



## **Types of Financial Assistance Available Through the CARES Act & Beyond**

### **Paycheck Protection Program (PPP)**

Authorizes up to \$349 billion in forgivable loans to small businesses, with less than 500 employees, to pay their employees during COVID-19 crisis. All loans terms will be the same for everyone.

Loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent and utility costs over the eight-week period after the loan is made; and
  - Employee and compensation levels are maintained.
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- Payroll costs are capped at \$100k on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25 percent of the forgiven amount may be for non-payroll costs.
  - Loan payments will be deferred for 6 months.
  - Eight weeks-worth of loan forgiveness (converting to a grant) is available, if various criteria met.

When can I apply?

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

Where can I apply?

Apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. Consult with your local lender as to whether it is participating.

Visit [sba.gov](https://www.sba.gov) for a list of SBA lenders.



### **Economic Injury Disaster Loan**

The SBA offers Economic Injury Disaster Loans to help small businesses meet working capital needs caused by a natural disaster. The loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred.

- This program offers up to \$2 million (possibly more) in assistance to help overcome the temporary loss of revenue from COVID-19
- 30-year term and up to 9 months to apply.
- For more, visit [sba.gov/disaster/apply-for-disaster-loan/index.html](https://sba.gov/disaster/apply-for-disaster-loan/index.html)

### **Express Bridge Loan Pilot Program**

This pilot program allows SBA Express Lenders authority to deliver expedited SBA-guaranteed financing on an emergency basis in amounts up to \$25k for disaster-related purposes to eligible small businesses, while the small businesses apply for and await long-term financing.

For more information, visit [sba.gov/document/support--express-bridge-loan-pilot-program-guide](https://sba.gov/document/support--express-bridge-loan-pilot-program-guide)

### **Employee Retention Credit Under CARES Act**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), enacted on March 27, 2020, is designed to encourage Eligible Employers to keep employees on their payroll, despite experiencing economic hardship related to COVID-19, with an employee retention tax credit (Employee Retention Credit).

The Families First Coronavirus Relief Act (FFCRA) requires certain employers to pay sick or family leave wages to employees who are unable to work or telework due to certain circumstances related to COVID-19. Employers are entitled to a refundable tax credit for the required leave paid, up to specified limits. [See FAQs]. The same wages cannot be counted for both credits.

The Employee Retention Credit is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that Eligible Employers pay their employees. This Employee Retention Credit applies to qualified wages paid after March 12, 2020, and before January 1, 2021. The maximum amount of qualified wages taken into account with respect to each employee for all calendar quarters is \$10,000, so that the maximum credit for an Eligible Employer for qualified wages paid to any employee is \$5,000.

To qualify, the operation of a trade or business may be partially suspended if an appropriate governmental authority imposes restrictions upon the business operations by limiting commerce,



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travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19 such that the operation can still continue to operate but not at its normal capacity.

A significant decline in gross receipts begins with the first quarter in which an employer's gross receipts for a calendar quarter in 2020 are less than 50 percent of its gross receipts for the same calendar quarter in 2019. The significant decline in gross receipts ends with the first calendar quarter that follows the first calendar quarter for which the employer's 2020 gross receipts for the quarter are greater than 80 percent of its gross receipts for the same calendar quarter during 2019.

For more information, visit [irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act](https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act)