

# COVID-19 Financial Relief

## PROGRAMS GUIDE



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# Financial Relief and Business Assistance Programs

**1. Paycheck Protection Program (PPP)**

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**2. SBA Economic Injury Disaster Loan (EIDL)**

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**3. Employee Retention 2020 Tax Credit**

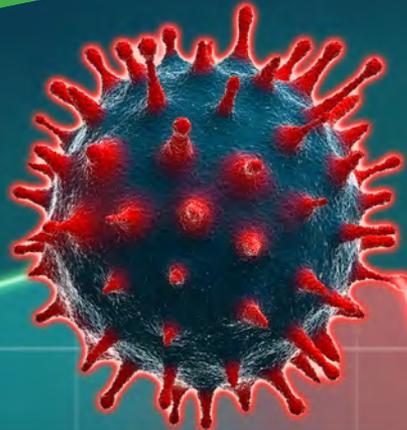
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# Paycheck Protection Program (PPP) Loan

## What is it?

According to the Small Business Administration, the Paycheck Protection Program is “a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.” Here are some pertinent details: it’s non-recourse, and unlike other SBA loans, it doesn’t require a personal guarantee or collateral. The principal and all interest and fees can be deferred or even forgiven if certain rules are followed.

## Who is it for?

This program is for businesses with under 500 employees. To qualify, your business must have been substantially impacted by COVID-19 and in place prior to February 15, 2020.

## What is covered?

- Salary, wages, commissions, tips
- Paid sick or medical leave
- Healthcare payments
- Retirement benefit payments
- Payment of state/local tax assessed on compensation of employees (*not FICA*)
- Compensation paid to independent contractors
- Includes income of sole proprietors

### Here’s what’s not included:

- Salary above \$100,000 for an individual employee
- Qualified sick or family leave wages for which a credit was given under sections 7001/7003 of the Families First Coronavirus Response Act

## Before you apply, be sure to:

- Gather documentation on your business’ payroll, rent, utility payments and mortgage for the last 12 months.
- Gather completed 2019 financials and balance sheet.
- Determine which employees are paid more than \$100,000 per year.
- Calculate the total payroll for employees paid during the applicable base period, excluding amounts paid above a prorated annual salary of \$100,000.

Find an eligible lender using the search tool [here](#).

Once you’ve found your lender, the PPP application form can be found [here](#).

# SBA Economic Injury Disaster Loan (EIDL)

## What is it?

In response to the Coronavirus (COVID-19) pandemic, small business owners and non-profit organizations are able to apply for an Economic Injury Disaster Loan (EIDL). EIDL is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue. EIDL proceeds can be used to cover a wide array of working capital and normal operating expenses, such as continuation of health care benefits, rent, utilities, and fixed debt payments.

## How does the EDIL program differ from the PPP program?

Your business may be able to apply for both programs, but you can't get funds from both programs for the same purpose. We've outlined the key differences between the PPP and EDIL program below:

	EIDL	PPP
<b>Uses</b>	<b>Working Capital</b>	<b>Payroll and approved operating expenses</b>
<b>Maximum Loan Amount</b>	\$2 million	\$10 million
<b>Must be in business by</b>	January 31, 2020	February 15, 2020
<b>Repayment Period</b>	10 years (balance over \$10,000 grant)	2 years for any balance not forgiven. Learn more about Loan Forgiveness criteria <a href="#">here</a> .
<b>Interest Rates</b>	3.75% (2.75% for non-profit)	1% on balance after forgiveness
<b>Collateral Requirements</b>	Yes, for loans over \$25,000	No
<b>Credit Check Required</b>	Yes, personal credit check for all owners with 20% or more ownership	No
<b>Available Through</b>	December 31, 2020	August 8, 2020

## How do I apply?

Visit the [SBA Disaster Assistance Portal](#) to apply. The estimated time to fill out the application is approximately 2 hours.

# Employee Retention 2020 Tax Credit

## What is it?

The Employee Retention Credit is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. Credit is given for the first \$10,000 of salary, including health benefits, paid to each eligible employee.

## Who is eligible?

Eligible Employers for the purposes of the Employee Retention Credit are employers that carry on a trade or business during calendar year 2020, including tax-exempt organizations, that either:

- Fully or partially suspend operation during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19; or
- Experience a significant decline in gross receipts during the calendar quarter.

## Where can I get more information?

To learn more about how to take advantage of the tax credit, view the U.S. Chamber of Commerce guide [here](#).

## How do I apply?

In order to claim the new Employee Retention Credit, eligible employers will report their total qualified wages and the related health insurance costs for each quarter on their quarterly employment tax returns, which will be Form 941 for most employers, beginning with the second quarter. We advise you to speak with your tax professional.



# Business Services

## What are they?

The Imperial County Workforce Development Board (ICWDB) strives to implement key Workforce Innovation and Opportunity Act provisions with regards to contributing to economic growth and business expansion by meeting local workforce needs of local employers through strategic business services listed below:

- **On-the-Job Training Program (OJT)**

The OJT Program provides a structured training opportunity for a new employee to gain skills needed to be competent in a new job. Employers may be reimbursed up to 75% of the employee's gross wage rate in order to be compensated for the costs associated with the training.

- **Incumbent Worker Training (IWT)**

IWT provides both workers and employers with the opportunity to build and maintain a quality workforce, and increase both participants and employers competitiveness through retraining.

- **Employee Recruitment**

Receive assistance from business services staff by utilizing their knowledge and expertise when pre-screening applicants. Staff can refer people who are skilled and ready to go to work and save you time from this process. Staff can also assist in advertising your job openings and crafting job descriptions that attract the right people.

## How to get started?

Contact our Business Services Team at **(442) 265-7579** or email us at [\*\*BusinessServices@co.imperial.ca.us\*\*](mailto:BusinessServices@co.imperial.ca.us)



# Industry Guidance

We recognize the impact of economic hardship. We must get our economy roaring once again and put paychecks in people's pockets. But the rise of COVID-19 is still real for all Californians and can be fatal. The state is issuing guidance for businesses to follow, if they are permitted to open per Imperial County Public Health Department rules.

## Helpful Links

If you own or manage a business, follow the guidance set by the California Health Department to protect your workers and customers [here](#).

View the latest state and Imperial County health officer orders [here](#).



**Disclaimer:** Please note this information is for informational purposes only and is current as of July 22, 2020, based on our understanding of these programs. Dates and information are subject to change.