



# KANTHAKA GROUP

Monday, April 06, 2020

RE: Kanthaka Group Small Business Assistance (COVID-19)

To whom it may concern:

The Kanthaka Group has been exploring with multiple organizations options for funding and financial help for our clients through this COVID-19 crisis. The federal, state, and local governments are offering several programs that may assist small businesses. While many of these programs are still in the beginning processes, the below information is a working list of options we have discovered:

U.S. Small Business Administration (SBA) ([www.sba.gov](http://www.sba.gov)):

1. Economic Injury Disaster Loans (EIDL) and Grant:

“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. The SBA’s Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.” (SBA Website)

a. <https://covid19relief.sba.gov/#/>

b. This application includes a step to request an emergency \$10,000 grant. Businesses have access to this grant, even if they are denied for the EIDL.

2. Paycheck Protection Program (PPP):

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive loans if **all employees are kept on the payroll for eight weeks** and the money is used for payroll, rent, mortgage interest, or utilities. You can apply through any existing SBA 7(a) lender... that is participating...” (SBA Website)

“Lenders may begin processing loan applications as soon as **April 3, 2020**. The Paycheck Protection Program will be available through **June 30, 2020**.” (SBA Website)

“The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. **No collateral or personal guarantees are required**. Neither the government nor lenders will charge small businesses any fees.” (SBA Website)

a. <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

3. Express Bridge Loan Pilot Program Guide:

This pilot program allows SBA Express Lender's authority to deliver expedited SBA-guaranteed financing on an emergency basis for disaster-related purposes to eligible small businesses, while the small businesses apply for and await long-term financing.

- a. <https://www.sba.gov/document/support--express-bridge-loan-pilot-program-guide>
  - b. Must have a current SBA Loan.
4. SBA Debt Relief:
- a. The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months.
  - b. The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.

### Other Government Programs

1. Emergency Paid Family Leave:

- a. Employers initially front the cost of emergency paid sick leave but will be fully reimbursed by the federal government within three months.
- b. This is included in the Families First Coronavirus Response Act

2. Emergency and Family Medical Leave Act (FMLA):

- a. Includes refundable tax credits for employers that are required to offer emergency FMLA or paid sick leave, including self-employed individuals. Note that these credits are only available to those employers that are required to offer these benefits under the bill, and these new credits are not generally extended to employers not subject to the new mandates under the bill.

### Colorado Specific Resources

1. The Work-Share Program:

- a. The Work-Share Program provides an alternative to laying off employees by allowing them to keep working, but with fewer hours. While an employee is working fewer hours, he or she may be eligible to collect part of his or her regular unemployment benefits.

2. El Paso County Resources:

- a. <https://www.elpasocountyhealth.org/community-resources-0>

### Other Small Business Programs

1. Colorado Specific Resources: (<https://www.coloradosbdc.org/covid/>)

2. Small Business Debt Relief Program:

- a. "For borrowers who already have SBA 7A loans in place before COVID-19, \$17 billion is allocated to have SBA step in and make six months of principal and interest payments for all SBA backed business loans. The Federal Government is working diligently on developing the application process for these loans and we will let individuals know that information when it is released, and applications are open" (COSBDC Website)

3. Payroll Tax Credits:

- a. A payroll tax credit for wages paid by businesses that fully or partially close due to Coronavirus.

4. Payroll Tax Deferral:

- a. Allows businesses a deferral for payroll taxes owed in 2020. Half would be payable in December 2021 and the other half in December 2022. Businesses receiving other EIDL or Paycheck Protection Loans would not be eligible.

Thank you for your time and I hope this is helpful for anyone reviewing this information. Any questions can be directed to the undersigned at [mjardine@kanthakagroup.com](mailto:mjardine@kanthakagroup.com).

Sincerely,



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Kanthaka Group

Attachments:  
Colorado – COVID-19 Small Business