

The **Coronavirus Aid, Relief, and Economic Security (CARES) Act** provides more than \$376 billion in aid and relief to workers and small businesses under economic stress from the COVID-19 pandemic. This aid is distributed through the Small Business Administration's (SBA) Paycheck Protection Program, Entrepreneurial Assistance, and Emergency Economic Injury and Disaster Loan Grants. Click [here](#) for a step-by-step guide on how you can navigate resources made available by the CARES Act.

[Paycheck Protection Program \(PPP\)](#)

- The program provides cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency
- PPP has forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year.
- Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program is retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls.

Paycheck Protection Program's Loan Forgiveness

- If used for certain costs, the loan provided through the Paycheck Protection Program **will be eligible for loan forgiveness**.
- Specifically—if the employer maintains its payroll—then the portion of the loan used to cover (1) payroll costs, (2) interest on mortgage obligations, (3) rent, and (4) utilities would be forgiven.

Entrepreneurial Assistance

- The bill provides funding for [grants to SBA resource partners](#), including Small Business Development Centers and Women's Business Centers, to offer counseling, training, and related assistance to small businesses affected by COVID-19.
- Funds will also be provided for the Minority Business Development Agency to provide these services through [Minority Business Centers and Minority Chambers of Commerce](#).

[Emergency Economic Injury Disaster Loan \(EIDL\) Grants](#)

- The bill expands the number of organizations eligible for SBA's Economic Injury Disaster Loans (EIDL).
- These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL).
- The advance does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

Small Business Debt Relief

- This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans.
- Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months.
- This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

Additional Resources:

- The City of La Quinta has established a \$1.5 million COVID-19 Small Business Emergency Economic Relief Program (Program), which will help to provide small businesses with emergency cash flow during this immediate health crisis. The deadline to apply is April 30, 2020. You can find out more [here](#).
- The City of Palm Desert has created a new Business Support Hotline, which will be staffed by experts from the City's Economic Development Department. You can call (760)776-6362 or email bizsupport@cityofpalmdesert.org with your questions about how to access Federal, State, and County loans, grants, and other resources.

Frequently Asked Questions:

What is the process for hospitals, health systems and health care providers to apply for and receive funding under the 7(a) [SBA Paycheck Protection Program](#)?

- Non-profit organizations, including hospitals, health systems, and health care providers, are eligible to apply for the Small Business Administration's Paycheck Protection Program.
- To be eligible, and 501(c)(3) non-profit organizations must have fewer than 500 employees, or more if SBA's size standards for the non-profit allows. This program is retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30, 2020.

What types of non-profits are eligible for the SBA PPP assistance?

- In general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer as most non-profit SBA size standards are based on employee count, not revenue. You can check [here](#).

Who should I contact about the status of my application to the SBA?

- Contact our local Small Business Administration office by calling 714-550-7420 or visiting <https://www.sba.gov/offices/district/ca/santa-ana>

What type of assistance will independent contractors be eligible for?

- Refundable tax credits are available for independent contractors who would have qualified for coronavirus related paid leave if they were employees. IRS will be posting information soon on these credits on its website (<https://www.irs.gov/>), including information on how to claim these credits.
- 50 percent of certain self-employment taxes are deferred through the end of 2020.
- Deferred taxes will not become due until end of 2021 and end of 2022, with 50% of the liability being paid at each date.
- Independent contractors are also eligible for assistance through the Small Business Administration's new [Paycheck Protection Program](#) and [Economic Injury Emergency Grant Program](#).

Don't see an answer to your question? You can read more [here](#) or contact my Palm Desert Office at (760) 424-8888.