

COVID-19 RELIEF BILL FAQs

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GENERAL

Is there a cheat sheet available on each of these programs comparing the differences?

We are in the process of developing an eligibility guide and updated fact sheets for each program to help compare the differences between the programs.

Where do I apply for each type of grant or loan? Are they all available to apply for now?

Some of the new loan features are available, some are not. To find the most up to date information, please visit the SBA [here](#). You can use the site to find where to apply for the loans, but in general:

- **SBA Economic Injury Disaster Loan:** To apply, please visit the SBA's website [here](#). Borrowers can also request an increase to an existing loan when they log into their SBA EIDL account.
- **Paycheck Protection Program (PPP):** Apply through an authorized Bank or Credit Union. To find your nearest authorized lender, please see [here](#).
- **SBA Express Loan:** Apply through an authorized Bank or Credit Union. You can find the list of SBA-approved lenders in each state or region [here](#).
- **Live Venue Grants:** Details on the application process are subject to administrative rulemaking. This section will be updated as information becomes available.

Is unemployment insurance available for furloughed employees?

Yes, Federal law allows individuals who are unemployed, partially unemployed, or unable to work due to the coronavirus outbreak (including furloughed workers and the self-employed) to receive pandemic unemployment assistance for up to 50 weeks, during any period of employment disruption between January 27 and March 14, 2021—with no waiting period requirement. More information about unemployment assistance can be found [here](#).

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Do the relief programs apply to seasonal businesses as well?

Yes, there are flexible rules provided for seasonal businesses. For instance, under the Paycheck Protection Program (PPP), seasonal businesses can calculate their maximum loan amount based on a 12-week period beginning February 15, 2019 through February 15, 2020— instead of the average over the previous 12 months.

Seasonal businesses are defined as employers that (1) operate for no more than seven months in a year, or (2) earned no more than 1/3 of their receipts in any six months in the prior calendar year. Contact your nearest [SBA District Office](#) to see which seasonal allowances apply to you.

Are you able to include severance for terminated staff into any of the relief options?

Yes, severance expenses can be covered under the [Paycheck Protection Program](#), the [SBA Express Loan Program](#), and the [Economic Injury Disaster Loan Program](#), under certain conditions.

Do LLCs qualify if they have no employees?

An LLC without employees qualifies for assistance under the [Economic Injury Disaster Loan Program](#) and the [Paycheck Protection Program](#), but certain limitations apply to the compensation provided to partners. LLCs without employees will not be eligible for the [Employee Retention Tax Credit](#).

The SBA Economic Injury Disaster Loan (also referred to as EIDL or disaster loan) application asks for amount of loss. Do we put what our projected loss is or what we have currently lost so far?

Under the [Economic Injury Disaster Loan Program](#), loss is defined as the amount of ordinary and necessary expenses the borrower cannot cover due to the coronavirus outbreak—primarily based on a comparison between your present balance sheet and your balance sheet from before the crisis hit. For more guidance, please contact your nearest [SBA District Office](#).

If you previously applied for an SBA Economic Injury Disaster Loan a few days before the CARES Act passed, do you need to reapply?

Yes, the loan features of an [Economic Injury Disaster Loan](#) significantly changed under the CARES Act, including providing for an immediate grant of \$10,000. The SBA created a new application form for these new types of EIDLs, which you can find [here](#).

What is the cap on each different type of loan?

Actual loan amounts are based on need (e.g. expenses, payroll, etc.) and other requirements (e.g. collateral, risk, etc.), but the maximum size for each loan is:

- **SBA Economic Injury Disaster Loan:** SBA will determine the maximum loan size depending on the availability of funds and demand.
- **Paycheck Protection Program:** 2.5x average monthly payroll for most businesses, up to \$2 million for both the 1st round and 2nd round loans. Lodging, accommodation, and food service businesses can receive a 2nd round loan based on 3.5x average monthly payroll, up to \$2 million.

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How soon could I expect relief from each type of loan?

Turnaround times may vary, but based on history:

- **[SBA Economic Injury Disaster Loan](#)**: 2-3 weeks for the full loan, with a target of 21 days for the \$10,000 cash advance.
- **[Paycheck Protection Program](#)**: Processing time varies widely between 10 days and several weeks.
- **[Economic Development Assistance Program Grants](#)**: Unknown. US Travel hosted a webinar with EDA officials providing an overview of the application process and advice on ways to navigate the process, which can be found [here](#).

Where can I find a list of SBA lenders in my area?

You can find a list of SBA-approved lenders in each state or region [here](#). Lenders specifically participating in the [Paycheck Protection Program](#) can be found [here](#).

What is the date where the government calculates the 300-employee qualification? The end of a calendar year?

Under the [Paycheck Protection Program](#), for the purpose of applying employee-based [size standards](#), employee numbers (including full-time, part-time, and other basis employees combined) for most businesses are calculated using the average number of employees per pay period during either the previous 12 months or during calendar year 2019. For seasonal businesses, borrowers can calculate their maximum loan amount based on a 12-week period between February 15, 2019 and February 15, 2020.

Can you get SBA loans and also tax credits?

You can get an SBA [Economic Injury Disaster Loan](#) and still claim the Employee Retention Tax Credit, but you cannot claim the credit for any compensation covered by a PPP loan.

The Coronavirus Relief bill clarifies that for tax purposes, gross income for first and second draw PPP borrowers does not include any amount of a PPP loan that's forgiven. Further, PPP borrowers can deduct otherwise allowable deductible expenses that are covered by a PPP loan, and the tax basis and other attributes of the borrower's assets will not be reduced as a result of PPP loan forgiveness.

PAYCHECK PROTECTION PROGRAM (PPP)

Recent legislation was enacted extending the application deadline through March 31, 2021. The law directs SBA to implement changes to the program within 10 days of enactment, after which time the application process will reopen to borrowers. Changes to the PPP program include the following:

- Allow eligible borrowers to access a second round of PPP loans.
- Expanding the list of covered expenses to include supplies and inventory, software and cloud-based services, uninsured damages from public disturbances in 2020, and measures to meet COVID-19 health and safety guidelines (e.g. PPE).

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- Expand eligibility to destination marketing organizations (DMOs) that are structured as either a 501(c) nonprofit or a quasi-governmental entity.

Who is eligible for a PPP loan?

Please see our [factsheet](#) for more information.

How are eligible DMOs defined?

DMOs are defined as organizations that meet ALL of the following conditions:

- Any nonprofit entity that is tax exempt under 501(c) of the tax code or is part of a State, county, or local government (or an instrumentality of such entities);
- Engages in marketing and promoting communities and facilities to businesses and leisure travelers;
- Has less than 300 employees (including full-time, part-time, and other basis employees combined);
- Does not receive more than 15 percent of their revenue from lobbying activities;
- Lobbying activities do not comprise more than 15 percent of their total activities; AND
- Did not spend more than \$1 million on lobbying activities during the most recent tax year are ineligible for PPP.

NOTE: Details on what constitutes lobbying activities and how the lobbying activity thresholds are calculated are subject to administrative rulemaking, which SBA is directed to complete within 10 days of enactment. This section will be updated as information becomes available.

What is the NAICS code for DMOs?

Under the North American Industry Classification System, code 561591 or code 561920 can be used for DMOs, depending on which code best describes the majority of your activities.

What is included in payroll costs?

Payroll costs include wages, commission, payment of cash tip or equivalent, severance, retirement benefits, state or local payroll taxes, paid leave, group health benefits (including group life, disability, vision, and dental insurance).

If I returned all or part of a PPP loan, can I reapply for one given the recent changes to eligibility and covered expenses?

Yes, if you returned a PPP loan, the law allows you to reapply. If you received a PPP loan and would now qualify for a larger amount, the law also allows you to request an increase to a previous PPP loan for an amount equal to the difference between the amount retained and the maximum amount applicable.

How is employee retention calculated for the Paycheck Protection Program?

The loan forgiveness amount is reduced by the percentage of employment and the amount of wages that is reduced over the covered period of the loan (8-24 weeks) for any employee making \$100,000 or less,

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compared to the applicable period last year or in 2019. Details on the “applicable period” are subject to administrative rulemaking. This section will be updated as information becomes available.

NOTE: There’s an allowance for a temporary decline in employment as long as employment levels are restored by the end of the covered period. Additionally, the penalty doesn’t apply if the borrower makes a good-faith effort to rehire employees, but is unable to due to any demonstrable reason, including if the borrower is unable to fully restore operations due to ongoing health and safety restrictions.

If a business has already reduced its workforce by furlough or layoffs, can it bring them back and still be eligible for the Paycheck Protection Program?

Yes, but loan forgiveness will be reduced if the employees are not hired back within the covered period of the loan (8-24 weeks). However, the penalty doesn’t apply if the borrower makes a good-faith effort to rehire employees, but is unable to due to any reason, including if the borrower is unable to fully restore operations due to ongoing health and safety restrictions. Further, no more than 40% of the loan proceeds can be used for non-payroll costs and still be eligible for loan forgiveness.

Is the Paycheck Protection Program (PPP) and 7(a) loan totally separate or are they the same? Are both directly through a lender?

They are essentially separate—with different loan features, requirements, and restrictions—but all lenders authorized to make 7(a) loans are authorized to make PPP loans. More information can be found on our [fact sheet](#) or through SBA regulations [for 1st Draw](#) or [2nd Draw](#) loans.

How are tips and commission salaries calculated into Paycheck Protection Program (PPP) and Employee Retention Tax Credit?

For information on how eligible compensation is calculated under the [Paycheck Protection Program](#), please see the [SBA’s Guidance here](#) or contact your nearest [SBA District Office](#). For information on how the [Employee Retention Tax Credit](#) calculates eligible compensation, please see the IRS’s [FAQ](#).

Do you have to pick and choose one between the Disaster Relief Loan and the Paycheck Protection Program loan? Or can I apply for both?

You can apply for both, but they generally can’t be used to cover the same expense.

Are individual employees with an annual salary above \$100,000 completely excluded from the loan amount calculation? Or are their salaries up to \$100,000 included in the loan calculation?

No, compensation for all employees can be covered up to \$100,000 per employee. Any compensation provided in excess of \$100,000 will not be considered in the calculation of payroll costs. Please see [SBA Guidance](#) and [FAQ](#) for further guidance.

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If payroll has been reduced to maintain employees, how does that affect the PPP Loan or EIDL? (ex: employees have taken a pay cut in order to be retained).

Economic Injury Disaster Loan Program: A reduction in payroll does not directly impact the loan amount for the EIDL, except that the loan amount is based on “financial loss” attributed to the coronavirus outbreak. Reduced payroll expenses may translate into a smaller financial loss, which may result in a lower loan amount. For further guidance, please contact your nearest [SBA District Office](#).

Paycheck Protection Program: The loan forgiveness amount is reduced by the amount of wages that is reduced over the first 24 weeks of the loan for any employee making \$100,000 or less, compared to the applicable period, even if employment levels remain the same. Details on the “applicable period” will be updated when information becomes available.

Total employment at the end of the 24 weeks is determined by calculating the average number of full-time equivalent employees for each pay period falling within a month. The penalty doesn’t apply if the borrower makes a good-faith effort to rehire employees, but is unable to do so due to any demonstrable reason, including if the borrower is unable to fully restore operations due to ongoing health and safety restrictions. For further guidance, please contact your nearest [SBA District Office](#).

DISASTER LOANS

Is a Disaster Loan the same as the Economic Injury Disaster Loan?

Yes, an Economic Injury Disaster Loan provided through the SBA is sometimes referred to in the shorthand as a “disaster loan.”

Do you have to pick and choose one between the Disaster Relief Loan and the Paycheck Protection Program loan? Or can I apply for both?

You can apply for both, but they generally can’t be used to cover the same expense.

What kind of collateral is needed to apply for the Disaster Loan?

For SBA’s [Economic Injury Disaster Loan Program](#), collateral is required for all loans over \$25,000, but applicants will not be denied for lack of collateral. In such an instance, the SBA will require the borrower to pledge what is available. For specific guidance on what assets will be accepted for collateral or a personal guarantee, please contact your nearest [SBA District Office](#).

Would a 501(c)(6) organization that is not tax exempt be eligible for the Economic Injury Disaster Loans?

Yes, however, the SBA does not provide assistance for any business or organization that is “in the business of lobbying.” Details on what constitutes lobbying will be updated as information becomes available.

If payroll has been reduced to maintain employees, how does that affect a PPP Loan or EIDL? (ex: employees have taken a pay cut in order to be retained).

Economic Injury Disaster Loan Program: A reduction in payroll does not directly impact the loan amount for the EIDL, except that the loan amount is based on “financial loss” attributed to the coronavirus outbreak.

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Reduced payroll expenses may translate into a smaller financial loss, which may result in a lower loan amount. For further guidance, please contact your nearest [SBA District Office](#).

Paycheck Protection Program: The loan forgiveness amount is reduced by the amount of wages that is reduced over the first 24 weeks of the loan for any employee making \$100,000 or less, compared to the applicable period, even if employment levels remain the same. Details on the “applicable period” will be updated when information becomes available.

Total employment at the end of the 24 weeks is determined by calculating the average number of full-time equivalent employees for each pay period falling within a month. The penalty doesn’t apply if the borrower makes a good-faith effort to rehire employees, but is unable to do so due to any demonstrable reason, including if the borrower is unable to fully restore operations due to ongoing health and safety restrictions. For further guidance, please contact your nearest [SBA District Office](#).

EMPLOYEE RETENTION TAX CREDIT (Also referred to as ERTC)

Is the ERTC different than the tax credit available through the Families First Coronavirus Response Act?

Yes, they are different. The [Employee Retention Tax Credit](#) allows employers (except most governmental employers) to claim a refundable tax credit against the quarterly-paid employer portion of Social Security taxes (6.2% of wages). The credit is worth 70% of eligible compensation (including group health benefits), up to \$10,000 per quarter in employee compensation, providing a maximum credit of \$7,000 per employee per quarter. Any employee paid leave benefit that is eligible for a tax credit under the Families First Coronavirus Response Act cannot be included in the calculation of eligible compensation under the Employee Retention Tax Credit. Further guidance can be found in the IRS’s [FAQ](#).

Under the Families First Coronavirus Response Act, employers can generally receive a refundable tax credit to help cover the cost of paid leave benefits. More information on this credit can be found on the IRS website [here](#).

How are tips and commission salaries calculated in the Paycheck Protection Program (also referred to as PPP or Business Interruption Loan) and Employee Retention Tax Credit?

For information on how eligible compensation is calculated under the [Paycheck Protection Program](#), please see the SBA’s regulations for [1st Draw](#) or [2nd Draw](#) loans contact your nearest [SBA District Office](#).

For information on how the [Employee Retention Tax Credit](#) calculates eligible compensation, please see the IRS’s [FAQ](#).

Can you get SBA loans and also tax credits or deductions?

You can get an SBA [Economic Injury Disaster Loan](#) and still claim the Employee Retention Tax Credit, but you cannot claim the credit for any compensation covered by a forgiven PPP loan.

The Coronavirus Relief bill clarifies that for tax purposes gross income for first and second draw PPP borrowers does not include any amount of a PPP loan that’s forgiven. Further, PPP borrowers can deduct

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otherwise allowable deductible expenses that are covered by a PPP loan, and the tax basis and other attributes of the borrower's assets will not be reduced as a result of PPP loan forgiveness.

If our industry is classified by our governor as essential, but we voluntarily shutdown are we still eligible for the ERTC?

Yes, as long as you continue to pay your employees. The credit is based on 70% of eligible compensation (including group health benefits), up to \$10,000 in employee compensation per quarter, providing a maximum credit of \$7,000 per employee per quarter. The credit can be claimed dollar-for-dollar against the quarterly-paid employer portion of Social Security taxes (6.2% of wages), with any excess refunded to the employer. More information can be found in the IRS's [FAQ](#).

GRANTS

Are there any grants available?

Yes, grants are available in the following programs, through the following ways:

- **SBA Economic Injury Disaster Loan:** \$10,000 grant given in the form of a cash advance of the loan that doesn't have to be paid back. You can also get the grant without accepting the underlying loan.
- **Live Venue Grants:** Grants are available to entertainment venues, performing art centers, theaters, zoos, aquariums, botanical gardens, and museums. Eligible employers must have 500 or less full-time equivalent employees and demonstrate at least a 25% decline in revenue. The grant amount is based on 45% of the employer's gross revenue in 2019, up to \$10 million. Further details on this program are subject to administrative rulemaking. This section will be updated as information becomes available.
- **Paycheck Protection Program:** Provides grants worth up to \$2 million, given in the form of tax-free loan forgiveness for the portion of the loan used to cover payroll, (including additional wages paid to tipped employees), mortgage debt interest, rent, utilities, supplies and inventory, software and cloud-based services, uninsured damages from public disturbances in 2020, and measures to meet COVID-19 health and safety guidelines (e.g. PPE) during the first 24 weeks of the loan—which will be reduced if you reduce the number of employees or wages.
- **Economic Development Assistance Program (EDAP) Grants:** Grants are available, subject to the discretion of EDA regional offices. Further information can be found in our [fact sheet](#) or on [EDA's website](#).

CORONAVIRUS RELIEF FUND (CRF)

How do I access CRF money?

To access CRF money, you will need to contact the chief executive (governor or mayor) or legislature of the state or local government receiving the funds. To find a list of local governments that received a direct allocation from the Treasury Department, please see [here](#).

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NOTE: Some local governments may have received CRF money through their state rather than as a direct allocation from the Treasury Department, and therefore may be subject to additional terms and conditions imposed by the State.

What are the terms and conditions associated with the CRF?

Under the law, funds can only be used on expenses that:

- Are related to the COVID-19 pandemic (including secondary effects of the pandemic);
- Are not accounted for in a previous budget; and
- Are incurred before December 31, 2021.

Expenses must meet all of the requirements above to be compliant with the law. For more information, please see the Treasury Department's CRF [website](#).

- **NOTE:** Some local governments may have received CRF money through their state rather than as a direct allocation from the Treasury Department, and therefore may be subject to additional terms and conditions imposed by the State.

Can CRF money be used to fund destination marketing campaigns?

Yes, according to an updated [FAQ](#) requested by U.S. Travel, funds can be used to remarket a recipient's convention facilities or tourism industry, such as to publicize the resumption of business activities or steps taken to ensure a safe and healthy travel experience. However, funds cannot not be used to replace lost revenue or to fund a normal marketing campaign that would have run regardless of the pandemic. For more information, please see our [CRF webinar](#) or [Grants factsheet](#).

Can CRF money be used to develop destination marketing creatives?

Yes, but only if creatives need to be developed specifically to publicize the reopening of local convention facilities and tourism businesses, or publicize steps taken to ensure a safe and healthy travel experience. Funds cannot not be used to replace lost revenue or to fund the development of creatives that are not distinctly related to the pandemic. For more information, please see our [CRF webinar](#) or [Grants factsheet](#).

- **NOTE:** Each state may interpret Treasury's guidance on this subject differently. Additionally, some local governments may have received CRF money through their state rather than as a direct allocation from the Treasury Department, and therefore may be subject to additional terms and conditions imposed by the State. It is important to follow the legal advice of the state or local government seeding you the funds.

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