

Other Assistance for Small Businesses

Sec. 1103: Grants to SBDC & WBC	<p>The SBA is authorized to provide grants to SBDCs and Women's Business Centers (as well as other resource partner associations). These grants can be used for education, training, and providing advice to small businesses. The SBDC will get 80% of these grants and WBCs will get 20% of the grants. No matching funds are required.</p>	<p>The SBA is providing additional assistance in the form of grants to local SBDCs and WBCs to assist small businesses in their area.</p>
--	---	---

Emergency EIDL Grants

The SBA has been granted an additional \$10 billion to provide emergency EIDL "grants" to small businesses. These grants are treated like "advances" for the larger Paycheck Protection Program in order to help businesses quickly address payroll concerns. It's termed a "grant" because there's no requirement to pay it back, but the amount that you receive in the advance proportionally reduces the amount of loan forgiveness you can receive for your Paycheck Protection loan.

Definitions (Sec. 1110 (a))	<p>Definitions.—In this section—</p> <p>(1) the term “covered period” means the period beginning on January 31, 2020 and ending on December 31, 2020; and</p> <p>(2) the term “eligible entity” means—</p> <p>(A) a business with not more than 500 employees;</p> <p>(B) any individual who operates under a sole proprietorship, with or without employees, or as an independent contractor;</p> <p>(C) a cooperative with not more than 500 employees;</p> <p>(D) an ESOP (as defined in section 3 of the Small Business Act (15 U.S.C. 632)) with not more than 500 employees; or</p> <p>(E) a tribal small business concern, as described in section 31(b)(2)(C) of the Small Business Act (15 U.S.C. 657a(b)(2)(C)), with not more than 500 employees.</p>	<p>The "covered period" is larger than the Paycheck Protection Program and extends from January 31, 2020 to December 31, 2020. The eligibility requirements are generally similar.</p>
------------------------------------	--	--

Other Assistance for Small Businesses

<p>Eligibility (Sec. 1110 (b))</p>	<p>During the covered period, in addition to small business concerns, private nonprofit organizations, and small agricultural cooperatives, an eligible entity shall be eligible for a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).</p>	<p>Eligibility is the same as the requirements for the Paycheck Protection Program.</p>
<p>Lender Considerations (Sec. 1110 (d))</p>	<p>With respect to a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) in response to COVID–19 during the covered period, the Administrator may—</p> <p>(1) approve an applicant based solely on the credit score of the applicant and shall not require an applicant to submit a tax return or a tax return transcript for such approval; or</p> <p>(2) use alternative appropriate methods to determine an applicant’s ability to repay.</p>	<p>The loan considerations are similar to the SBA EIDL. Approval is based on the credit score of the applicant or other appropriate methods to determine the applicant's ability to repay.</p>
<p>About the Grant (Sec. 1110 (e))</p>	<p>During the covered period, an entity included for eligibility in subsection (b), including small business concerns, private nonprofit organizations, and small agricultural cooperatives, that applies for a loan under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) in response to COVID–19 may request that the Administrator provide an advance that is, subject to paragraph (3), in the amount requested by such applicant to such applicant within 3 days after the Administrator receives an application from such applicant.</p> <p>Before disbursing amounts under this subsection, the Administrator shall verify that the applicant is an eligible entity by accepting a self-certification from the applicant under penalty of perjury pursuant to section 1746 of title 28 United States Code.</p>	<p>If you are eligible, you can receive an advance through this grant within 3 days after the SBA received your application.</p> <p>You must submit a self-certification that you are eligible for the grant.</p>

Other Assistance for Small Businesses

The amount of an advance provided under this subsection shall be not more than \$10,000.

An advance provided under this subsection may be used to address any allowable purpose for a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)), including—

(A) providing paid sick leave to employees unable to work due to the direct effect of the COVID-19;

(B) maintaining payroll to retain employees during business disruptions or substantial slowdowns;

(C) meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains;

(D) making rent or mortgage payments; and

(E) repaying obligations that cannot be met due to revenue losses.

An applicant shall not be required to repay any amounts of an advance provided under this subsection, even if subsequently denied a loan under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).

If an applicant that receives an advance under this subsection transfers into, or is approved for, the loan program under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), the advance amount shall be reduced from the loan forgiveness amount for a loan for payroll costs made under such section 7(a).

The maximum you can receive under the Emergency Grant is \$10,000.

You can use the grant to maintain payroll, pay sick leave to employees directly affected by COVID-19, pay for increased cost of materials due to supply chain interruptions, make rent or mortgage payments, and repay any other obligations.

You do not have to repay this advance, even if you are denied the regular EIDL.

If you are approved for a Paycheck Protection loan, the amount you receive from this EIDL Emergency Grant program will be transferred into that loan. The amount of forgiveness you can seek for the Paycheck Protection loan will be reduced by the amount you received from the EIDL Emergency Grant.

Other Assistance for Small Businesses

Unemployment Assistance for the Self-Employed

The CARES Act expands unemployment assistance to include those who are self-employed.

Definitions (Sec. 2102 (a))	The term “covered individual” means an individual who is not eligible for regular compensation or extended benefits under State or Federal law or pandemic emergency unemployment compensation under section 2107, including an individual who has exhausted all rights to regular unemployment or extended benefits under State or Federal law or pandemic emergency unemployment compensation under section 2107; and provides self-certification that the individual... is self-employed, is seeking part-time employment, does not have sufficient work history, or otherwise would not qualify for regular unemployment or extended benefits under State or Federal law or pandemic emergency unemployment compensation under section 2107 and meets the requirements of subclause (I) [the new expansion of unemployment assistance for employees due to COVID-19]	If you are self-employed and your ability to work has been negatively impacted in some capacity by COVID-19 to the point you are unable to work, you may be eligible for unemployment assistance.
Applicability (Sec. 2102 (c))	Except as provided in paragraph (2), the assistance authorized under subsection (b) shall be available to a covered individual for weeks of unemployment, partial unemployment, or inability to work caused by COVID–19 beginning on or after January 27, 2020; and ending on or before December 31, 2020; and subject to subparagraph (A)(ii), as long as the covered individual's unemployment, partial unemployment, or inability to work caused by COVID–19 continues.	This unemployment assistance is available between January 27, 2020 and December 31, 2020.

Other Assistance for Small Businesses

	<p>The total number of weeks for which a covered individual may receive assistance under this section shall not exceed 39 weeks and such total shall include any week for which the covered individual received regular compensation or extended benefits under any Federal or State law, except that if after the date of enactment of this Act, the duration of extended benefits is extended, the 39-week period described in this paragraph shall be extended by the number of weeks that is equal to the number of weeks by which the extended benefits were extended.</p>	<p>You may receive assistance for a maximum of 39 weeks, unless the assistance is extended.</p>
<p>Amount of Assistance (Sec. 2102 (d) & Sec. 2104)</p>	<p>Any agreement under this section shall provide that the State agency of the State will make payments of regular compensation to individuals in amounts and to the extent that they would be determined if the State law of the State were applied, with respect to any week for which the individual is (disregarding this section) otherwise entitled under the State law to receive regular compensation, as if such State law had been modified in a manner such that the amount of regular compensation (including dependents' allowances) payable for any week shall be equal to—</p> <p>(A) the amount determined under the State law (before the application of this paragraph), plus</p> <p>(B) an additional amount of \$600 (in this section referred to as "Federal Pandemic Unemployment Compensation")</p>	<p>The amount of assistance is determined by each individual state's existing law regarding unemployment assistance. The federal government will also be providing an additional \$600/week.</p>