: retailers, restaurants, recreational facilities, tourism-based businesses, manufacturers, owners of rental property, hotels, wholesalers, and many more.
* Private nonprofits
* Small agriculture cooperatives are eligible, but agricultural enterprises are not
* Small aquaculture businesses

\*\* While paper applications are accepted, filing electronically is easier, faster and more accurate.
\*\* Use Internet Explorer or Mozilla Firefox to apply. Save often. Processing times are slow.

**SBA Disaster Business Loan Application Required Forms:**

To apply you will need business information, contact information and social security numbers for all applicants, employer identification numbers, insurance information, financial information include account balances, monthly expenses, total amounts and payments due for debts for the next 10 months or longer.

**New changes were made to the Disaster Loan Application requirements! Applicants only need to submit the Form 5 or 5c (depending on entity) and EIDL Supporting Information Worksheet P019.** SBA is not requiring personal financial statements or 4506T according to Office of Disaster Assistance. Please go to [https://disasterloan.sba.gov/ela/](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDAsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDAzMjcuMTk0Mjk1MjEiLCJ1cmwiOiJodHRwczovL2Rpc2FzdGVybG9hbi5zYmEuZ292L2VsYS8_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.HA7q4KmTJSncbk-Ymhed95fOcilkvGtqgCbZri93Nps/br/76750626047-l)  and download the necessary forms for submission.

**If you did not complete and submit your application in the OLD SYSTEM and submit it you will need to fill out a new application! YOU CANNOT GO BACK AND RETRIEVE ANY IN-PROCESS APPLICATIONS!**

**\*\*\*\* Updated 3/27/2020**

**Below are instructions for the SBA Disaster Business Loan Application (paper forms). Please see attachments below to download corresponding forms.**

* [**SBA Form 5**](https://disasterloan.sba.gov/ela/Documents/Disaster%20Business%20Loan%20Application%20%28SBA%20Form%205%29.aspx). Download, print loan application and complete.
[**SBA Form 5 (en Español)**](https://disasterloan.sba.gov/ela/Documents/Loan%20Application%20Business%20Spanish%20%28Form%205%29.pdf)
* [**SBA 159D**](https://disasterloan.sba.gov/ela/Documents/Fee_Disclosure_Form_and_Compensation_Agreement_%28159D%29.aspx). Fee Disclosure Form and Compensation Agreement.
* [**SBA Form 1368**](https://disasterloan.sba.gov/ela/Information/OMB_1368). Download, print form and complete.
[**SBA Form 1368 (en Español)**](https://disasterloan.sba.gov/ela/Documents/Monthly%20Sales%20Figures%20Spanish%20%281368%29.pdf)
* [**SBA Form 2202 Schedule of Liabilities**](https://disasterloan.sba.gov/ela/Documents/Schedule_of_Liabilities.aspx). Print form and complete. This is a suggested format for the Schedule of Liabilities. The information contained in this schedule is a supplement to your balance sheet and should balance to the liabilities presented on that form. If you need assistance please see instructions.
[**SBA Form 2202 Schedule of Liabilities Instructions**](https://disasterloan.sba.gov/ela/Documents/SBA%20Form%202202%20Instructions.pdf).

#### ECONOMIC INJURY DISASTER LOAN ADVANCE

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to $10,000.

This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

An applicant would not be required to repay such an advance payment, even if it is subsequently denied an EIDL loan.

Advances may be used for purposes already authorized under the SBA Disaster Loan Program, including:

* + Providing sick leave to employees unable to work due to direct effect of COVID-19;
	+ Maintaining payroll during business disruptions during slow-downs;
	+ Meeting increased supply chain costs;
	+ Making rent or mortgage payments; and
	+ Repaying debts that cannot be paid due to lost revenue.

Eligible entities would include **startups**, cooperatives and ESOPs with fewer than 500 employees, and any individual operating as a sole proprietor or an independent contractor.

For EIDL loans made in response to COVID-19 before December 31, 2020, the SBA must waive any personal guarantee on advances and loans below $200,000, as well as the requirement that an applicant be in business for the one-year period before the disaster and the “credit elsewhere” requirement.

The CARE Act waives the "1 year in business prior to the disaster" requirement (except the business must have been in operation on January 31, 2020) for EIDL loans.

## SBA EXPRESS BRIDGE LOANS

[**Express Bridge Loan Pilot Program**](https://www.sba.gov/document/support--express-bridge-loan-pilot-program-guide) allows small businesses who currently have a business relationship with an SBA Express Lender to access up to $25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct [SBA Economic Injury Disaster loan](http://www.sba.gov/disaster). If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an **SBA Express Disaster Bridge Loan.**

#### ****Terms****

* Up to $25,000
* Fast turnaround
* Will be repaid in full or in part by proceeds from the EIDL loan

## SBA DEBT RELIEF

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 also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
* The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

**Loan Forgiveness –**Provides a process for borrowers to be eligible for loan forgiveness for the amount spent (during an eight-week period after the origination date of the loan) on the following items:

* Payroll costs
* Interest payment on any mortgage incurred prior to February 15, 2020
* Payment of rent on any lease in force prior to February 15, 2020
* Payment on any utility for which service began before February 15, 2020.
* The amount forgiven would be reduced in proportion to any reduction in employees retained compared to the prior year and to the reduction in pay of any employee beyond 25% of prior year compensation.
* Borrowers that rehire workers previously let go will not be penalized for having reduced payroll at the beginning of the period. The amount of forgiveness will take into account the number of workers retained or rehired.
* Employers with tipped employees may receive forgiveness for additional wages paid to those employees.

**Borrowers seeking forgiveness of amounts must submit to their lender:**

* Documentation verifying FTEE on payroll and their pay rates;
* Documentation on covered costs/payments (e.g., documents verifying mortgage, rent, and utility payments);
* Certification from a business representative that the documentation is true and correct and that forgiveness amounts requested were used to retain employees and make other forgiveness-eligible payments; and
* Any other documentation the Administrator may require.

Forgiveness amounts that would otherwise be includible in gross income, for federal income tax purposes, are excluded. The Administrator has 30 days following enactment of the CARES Act to issue regulations on these forgiveness provisions.

**KEEPING AMERICAN WORKERS PAID AND EMPLOYED ACT**

Loans under this division are to be distributed using the existing framework of the SBA’s 7(a) program, the agency’s primary loan offering. The 7(a) program is a partnership between private financial lenders, which issue the loans, and the SBA, which guarantees them.

**7(A) LOAN PROGRAM**

The CARES Act would increase the maximum 7(a) loan amount to $10 million and would expand allowable uses of 7(a) loans to include payroll support (including paid sick or medical leave), employee salaries, mortgage payments, insurance premiums and any other debt obligations.

Under the CARES Act,the loan period for this program would begin on February 15, 2020, and end on December 31, 2020. The program would cover businesses with fewer than 500 employees.

To determine a small business’s eligibility, the CARES Act would require lenders to determine: (1) whether a business was operational on February 15, 2020, and (2) whether the business had employees for whom it paid salaries and payroll taxes, or paid independent contractors, and (3) whether the business has been substantially impacted by COVID-19. The legislation would also delegate more authority to lenders on eligibility determinations without requiring them to go through all of the usual SBA channels.

The entities eligible for 7(a) loans under the CARES Act include small businesses, nonprofits and veterans organizations with 500 or fewer employees (or the applicable size standard for a particular industry).

**The legislation:**

* Excludes nonprofit organizations that receive Medicaid reimbursements from eligibility
* Includes sole proprietors, independent contractors and other self-employed individuals as eligible. This includes gig economy workers (Uber drivers, etc.)\*
* Provides eligibility for businesses in certain industries with more than one physical location and with no more than 500 employees per physical location
* Waives affiliation rules for businesses in the hospitality and restaurant industries, franchises that are approved on the SBA’s Franchise Directory, and small businesses that receive financing through the Small Business Investment Company program.

**Additional details:**

**A borrower that receives a 7(a) loan for employee salaries, payroll support, mortgage payments and/or other debt obligations would not be able to receive an SBA economic injury disaster loan (EIDL) for the same purpose, or co-mingle funds from another loan for the same purpose.**

**\*\*\* Read the fine print when accepting and using funds from 7(a) and EIDL. Co-mingling funds for payroll and/or using EIDL funds for payroll may exclude you from forgiveness.**

* Eligible borrowers would be required to make good faith certification that they have been affected by COVID-19 and will use funds to retain workers and maintain payroll and other debt obligations.
* Both borrower and lender fees for 7(a) loans would be waived.
* The “credit elsewhere” test and collateral and personal guarantee requirements would be waived during the covered period.
* Government guarantee of 7(a) loans would be increased to 100% through December 31, 2020. After that date, guarantee percentages would return to 75% for loans exceeding $150,000 and 85% for loans equal to or less than $150,000.
* A complete deferment of 7(a) loan payments would be allowed for not more than one year and would require SBA to disseminate guidance on the deferment process within 30 days.
* Any statutory limitations on SBA’s 7(a) lending authority would be removed through December 31, 2020.
* The maximum loan for an SBA Express loan would be increased from $350,000 to $1 million through December 31, 2020, after which point the Express loan would have a maximum of $500,000.

 **“Sense of the Senate” –**The final version of the Senate Bill contains a “Sense of the Senate” that the SBA should issue guidance to lenders and agents to ensure that processing and disbursement of covered loans prioritizes:

* Small business concerns;
* Entities in underserved and rural markets (including veteran communities);
* Small business concerns owned by socially and economically disadvantaged individuals;
* Women; and
* Businesses in operation for less than two years.

**How to apply:**

* The SBA guarantees the loans, so borrowers will need to apply through banks, credit unions and other lenders.
* Approximately 1,800 private lenders are already approved to issue 7(a) loans, and at a press briefing Wednesday, Treasury Secretary Steven Mnuchin said the department plans to issue new regulations that will make it possible for almost all FDIC-insured banks to make SBA loans.

**Reduction formula for fewer employees**

The maximum available forgiveness under the rules described above **multiplied by**:

* Average number of full-time equivalent employees (FTEEs) per month – calculated by the average number of FTEEs for each pay period falling within a month – during the covered period **divided by** either (at election of the borrower)
* Average number of FTEEs per month employed from February 15, 2019 to June 30, 2019; or
* Average number of FTEEs per month employed from January 1, 2020 until February 29, 2020; or, for seasonal employers
* Average number of FTEEs per month employed from February 15, 2019 until June 30, 2019.

**Additional Notes:**

* The 7(a) loan process typically takes at least a month to complete.
* Loan balances following any forgiveness reductions will continue to be guaranteed by the Administration in accordance with this program.
* Banks that modify the loans in a troubled debt restructuring related to COVID-19 on or after March 13, 2020, will be provided temporary relief from FASB’s troubled debt restructuring disclosure requirements.
* The bill prohibits agents helping applicants apply for loans under the program from receiving a fee in excess of limits established by the SBA.
* The CARES Act provides that businesses that were operating on February 15, 2020 and that have a pending or approved loan application under this program are presumed to qualify for complete payment deferment relief (for principal, interest, and fees) for six months to one year. Lenders are required to provide such relief during the covered period

**DEPARTMENT OF WORKFORCE SERVICES – SHARED WORK PROGRAM**

**What is the Shared Work Program?**
The Shared Work Unemployment Compensation Program provides an alternative for employers faced with a reduction in their work force. It allows an employer to divide available work or hours of work among employees in lieu of a layoff, and it allows the employees to receive a portion of their unemployment benefits while working reduced hours.

**What are the Advantages of the Shared Work Program?**
The advantages for an employer to elect to participate in the Shared Work Program Include:

* Production and quality levels are maintained.
* Rapid recovery to full capacity is possible because of the retention of an experienced workforce.
* When the economic climate improves, administrative and training costs of hiring new employees are minimized.
* Affirmative actions gains are protected.
* Employee morale remains high.
* Consumer’s spending patterns remain more stable.

Public assistance expenditures may be lessened.

**Are All Employers Eligible to Participate in the Shared Work Program?**Any employer who elects to participate in the Shared Work Program must have a positive reserve account and must not have had a temporary layoff of the affected group within the four (4) month period preceding the application for the Shared Work Program.

**Who is eligible for benefits through the Shared Work Program?**
To qualify for benefits under the Shared Work Program, employees must be regularly employed by an employer whose plan to stabilize the workforce has been approved by the Director of the Division of Workforce Services or his duly authorized representative. During the period for which benefits are payable, the following conditions must be met:

* The employees normal weekly hours of work are reduced at least ten percent.
* The employees must be monetarily eligible for regular unemployment insurance benefits and must not have exhausted their entitlement to regular UI benefits.

The employees must file a claim and meet the eligibility requirements for regular Arkansas benefits. The employees need not:
a.  Be available for work other than with the Shared Work Employer
b.  Conduct an active search for work, or
c.  Apply or accept work other than from the Shared Work Employer.

**How Many Weeks of Benefits are Available Through the Shared Work Program?**
Employees can receive up to 25 weeks of benefits through the Shared Work Program.

**How are Benefits Calculated for the Shared Work Program?**
Employees involved in an employers’ approved Shared Work Program, if otherwise eligible, will receive that percentage of their weekly unemployment insurance benefit amount which equals the percentage of reduction in normal work hours for that week due to Shared Work. If additional hours are worked during the week in the employment of another employer(s), the combined hours of work for both employers will be used to determine the percentage reduction of their weekly unemployment insurance benefit amount. However, if the combined hours are equal to or greater than 90% of the normal weekly hours of work with the Shared Work Employer, the claimant shall not be entitled to Shared Work benefits for that week.

**Must an Employee Serve a Waiting Week before Shared Work Benefits are Payable?**
All claimants/employees must serve or have served a one-week waiting period. The waiting period is the first week claimed in which the claimant/employee is otherwise eligible for benefits after establishing a claim. No benefits are payable for the waiting week.

**When Does a Shared Work Plan become Effective and When Does it End?**

A Shared Work Plan becomes effective on the date the plan is approved or on a date mutually agreed upon by the employer and the Director of the Division of Workforce Services, but no earlier than the date of approval of the plan by the Director. It shall expire at the end of the 12th full calendar month after the effective date or on the date specified, whichever is earlier. If a plan is revoked by the Director, it shall terminate on the date specified in the Director’s written order of revocation.

**For more detailed information about the Shared Work Program or for an application:**[Shared Work Information and Application for Employers](https://www.dws.arkansas.gov/src/files/Shared-Work-Unemployment-Compensation-Information-and-Application-For-Employers_1.pdf)

**DEPARTMENT OF WORKFORCE SERVICES – FILING FOR UNEMPLOYMENT BENEFITS**Governor Asa Hutchinson has directed the Arkansas Department of Commerce to expedite unemployment benefits to assist Arkansans whose employment status may be impacted by the COVID-19 outbreak.

The Governor has directed the Arkansas Department of Commerce to waive the waiting period of one week. This directive will allow the department to pay claims more quickly.

Governor Hutchinson has also directed the Department of Commerce to waive current work-search requirements for 30 days, allowing the unemployed to receive benefits without seeking other employment. This exception applies only to those employed by businesses that are temporarily closed with plans to reopen.

In a third action, the Governor has directed the Department of Commerce to allow the unemployed to apply for benefits online or by telephone rather than in person in a further effort to minimize the risk of spreading COVID-19.

\*\* Currently, the online filing system is back up and ready for use.

Apply Online: <https://www.ezarc.adws.arkansas.gov/>

You can also call:
1-855-225-4440
501-682-2121

Hours of Operation:
Monday - Friday: 6:00AM - 6:00PM
Saturday: 6:00AM - 6:00PM
Sunday: 6:00AM - 6:00PM

Click [HERE](https://governor.arkansas.gov/images/uploads/Local_Office_Spreadsheet_DWS_2020_03_176.pdf) to find an Arkansas Workforce Center Location near you, or visit [www.ezarc.adws.arkansas.gov](https://www.ezarc.adws.arkansas.gov/)to complete your application online.

**FMLA EXPANSION – FAMILIES FIRST CORONAVIRUS RESPONSE ACT**

**President Trump signs H.R. 6201, Families First Coronavirus Response Act into law, The centerpiece of the law is Paid Sick Leave as detailed below:**

**Emergency Family and Medical Leave Expansion Act:**

* Amends the Family and Medical Leave Act of 1993. This provides employees of employers with fewer than 500 employees and government employers, who have been on the job for at least 30 days, with the right take up to 12 weeks of job-protected leave under the Family and Medical Leave Act to be used for any of the following reasons:
	+ To adhere to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus;
	+ To care for an at-risk family member who is adhering to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus; and
	+ To care for a child of an employee if the child’s school or place of care has been closed, or the child-care provider is unavailable, due to a coronavirus.

* After the two weeks of **unpaid** leave, employees will receive a benefit from their employers that will be no less than two-thirds of the employee’s usual pay.
* Amends Employer Threshold Section 101(4)(A)(i) shall be applied by substituting ‘fewer than 500 employees’ for ‘50 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year’.

* Employment Under Multi-Employer Bargaining Agreements – This portion of the bill ensures employees who work under a multiemployer collective agreement and whose employers pay into a multiemployer plan are provided with leave.

* The effective date of this this Act takes effect not later than 15 days after the date of bill’s enactment.

**Payroll Credit for Required Paid Family Leave:**

* Payroll Credit for Required Paid Family Leave provides a refundable tax credit equal to 100% of qualified family leave wages paid by an employer for each calendar quarter.
	+ The tax credit is allowed against the tax imposed by section 3111(a) (the employer portion of Social Security taxes).  Qualified family leave wages are wages required to be paid by the Emergency Family and Medical Leave Expansion Act.
	+ The amount of qualified family leave wages taken into account for each employee is capped at $200 per day and a total of $10,000 for all calendar quarters.
	+ If the credit exceeds the employer’s total liability under section 3111(a) for all employees for any calendar quarter, the excess credit is refundable to the employer.
	+ Employers may elect to not have the credit apply.  To prevent a double benefit, no deduction is allowed for the amount of the credit.  In addition, no credit is allowed with respect to wages for which a credit is allowed under section 45S.
	+ Applies only to wages paid with respect to the period beginning on a date selected by the Secretary of the Treasury which is during the 15-day period beginning on the date of the enactment of this Act, and ending on December 31, 2020.  Additional Treasury Guidance will be required

**The Emergency Paid Sick Leave Act:**

* The Emergency Paid Sick Leave requires employers with fewer than 500 employees and government employers to provide employees two weeks of paid sick leave, paid at the employee’s regular rate, to quarantine or seek a diagnosis or preventive care for coronavirus; or paid at two-thirds the employee’s regular rate to care for a family member for such purposes or to care for a child whose school has closed, or child care provider is unavailable, due to the coronavirus.
	+ Full-time employees are entitled to 2 weeks (80 hours) and part-time employees are entitled to the typical number of hours that they work in a typical two-week period.
	+ The bill ensures employees who work under a multiemployer collective agreement and whose employers pay into a multiemployer plan are provided with leave.

* The Act, and the requirements under the Act, expire on December 31, 2020.

**Tax Credits For Paid Sick Leave:**

* Payroll Credit for Required Paid Sick Leave provides a refundable tax credit equal to 100% of qualified paid sick leave wages paid by an employer for each calendar quarter.   The tax credit is allowed against the tax imposed by section 3111(a) (the employer portion of Social Security taxes).  Qualified sick leave wages are wages required to be paid by the Emergency Paid Sick Leave Act.
	+ For amounts paid to those employees, the amount of qualified sick leave wages taken into account for each employee is capped at $511 per day.
	+ For amounts paid to employees caring for a family member or for a child whose school or place of care has been closed, the amount of qualified sick leave wages taken into account for each employee is capped at $200 per day.
	+ The aggregate number of days taken into account per employee may not exceed the excess of 10 over the aggregate number of days taken into account for all preceding calendar quarters.
* If the credit exceeds the employer’s total liability under section 3111(a) for all employees for any calendar quarter, the excess credit is refundable to the employer.

* Employers may elect to not have the credit apply.  To prevent a double benefit, no deduction is allowed for the amount of the credit.  In addition, no credit is allowed with respect to wages for which a credit is allowed under section 45S.

* The credit applies only to wages paid with respect to the period beginning on a date selected by the Secretary of the Treasury which is during the 15-day period beginning on the date of the enactment of this Act, and ending on December 31, 2020.   *Additional Treasury Guidance will be required*

**Credit for Sick Leave for Self-Employed Individuals:**

* This credit allows “Certain” Self-Employed Individuals a refundable tax credit equal to 100% of a qualified sick leave equivalent amount for eligible self-employed individuals who must self-isolate, obtain a diagnosis, or comply with a self-isolation recommendation with respect to coronavirus.
	+ For eligible self-employed individuals caring for a family member or for a child whose school or place of care has been closed due to coronavirus, the section provides a refundable tax credit equal to 67% of a qualified sick leave equivalent amount.
	+ A self-employed individual must maintain documentation prescribed by the Secretary of the Treasury to establish his or her eligibility for the credit.
	+ The credit is allowed against income taxes and is refundable.
* The credit applies only to days occurring during the period beginning on a date selected by the Secretary of the Treasury which is during the 15-day period beginning on the date of the enactment of this Act, and ending on December 31, 2020.  *Additional Treasury Guidance will be required*

**Short-Time Compensation Programs:**

* Short-Time Compensation Programs requires the Secretary of Labor to provide technical assistance to states that want to set up work-sharing programs, in which employers reduce hours instead of laying employees off, and then employees receive partial unemployment benefits to offset the wage loss.

**Special Rule Related to Tax on Employers:**

* Special Rule Related to Tax on Employers ensures that any wages required to be paid by reason of the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act will not be considered wages for purposes of section 3111(a).

**ARKANSAS ECONOMIC DEVELOPMENT COMMISSION FUNDING RESOURCES**

**Arkansas Quick Action Loan Program**

The Arkansas Economic Development Commission has established a loan program to provide assistance to businesses affected by the COVID19 outbreak. The program will be funded through an allocation of $4,000,000 from the Governor’s Quick Action Closing Fund, and an additional $3,000,000 from Attorney General Leslie Rutledge’s Consumer Education and Enforcement Fund.

The Quick Action Closing Fund allocation will prioritize companies that are in the supply chain of essential goods and services, including healthcare, food manufacturers, and logistics. The allocation from the Attorney General will support small businesses. The program includes both loan guaranties and direct lending to businesses.

**Features of Quick Action Loan Guaranty:**

• AEDC will guaranty up to 80% of the principal balance of a loan issued by a lender participating in the program. The amount of AEDC’s guaranty is capped at $250,000.

• Borrower must demonstrate that it has been adversely impacted by the health emergency.

• Proceeds may be used for working capital, inventory, payroll, and other uses that facilitate the continuation of business operations.

• Borrower will be subject to the lender’s customary underwriting and collateral requirements.

• Loan amount may be amortized for up to 5 years.

• Initial payments may be deferred for up to 90 days at the option of borrower and lender.

• Borrower and participating lender must sign loan guaranty agreements with AEDC, which will include job retention requirements for the borrower.

**Features of Quick Action Direct Loan:**

• Loans issued directly to borrower by AEDC. Loan amount is capped at $250,000.

• Loans are at zero interest and may be amortized for up to two years.

• Payments may be deferred for up to 6 months following closing on the loan.

• Borrower must demonstrate to AEDC that it has no other satisfactory financing options available to it through commercial lending or through other government programs such as the SBA Economic Injury Disaster Loan Program.

• Borrower must demonstrate that it has been adversely impacted by the health emergency.

• Borrower must satisfy AEDC’s financial underwriting requirements.

• Borrower must agree to job retention requirements.

The Quick Action Loan Program is a discretionary incentive program offered by AEDC. Not all who apply for a loan or loan guaranty will be approved. The information provided in this document is only a general summary of the program features and does not create any obligation by AEDC to provide a guaranty or to fund a loan. AEDC reserves the right to adjust the terms of any loan or guaranty based on the borrower’s individual circumstances. Borrowers may only have one loan (guaranty or direct loan) outstanding at any point in time.

**Community Development Block Grant (CDBG)**Up to $12 million in CDBG assistance will be made available for COVID19 relief and recovery. This money will be used to provide grants to eligible local governments with which to provide direct economic assistance in the form of loans to companies impacted by COVID19 and grants to clinics, hospitals and other non-profits who are working hard to provide care in rural Arkansas and to vulnerable populations such as the homeless. AEDC is undertaking necessary regulatory steps required by the federal government to implement this assistance. This page will be updated as more information becomes available.

For questions about how AEDC can assist your business during this time, contact us by email or phone:

* Email: COVID19.businessinfo@arkansasedc.com
* Phone: 501-682-1121 or toll-free: 1-800-ARKANSAS