

# Help for Small Business During Coronavirus

## SMALL BUSINESS HELP DURING CORONAVIRUS

SBA – offers relief programs

### What Business Changes Should I Consider Making in This Environment?

- Keep a biblical perspective  
Remember Psalms 24:1 and apply it to “your” business. “The earth is the Lord’s and everything in it; the world, and all who live in it.” As a steward, prayerfully consider how the Lord can use you to impact His kingdom through your interactions with your employees, business associates, vendors, customers and lenders.
- Cash flow projections  
Create rolling 13-week cash flow projections to use in managing your business and prioritizing expenditures. Keep it high level and update it weekly.
- Review insurance coverage for potential claims under business interruption coverage  
Track all revenue losses and incremental expenses associated with the coronavirus crisis. Make claims for damages due to coronavirus even if you are unsure if coverage is available. There will be extensive litigation in this area. Timely filed claims will be necessary in order to recover damages.
- Communicate with lenders, landlords, and key vendors  
Make your current situation known, and work together to develop viable repayment/payment plans. In many situations, payment deferrals and payment reductions are available.
- Tax refunds  
The CARES Act contains several tax breaks (many of which were retroactive) that could result in tax refunds from prior years. These include allowing NOL carrybacks, increased depreciation deductions for qualified building improvement property, reduction in the business loss deduction LIMITATION and increases to the amount of allowable business interest expense deductions.

### What are my options for my employees/workforce?

- Reducing hours under the TWC Shared Work Program.  
The goal of the program is to encourage employers to reduce hours for employees rather than lay them off, and employees get unemployment benefits to make up part of the lost wages. Here are the general requirements:
  1. The percentage of reduced hours for the selected unit must range from 10 percent to 40 percent each week. The figure may differ for various plan participants. Some employees may still be laid off, if you like.
  2. The reduction in hours must apply to at least 10 percent of the employees in an affected unit.
  3. A shared work plan must be an alternative to layoffs, and you must provide an estimate of the number of employees who would be laid off if you do not participate in a shared work plan.



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4. If you currently provide fringe benefits, you must continue to provide these benefits for the employees in the shared work plan. Fringe benefits include health insurance, retirement benefits, paid vacation, holiday or sick leave, or other employee benefit.

## Downsides to Shared Work Program:

- Must file a plan with the TWC (Texas Workforce Commission), do weekly reporting.
  - The benefits paid to employees affect the employer's tax rate the same way unemployment benefits do.
  - You cannot do this with exempt employees without affecting their exempt status.
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- Furlough employees. This is a temporary layoff but is legally not much different. However, you might choose to pay employee health care and/or other benefits during the layoff if your plan allows it (some health plans make employees ineligible if their hours are reduced below a certain level). The reason to do a furlough instead of a layoff is mostly morale—you want to encourage the employee to come back to work for you when the crisis is over. However, they will be eligible for unemployment benefits because their wages have stopped, even though it is temporary. Generally, you do not need to give advance notice under the WARN Act if this furlough lasts less than 6 months.
  - Reduce wage rates across the board, cutting everyone's pay (unless they have a contract for a specific term), or cutting wages selectively (which will have to be reviewed to make sure you are not disproportionately reducing wages for a race, age, sex, etc.) Of course, you may not reduce wages below minimum wage, and exempt employees must be paid the minimum allowed for the exemption. This might also trigger the eligibility of employees for unemployment benefits, depending on the reduction.
  - Reduction in Force (RIF). Could assist you with a larger layoff, with or without severance.
  - Do nothing, of course, and try to ride this out longer and/or await another federal or state program.

## What are the Federal Assistance Programs I should be aware of?

- Economic Injury Disaster Loans and Loan Advance – [Click here to apply](#)

Provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to help overcome the temporary loss of revenue. Small business owners are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

[Click here for a Guide to SBA's Economic Injury Disaster Loans](#)

- Paycheck Protection Program – [Click here to apply.](#)



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- The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses.
- How to apply? Contact your bank first. You can apply through any existing SBA 7(a) lender, or through any federally insured depository institution, federally insured credit union, or Farm Credit System institution that is participating.
- Coronavirus Emergency Loans - [Small Business Guide and Checklist PDF](#)
- Employee Retention Tax Credit
  - The Employee Retention Tax credit is for employers who are closed, partially closed, or experiencing significant revenue losses as a result of coronavirus.  
[Guide To The Employee Retention Tax Credit - For Coronavirus Impacted Employers PDF](#)
  - Loan and Grant Opportunities  
Be on the lookout for various loans or grants being provided by Federal, State or Local organizations. Visit LetsgrowNTXbusiness.com for resources dedicated for small businesses and entrepreneurs to survive the coronavirus. [Visit here.](#)

**Helpful Link:**

[Business Tax Relief Summary PDF from Ronald Blue Trust](#)

