

# NFIB UPDATE

## COVID-19 Webinar Series for Small Business with Beth Milito and Holly Wade, NFIB



May 12, 2021

**Topic – Overview and Updates on the Federal Small Business Aid Programs**



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# SAVE THE DATE!

Wednesday, May 19  
12:00pm EST

## **Important Small Business Tax Changes of President Biden's Infrastructure Proposal**

- Overview of proposed tax changes
- Legislative outlook and timeline
- NFIB's advocacy efforts
- Live Q&A



Have a question now? Contact us at [grassroots@NFIB.org](mailto:grassroots@NFIB.org)



# DISCLAIMER

- The materials and information provided in this webinar and on NFIB's website are for informational purposes only and not for the purpose of providing legal or tax advice. You should contact your attorney and/or tax professional to obtain advice with respect to any particular issue or problem.
- This is based on information available by 05/12/21.

# Agenda



- Covid-19 Small Business Resources
- Updates on federal programs
- Q&A
- Send questions to [info@nfib.org](mailto:info@nfib.org)

# Upcoming Webinar

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**Wednesday, May 26th @ 12pm EST**

Topic – Employee Retention Tax Credit

Special Guest –



Martin Karamon,  
Principal, Tax Advisory Services,  
Cherry Bekaert CPAs & Advisors

**Upcoming  
Webinar**

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# **Covid-19 Webinar Series for Small Business**

**2<sup>nd</sup> Wednesday each month, 12pm EST**

## **Future dates:**

May 26 - Martin Karamon, Cherry Bekaert CPAs & Advisors

June 9 - Justin Elanjian, CPA, Apiro

July 14

Aug 11

Sept 8

Oct 13

Nov 10

Dec 8

# COVID-19 Resources

- 
- [Paycheck Protection Program](#)
  - [Economic Injury Disaster Loan](#)
  - [Employee Retention Tax Credit](#)
  - [Restaurant Revitalization Fund](#)
  - [Shuttered Venue Grant](#)
  - [NFIB Coronavirus Resources](#) (including past webinars)



# Economic Injury Disaster Loan

## DESCRIPTION

An EIDL is a long-term, direct loan from the SBA.

## PURPOSE

To meet financial obligations and operating expenses that could have been met had the disaster not occurred.

## AMOUNT

24 months of economic injury, up to a maximum of \$500,000.

## TERMS

3.75% APR (fixed) for businesses, 2.75% APR (fixed) for nonprofits  
Up to 30 years to repay

## COLLATERAL

Required for loans over \$25,000

## PERSONAL GUARANTEE

Requires personal guarantee for loans exceeding \$200,000

## FORGIVABLE

No. Loan may be repaid at any time with no pre-payment penalties.

## PAYMENT

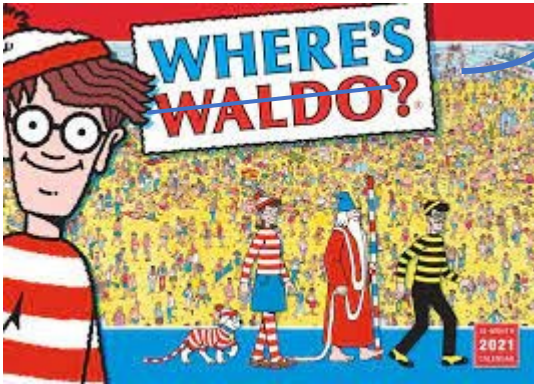
First payment due date for disaster loans made in 2020 to 24-months from the date of the note and to 18-months from the date of the note for all loans made in the calendar year 2021.

## ELIGIBLE EXPENSES

Working capital needs and normal operating expenses, such as continuation of health care benefits, rent, utilities, and fixed debt payments



# Economic Injury Disaster Loan



my EIDL?!

Please call the SBA's Customer Service Center at **1-800-659-2955** (1-800-877-8339 for the deaf and hard of hearing) or email **DisasterCustomerService@sba.gov** to check the status of your application. If you have already applied, you do not need to submit your information again.

# Economic Injury Disaster Loan

## **EIDL denied? You can request reconsideration!**

An applicant has up to six months after the date the application was declined to request reconsideration, even if the application deadline of Dec. 31, 2021 has passed.

Send reconsideration requests to:

E-mail: [pdcrecons@sba.gov](mailto:pdcrecons@sba.gov)



# Economic Injury Disaster Loan

## Loan increases

Loans approved prior to April 7, 2021 for less than \$150,000 are likely eligible for an increase based on new loan maximum amounts announced March 24, 2021. Businesses that received a loan subject to the previous loan limit can submit a request for an increase at this time. SBA is now reaching out directly to loan borrowers via email to provide more details about how businesses can request an increase. Borrowers should expect to receive emails from **@sba.gov** or **@updates.sba.gov** addresses.

If an applicant accepted a loan for less than the full amount originally offered, the applicant will have up to two years after the date of the loan promissory note to request additional funds. Applicants may continue to request additional funds even after the application deadline of December 31, 2021.



# Economic Injury Disaster Loan

## **Need additional EIDL loan \$\$**

If you were approved for a loan and would like to request additional funds, log into your SBA loan portal account at <https://covid19relief1.sba.gov/>. Once logged on, take these specific steps to request the increase:

1. Click on the button that reads “Request More Funds.” NOTE: That button will only be visible if your current loan amount is not already at the maximum loan limit (currently \$500,000).
2. Borrowers will then be asked to disclose if any changes have occurred since the original EIDL application was submitted, such as any owners of 20 percent or more of the applicant business being currently involved in a bankruptcy.
3. Borrowers will be asked to identify the form used for their most recent tax return [e.g., Form 1040 (Schedule C, E or F), 1065 (Partnership), 1120S (S Corporation), or 1120 (C Corporation)].
4. Borrowers will use the slider bar to select a new (increased) loan amount.
5. Borrowers may be required to electronically sign an IRS Form 4506-T, which allows the SBA to obtain tax transcripts directly from the IRS.
6. When these steps are completed, borrowers will submit the loan increase for processing



# Economic Injury Disaster Loan

## FAQ Regarding COVID-19 EIDL

<https://www.sba.gov/document/support-faq-regarding-covid-19-eidl>



## Frequently Asked Questions COVID-19 Economic Injury Disaster Loan (EIDL)

UPDATED APRIL 27, 2021

### 1. What do I need to submit with my application?

Simply complete your business or nonprofit's information on the streamlined loan application at [sba.gov/relief](https://sba.gov/relief). SBA's processing staff may request additional information.

### 2. I applied for a COVID-19 EIDL loan and I haven't heard anything about my application. Should I reapply?

**No.** Any additional applications will be marked "duplicate" and will not be processed. Please call our Customer Service Center at 1-800-659-2955 (1-800-877-8339 for the deaf and hard of hearing) or email [DisasterCustomerService@sba.gov](mailto:DisasterCustomerService@sba.gov) to check the status of your application. If you have already applied, you do not need to submit your information again.

### 3. I need help completing the application. Can the SBA help me?

You can contact SBA's Customer Service Center at 1-800-659-2955. Also, SBA Resource Partners such as a local Small Business Development Center (SBDC) or Women's Business Development Center (WBC) can assist you with completing and submitting the COVID EIDL application at no cost. To find the SBA Resource Partner nearest you, visit [sba.gov/LocalAssistance](https://sba.gov/LocalAssistance).

### 4. My loan is currently in the reconsideration process/I've requested more money; what will happen after the deadline passes?

The application deadline and covered period have been extended until Dec. 31, 2021. Applications in the reconsideration or re-sizing process prior to the deadline will continue to be processed.

### 5. Can I request reconsideration after the deadline?

**Yes.** An applicant has up to 6 months after the date the application was declined to request reconsideration, even if the application deadline of Dec. 31, 2021 has passed.

Send reconsideration requests to:

**E-mail:** [pdcrecons@sba.gov](mailto:pdcrecons@sba.gov)

**Mail:** U.S. Small Business Administration  
Disaster Assistance Processing and Disbursement Center  
14925 Kingsport Road  
Fort Worth, Texas 76155

*Include your application number, any information required to overcome the reason for decline, and any additional information that may assist us in processing your request.*

The process and required documents may vary depending on the reason for the decline. If the decline letter requested specific information or documentation for reconsideration, you **must** include those items.

#### **Be sure to include:**

- Business Name
- Borrower's Name

# Employee Retention Tax Credit

## **Up to \$33,000 per employee**

2020 – up to \$5,000 per employee

2021 – up to \$28,000 per employee  
(\$7,000 per quarter)

**\*\*Talk with a CPA, tax professional or accountant about the ERTC.\*\***

## **IRS FAQs: Employee Retention Credit**

<https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>



# Previous ERTC Webinars

## **Employee Retention Tax Credit Essentials** ([WEBINAR](#))

Jamie Trull, owner of Balance CFO

<https://balancecfo.mykajabi.com/stimulus-resources>

This webinar covered:

- ERTC Eligibility
- 2020 Retroactive vs. 2021 Prospective
- ERTC and PPP interplay

## **Employee Retention Tax Credit (ERTC): Step by Step instructions with a CPA** ([WEBINAR](#))

Matt Evans, CPA, CMA, CFM

This webinar covered:

- How to determine eligibility
- How to calculate the amount of credit
- How to access the credit, and
- Provide recommendations on how to best take advantage of the ERTC and the PPP loan programs.





# Employee Retention Tax Credit

	2020	2021
Eligibility	100 employees or less	500 employees or less
	50% reduction in gross receipts a quarter compared to same quarter in 2019 <b>OR</b> subjected to mandatory partial or full shutdown	20% reduction in gross receipts a quarter compared to same quarter in 2019 <b>OR</b> subjected to mandatory partial or full shutdown
Maximum Tax Credit per Employee	\$5,000 for 2020	\$28,000 for 2021
Tax Credit Calculation	50% of the first \$10,000 in qualified wages per employee in a quarter	70% of the first \$10,000 in qualified wages per employee in a quarter
Availability	March 13, 2020 – December 31, 2020	January 1, 2021 – December 31, 2021

# Employee Retention Tax Credit

## **Gross Receipts**

When calculating gross receipts, you do NOT include other Stimulus funds received like PPP, EIDL grants, etc.

## **Qualifying Wages**

Qualified wages include all forms of wages that are subject to FICA tax.

Wages that are not counted as payroll costs in obtaining PPP loan forgiveness.

Wages paid to related individuals are not eligible for the Employee Retention Credit. (more information [HERE](#), Q#59)

## **How do I claim the credit**

Quarterly Form 941 form

Retroactively – Form **941-X**, Adjusted Employer's Quarterly Federal Tax Return

Advance – Form 7200



# Employee Retention Tax Credit (for Q3 and Q4 2021)

## **Severely Financially Distressed Employers**

Beginning in the third quarter of 2021, employers that have experienced at least a 90% decline in gross receipts compared to the same quarter in 2019 may take all wages paid during those quarters into account for the ERTC. (i.e. the \$10k per employee cap does not apply). ERTC is still calculated as 70% of qualifying wages.

## **Recovery Startup Business**

If your annual gross receipts are under \$1M and you started your business AFTER February 15, 2020, you may still qualify for ERTC. No decline in gross receipts must be shown.

In this case, you are eligible for up to a \$50k credit per quarter for qualified wages paid, using the same calculation as other qualifying businesses (per employee cap on qualified wages of \$10k, 70% credit on qualifying wages).



# Paycheck Protection Program



# PPP Updates

- On May 4, 2021, SBA announced that the **PPP's general fund had been exhausted.**
- There is \$6 billion reserved for approved, but unfunded, loans as well as loan applications "under review" by SBA (error code holds).
- As of April 25, 2021, there were 183,000 PPP forgiveness applications, with an aggregate principal amount of \$84.3 billion "under review."
- Banks are optimistic that the pace of forgiveness reviews will now pick up with the lapse of PPP general funds.
- For those still waiting to apply for forgiveness, remember that a borrower who does not apply for forgiveness within 10 months after the last day of its covered period must begin making loan payments and deferred interest.

# PPP Expenses

- Payroll
- Utilities (gas, electricity, water, telephone, internet)
- Rent (real and personal property)
- Mortgage Interest (*\*note related-owner restrictions\**)
- Covered operations expenditure
- Covered property damage cost
- Covered supplier cost
- Covered worker protection expenditure

Choose between  
**8- to 24-week**  
covered period

**60/40 rule still applies**  
Must spend at least 60% of  
PPP loan on eligible payroll  
expenses

# PPP Forgiveness Applications

- [PPP Loan Forgiveness Form 3508S for loans of \\$150,000 or less \(Updated 01/19/21\)](#)
- [PPP Loan Forgiveness Form 3508EZ \(Updated 01/19/21\)](#)
- [PPP Loan Forgiveness Form 3508 \(Updated 01/19/21\)](#)
  
- [AICPA PPP Loan Forgiveness Calculators \(updated 04/27/21\) \\*create a FREE AICPA account to access the calculators.](#)

# Restaurant Revitalization Fund

## Restaurant Revitalization Fund



[sba.gov/restaurants](https://sba.gov/restaurants)





# RRF Overview

- A \$28.6 billion SBA grant program that may provide funding up to \$5 million per location, not to exceed \$10 million total for the applicant and any affiliated businesses. Minimum award is \$1,000.
- The **RRF grant program opened Monday, May 3.**
- **If you plan to apply and have not yet registered to use SBA's RRF application portal, please do that immediately after this webinar ends (or during the webinar!).**
- From May 3-24, 2021, SBA will only fund grant applications from certain priority groups, however, all eligible grant recipients could begin applying on May 3.
- Businesses that are ineligible for priority funding will be funded in the order their original, complete applications were received.



# RRF Eligible Entities

➤ Eligible entities are businesses that are not permanently closed and include businesses where the public or patrons assemble for the primary purpose of being served food or drink

➤ **Includes:**

- Restaurants
- Food stands, food trucks, food carts
- Caterers
- Bars, saloons, lounges, taverns
- Snack and nonalcoholic beverage bars (e.g., coffee shops, ice cream shops)
- Bakeries (onsite sales to the public comprise at least 33% of gross receipts)
- Brewpubs, tasting rooms, taprooms\* (onsite sales to the public comprise at least 33% of gross receipts)
- Breweries and/or microbreweries\* (onsite sales to the public comprise at least 33% of gross receipts)
- Wineries and distilleries\* (onsite sales to the public comprise at least 33% of gross receipts)
- Inns\* (onsite sales of food and beverage to the public comprise at least 33% of gross receipts)
- Licensed facilities or premises of a beverage alcohol producer where the public may taste, sample, or purchase products
- Other similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink

*All entities listed above that do not have an asterisk are presumed to have greater than 33% onsite in 2019 food and beverage sales*



# RRF Calculating Fund Amount

**Calculation 1:** Applicants in operation prior to or on January 1, 2019

2019 Gross Receipts minus 2020 gross receipts minus PPP loan amounts



# RRF Calculating Fund Amount (cont.)

**Calculation 2:** Applicants that began operations partially through 2019\*

Average 2019 monthly gross receipts x 12 minus 2020 gross receipts minus PPP loan amounts

\*Applicants that began operations partially in 2019 may choose to use calculation 2. OR calculation 3. However, calculation 3 could require longer processing times.



# RRF Calculating Fund Amount (cont.)

**Calculation 3:** Applicants that began operations on or between January 1, 2020 and March 10, 2021 and Applicants not yet opened but have incurred eligible expenses as of March 11, 2021\*

Total amount spent on eligible expenses between February 15, 2020 and March 11, 2021 minus 2020 and 2021 gross receipts (through March 11, 2021) minus PPP loan amounts.

\*Applicants that began operations partially in 2019 may choose to use calculation 2. OR calculation 3. However, calculation 3. could require longer processing times



# RRF Use of Funds

## Business Expenses

- Business payroll costs (including sick leave)
- Business utility payments
- Business maintenance expenses
- Business supplies (including protective equipment and cleaning materials)
- Business food and beverage expenses (including raw materials)
- Covered supplier costs
- Business operating expenses (insurance, marketing, fees, licenses, legal, POS equipment, etc.)

## Construction Expenses

- Construction of outdoor seating
- Expansion costs are **ineligible**

## Business Debt

- Payments on any business mortgage obligation (both principal and interest)
  - This does not include any prepayment of principal or interest
- Business debt service (both principal and interest)
  - This does not include any prepayment of principal or interest

# RRF How to Apply

- Directly through the SBA Platform at **restaurants.sba.gov**.
- Through a Point-of-Sale Vendor.
- Through the telephone at **(844) 279-8898 (longer processing time)**.

For Help Applying:

**SBA RRF Hotline 1-844-279-8898**

**Local SBA District Office: [www.sba.gov/local-assistance](http://www.sba.gov/local-assistance)**

*\*Help available in multiple languages.\**



# RRF Helpful Resources

- SBA's "Program Guide" for the RRF: <https://www.sba.gov/document/support-restaurant-revitalizationfunding-program-guide>
- SBA's "Application Portal" Screenshots: <https://www.sba.gov/document/support-restaurant-revitalizationfund-application-portal-screenshots>
- NFIB FAQs: [What to Know About the Restaurant Revitalization Fund \(nfib.com\)](#)
- NFIB Webinar: [Restaurant Revitalization Fund: What Small Businesses Need to Know | NFIB](#)



# Shuttered Venue Operators Grant

## Shuttered Venue Operators Grant



Apply at [sba.gov/svogrant](https://sba.gov/svogrant)



# Shuttered Venue Operators Grant

- Fund will be operated by the **Small Business Administration** (SBA).
- Eligible entities must have been in operation by February 29, 2020.
- Grant amounts:
  - For an eligible entity in operation on January 1, 2019, grants will be for an amount equal to 45% of their 2019 gross earned revenue OR \$10 million, whichever is less.
  - For an eligible entity that began operation after January 1, 2019, grants will be for the average monthly gross earned revenue for each full month you were in operation during 2019 multiplied by six (6) OR \$10 million, whichever is less.

# Shuttered Venue Operators Fund (cont.)

➤ Eligible entities:

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization and motion picture theater operators
- Relevant museum operators, zoos and aquariums who meet specific criteria
- Talent representatives
- Up to five business entities owned by an eligible entity that also meet the eligibility requirements

➤ **Applications opened April 8.**

➤ Need **SAM.gov registration to apply.**



# Covid-19 Vaccine Paid Time Off

Eligible employers can get a tax credit for providing paid time off for each employee receiving the COVID-19 vaccine and for any time needed to recover.



[www.irs.gov/coronavirus](http://www.irs.gov/coronavirus)

# Families First Coronavirus Act – Covid-19 Leave

- FFCRA voluntary leave and tax credits extended to September 30, 2021.
- **The tax credit now includes any leave that is due to a Covid-19 vaccination or recovering from any condition relating to such vaccination.**
- The family leave credit increases to \$12,000.
- The paid sick leave day limitation of 10 reset for each employee after March 31, 2021. This will allow taxpayers to receive credits for employees who previously 'used' their limitation if such employee needs more sick time due to an allowable reason between April 1 and September 30.
- For information on applying for the credits visit [COVID-19-Related Tax Credits for Paid Leave Provided by Small Businesses FAQs | Internal Revenue Service \(irs.gov\)](#)