

COVID-19 Update for San Benito County Businesses



Dear San Benito County Business:

Latest Federal Stimulus Information

Over the past weeks the Economic Development Corporation (EDC) has been providing resource information to the business community through our business partners. Now that the latest stimulus package has been set in motion, we wanted to present all of the current information in one easy-to-use format.

We want to update you on the latest information regarding the SBA EIDL (Economic Injury Disaster Loan) and PPP (Paycheck Protection Program) loans. As we've said, during this time, things are changing daily and unfortunately, there continues to be some frustration in applying for and accessing both loans.

Due to the first phase of the COVID-19 funding being depleted, portals and the ability to apply for both loans was closed for a week. The PPP reopened on Monday, April 27th and the SBA will accept applications for the PPP until funds are again exhausted.

Businesses are encouraged to apply for both, the Paycheck Protection Program (PPP) and the Emergency Injury Disaster Program. Both programs are also available to non-profits and religious organizations. Scroll down for a comparison of both programs.

A new program was created for businesses with up to 10,000 employees or revenues less than \$2.5B. The Federal Reserve New Main Street Lending Program offers four-year loans with one-year payment deferrals for affected businesses that make "reasonable" efforts to maintain payroll and retain employees. Contact your lending institution for more information!

We want to emphasize, that unemployment benefits are available to self-employed individuals who are not able to work as well as contractors.

[APPLY NOW](#)

On behalf of the Economic Development Corporation Team, we want to thank our San Benito County residents and all the first responders that are working tirelessly to support our local Businesses during this difficult time.

Grow San Benito Loan Fund

Min/Max Amount:

\$5,000 to \$25,000

Interest Rate:

2.44%

Max Term:

- a. 5 years – fully amortized.
- b. The loans can have an initial payment deferment period of up to 6 months (interest still accrues during the deferment period).

Loan Fees: 2% origination fee and closing costs (e.g. credit report, recording a lien filing, Cal-Cap, etc.). These fees can be financed into the loan.

Eligible Purposes:

Loan proceeds can be used for working capital and may go toward business expenses, such as: Payroll costs, including costs for employee vacation, parental, family, medical, and sick leave, employee related insurance, rent, inventory, supplies/materials, utilities, professional services, and more.

Geography

San Benito County

Size of the Business

\$5,000 to \$25,000

Collateral

UCC-1 financing statement, personal assets or Cal-Cap on un-collateralized loan portion. (Personal guarantee from every business owner that owns more than 20% of the business will be required)

Other Requirements:

1. Must be located within San Benito County
2. Should have between 1-10 employees
3. Should have annual revenues that do not exceed \$2,000,000.
4. Be an operating business, not a passive real estate entity.
5. Have been in business for a minimum of one year
6. Must present a feasible plan to recover post-disruption
7. Be current on federal income taxes with no state, federal tax liens.

How To Apply

To get started, potential borrowers must submit online loan application on our website at www.accesspluscapital.com, please click on “Our Loans” and select Micro Loan option. For one-on-one assistance in completing a loan application, please give us a call at: (559) 263-1351 | (559) 574-0389 | (559) 361-5710

Loan Application Requirements

Borrowers will be required to submit a loan application with supporting documents as follows:

- COVID-19 Disaster Impact Statement: Provide overview of the business, showing that it would be profitable without disaster disruption, and the economic injury of the disaster on the business.
- Business should explain why they need the loan amount requested and specifically how the working capital funds will be used on application.
- Most Recent Business Federal Tax Return (all pages).
- Most Recent Business Debt Schedule (completed within loan application).
- A Personal Financial Statement (PFS).
- Additional items as requested (e.g. lease agreements, organizational documents such as fictitious name statement, business license, partnership agreements, articles of incorporation & by-laws, etc.)

Access Plus Capital has other loan products that are available for amounts higher than \$25,000, other rates and terms will apply.

Pandemic Unemployment Assistance (PUA)

The State of California EDD just launched a new Pandemic Unemployment Assistance (PUA) program that helps unemployed Californians who are business owners, self-employed, independent contractors, have limited work history, and others not usually eligible for regular unemployment benefits. Sign up for the PUA program today [HERE](#), if you are hurting economically because your business or services are reduced due to the pandemic. Under the PUA you may be able to receive:

- Up to 39 weeks of benefits starting with weeks of unemployment beginning February 2, 2020, through the week ending December 26, 2020, depending on when the pandemic directly affected you.
- If you exhaust or run out of your regular state-provided unemployment insurance benefits (maximum 26 weeks) you may be eligible for a new 13-week federal extension. File a PUA claim and you may be converted to the federal extension, once it is available.
- [You can register for the PUA program online HERE,](#)
- You can call EDD, which has expanded its call-in hours here:
- English 1-800-300-5616
- Spanish 1-800-326-8937
- TTY 1-800-815-9387
- [or even by fax, if you access the UI application HERE](#)

Many people have had difficulties in communicating with the EDD. This is not surprising, since the department is responding to a massive increase in demand. Thankfully, EDD just launched a new call center operation to assist customers. You can contact the EDD at 1-833-978-2511 seven days a week, 8 a.m. to 8 p.m., if you need technical help with accessing UI OnlineSM, help with receiving an EDD Customer Account Number, and other general unemployment insurance questions. This new help line will not be able to directly process your claim or provide payment information. And using the UI Online application is still the fastest way to file a claim. If you need help specifically with a claim or payment information, call the EDD at 1-800-300-5616.

In an effort to help provide additional financial help now, the EDD automatically pays an additional \$600 on top of your current weekly benefit amount with the extra money coming from the federal government, as part of the federal CARES Act. The good news is that this \$600 bump comes without having to fill out more forms, and you do not need to do anything to receive this extra funding. The EDD will automatically add the full \$600 to each week of current benefits that are paid every two weeks, as long you are eligible for at least \$1 in a regular payment each week. This benefit is significant and comes at a vital time. For someone receiving the most recent average Unemployment Insurance payment of \$340 a week, a usual biweekly payment would equal \$680. With the extra payment, that biweekly payment would increase to \$1,880.

And if you have been receiving benefits, separate retroactive payments will be automatically issued soon to people with active claims (not for any week prior to the week ending April 4, 2020), and the \$600 extra payments can continue to those who remain impacted and otherwise eligible for benefits through the week ending July 31, 2020.

Cares Act Tax Credits

› Créditos Fiscales del Cares Act

The CARES Act included important new tax provisions for business. The Internal Revenue Service (IRS) has now published FAQ's for many of these measures. Here are the key points:

Employee Retention Credit - The refundable tax credit is 50% of up to \$10,000 in wages per employee paid by an eligible employer whose business has been financially impacted by COVID-19.

This Employee Retention Credit applies to qualified wages paid after March 12, 2020, and before January 1, 2021. [For more information refer to the IRS Frequently Asked Questions \(FAQ\) document on the Employee Retention Credit.](#)

Payroll Tax Payments Deferral - Employers and self-employed individuals can defer payment of the employer share of Social Security taxes incurred to December 31, 2020. The amount owed can be paid over the following two years. [For more information refer to the IRS FAQ on Payroll Tax Payments document.](#)

Net Operating Losses (NOLs) - Any business that claimed a loss in tax year 2018, 2019, or 2020, may be able to carry that loss back five years. Filing an amended tax return could generate immediate refunds. [More information is in the IRS Net Operating Losses FAQ document.](#)

Business Interest Modification - The amount allowed for business interest deductions enacted as part of the 2017 Tax Cuts and Jobs Act has been increased from 30% to 50% of taxable income for 2019 and 2020.

Economic Injury Disaster Loans Available to U.S. Agricultural Businesses Impacted by COVID-19 Pandemic

Agricultural businesses are now eligible for SBA's Economic Injury Disaster Loan (EIDL) and EIDL Advance programs. SBA's EIDL portal will reopen as a result of funding authorized by Congress through the Paycheck Protection Program and Healthcare Enhancement Act. The legislation, signed into law by the President one week ago, provided additional funding for farmers and ranchers and certain other agricultural businesses affected by the Coronavirus (COVID-19) pandemic.

Agricultural businesses include businesses engaged in the legal production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b))). Eligible agricultural businesses must have 500 or fewer employees.

The SBA will begin accepting new EIDL applications on a limited basis only, in order to provide unprecedented relief to U.S. agricultural businesses. For agricultural businesses that submitted an EIDL loan application through the streamlined application portal prior to the legislative change, SBA will move forward and process these applications without the need for re-applying. All other EIDL loan applications that were submitted before the portal stopped accepting new applications on April 15 will be processed on a first-in, first-out basis. For more information, please visit: www.sba.gov/Disaster.

PPP to EIDL Comparison

	Paycheck Protection Program (PPP)	Economic Injury Disaster Loan (EIDL)
Who can apply?	Small businesses and nonprofits - 501(c)(3)s, including religious organizations, with 500 or fewer employees; self-employed individuals and independent contractors*	Small businesses and nonprofits - 501(c)(3)s - with 500 or fewer employees*
Maximum Loan Amount	Up to \$10 million	Up to \$2 million
Covered Period	2/15/2020 to 6/30/2020	1/31/2020 to 12/31/2020
Rate	1.00% Fixed	3.75% fixed for-profits 2.75% fixed non-profits
Term	Up to 2 years	Up to 30 years
Security / Collateral	No	Yes. If the loan is more than \$25,000
Eligible Uses	Payroll, health benefits, paid sick or medical leave, group health insurance premiums; mortgage and rent payments; utilities; interest on certain debts. Note: payroll estimates limited up to \$100,000 per employee	Working capital for expenses that could have been paid had the disaster not occurred, including payroll and other operating expenses
Forgiveness Provisions	Up to 100% - but forgiveness amounts are decreased for reductions in number of employees or in wages of employees from base period	Not for loan. An Advancement of up to \$10,000 Emergency Grant for every applicant does not have to be repaid
Apply	Through SBA-approved lenders	Directly to SBA
Underwriting Criteria	Must provide documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.	Must have acceptable credit history and demonstrate ability to repay
Eligibility Requirements	Operating on 02/15/2020 with paid employees; certify need for funds during COVID-19 emergency; certify use of funds to retain workers	Operating on 1/31/20; certify need for funds during COVID-19 emergency

Quick Links

[San Benito County
Covid 19](#)

[Economic Development
Corporation](#)

[San Benito County
Chamber of Commerce](#)

[Hollister Downtown
Association](#)

[San Juan Bautista
Community Business
Association](#)

[San Benito County
Business Council](#)

U.S. Small Business Administration (SBA) Programs

- [Economic Injury Disaster Loan \(EIDL\) & EIDL \\$10,000 Advance](#)
- [Paycheck Protection Program \(PPP\)](#)
- [\\$25,000 Express Bridge Loan](#)
- [Debt Relief Program](#)
- [IRS Employee Retention Credit \(CARES Act Small Business Tax Provisions\)](#)
- [Paid Sick Leave Guidance by U.S. DEPARTMENT OF LABOR](#)
- [Disaster Loan Guarantee by California Small Business Finance Center \(SBFC\) for small businesses experiencing barriers to accessing capital](#)
- [60-day Extension for payroll tax filing -Employment Development Department \(EDD\)](#)
- [State Income Tax extension to July 15 by Franchise Tax Board \(FTB\)](#)

Department of Labor and Workforce Agency

Provides employers with information and guidance about:

- [California Worker Adjustment and Retraining Notification \(WARN Act\)](#)
- [Workplace Health and Safety Guidelines](#)
- [Reduced Work Hours, Potential Closure or Layoffs](#)
- [Interest-free deferral of sales any use tax Department of Tax and Fee Administration \(CDTFA\)](#)
- [Ask a participating lender about the California Capital Access Program \(CalCAP\) for small businesses that have difficulty getting financing](#)
- [Job opportunities in critical industries at OnwardCa.org](#)

Program	Level of Government	Type of Assistance	Apply with
California Disaster Relief Loan Guarantee	State	Loan guarantee	Nor-Cal FDC
California Capital Access Program (CalCAP)	State	Loan guarantee	Participating lender
Small Business Relief Sales/Use Tax Payment Deferral Plan	State	Tax payment deferral	CDTFA
Economic Injury Disaster Loan (EIDL)	Federal	Low-interest loan	SBA
Economic Injury Disaster Loan Advance (EIDL Advance)	Federal	Loan advance; does not need to be re-paid	SBA
Paycheck Protection Program (PPP)	Federal	Loan; may be forgiven if certain conditions are	Participating lender
Small Business Tax Provisions/Employee Retention Credit	Federal	Tax credit	SBA
SBA Debt Relief Program	Federal	Temporary Reprieve or payment deferral	SBA
SBA Express Bridge Loan	Federal	Loan	Participating lender

Tax Type	Filing Deadline	Payment Deadline
Federal income tax	Postponed to July 15, 2020	Deferral to July 15 is capped at \$1 million of federal income tax (including self-employment tax) for individual and other non-corporate tax filers and \$10 million for corporate taxpayers.
State income tax	Postponed to July 15, 2020	Postponed to July 15, 2020
State taxes and fees administered by CDTFA	Postponed 90 days for businesses filing a return for less than \$1 million in tax. First Quarter Sales/Use tax returns now due July 31, 2020.	Postponed 90 days for businesses filing a return for less than \$1 million in tax.
State payroll tax	No change	Ability to apply for hardship waiver for up to 60-day extension through EDD
County property tax	No change	



PO Box 1265, Hollister, CA, 95024
831-288-5950 | info@edcsanbenito.org

