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UNITED STATES HISPANIC CHAMBER OF COMMERCE

CARES Act

*Technical Assistance Guide for
Hispanic and Minority-Owned
Small Businesses*



Technical Assistance Guide

The following is a technical assistance guide developed by the United States Hispanic Chamber of Commerce (USHCC) to help Hispanic and Minority-Owned Small Businesses take full advantage of the CARES Act Economic Relief Plan due to the impact of COVID-19 (novel coronavirus).

This guide contains information on:

- Paycheck Protection Program (PPP)
- Small Business Debt Relief Program
- Economic Injury Disaster Loans & Emergency Injury Grants
- Small Business Tax Provisions
- Small Business Counseling and Training
- Government Contracting



Our Commitment to Small and Minority-Owned Small Businesses

The United States Hispanic Chamber of Commerce (USHCC) and our Board of Directors are proactively working with the U.S. Small Business Administration (SBA), the U.S. Treasury Department, and our valued corporate members to help connect our Hispanic and minority-owned small businesses with emergency capital and technical assistance resources to help weather the economic consequences of COVID-19.



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Paycheck Protection Program (PPP)



Paycheck Protection Program (PPP)

This program will provide cash-flow assistance through 100% federally guaranteed loans to employers who maintain and/or rehire their employees during this emergency. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020-June 30, 2020. This program will be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Small businesses and sole proprietorships can apply through a bank beginning April 3, while independent contractors and self-employed individuals can apply beginning April 10. Companies have until April 26 as safe harbor for reduction of salary or headcount.

- If employers maintain their payroll, the loans are forgiven.
- The cap per employee is firmly set at \$100,000, 2019 tax documents will be used determine loan size. Average payroll costs for 2019 (x 2.5), not the previous 12 months, will be used for loan size calculation.
- Loans will be entirely forgiven if incurred within eight weeks of loan origination.
- 75% of forgiven loan amounts must go to payroll.
- Other forgivable loan expenses are mortgages or rent (with a lease) and utilities, both of these must have been in place before February 15, 2020.
- This program does not have SBA fees.
- Fixed loan terms of two years, interest rate will accrue at 0.5% during loan period, but is deferred for six months.

Loans are available through June 30, 2020. Apply here: <https://home.treasury.gov/coronavirus>



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**Small Business Debt
Relief Program**



Small Business Debt Relief Program

This program will provide immediate relief to small businesses with these non-disaster SBA loans:

- 7(a)
- 504
- Microloans

Under this program, the SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.



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**Economic Injury Disaster Loans
& Emergency Grants**



Economic Injury Disaster Loans & Emergency Grants

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first need to apply for an EIDL and then request the advance.

The advance does not need to be repaid under any circumstance, and may be used to:

- Keep employees on payroll.
- Pay for sick leave.
- Meet increased production costs due to supply chain disruptions.
- Pay business obligations, including debts, rent, and mortgage payments.



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Small Business Tax Provisions



Small Business Tax Provisions

Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship

The Employee Retention Credit (ERC) provides a refundable payroll tax credit for 50% of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to:

- Employers, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel, or group meetings.
- Employers who have experienced a greater than 50% reduction in quarterly receipts, measured on a year-over-year basis.

Wages of employees who are furloughed or face reduced hours as a result of their employer's closure or economic hardship are eligible for the credit. For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation including health benefits and is provided for the first \$10,000 in wages and compensation paid by the employer to an eligible employee.

The credit is not available to employers receiving assistance through the PPP.

Employers can include wages paid between March 13th, 2020-December 31, 2020.





Small Business Tax Provisions

Delay in Payment of Employer Payroll Taxes

This provision allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments:

- At the end of 2021.
- At the end of 2022.

Payroll taxes that can be deferred include:

- The employer portion of FICA taxes.
- The employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate).
- Half of SECA tax liability.

Deferral is not provided to employers receiving assistance through the PPP.



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**Small Business
Counseling and Training**



Counseling & Training

Local Small Business Development Centers (SBDC), Women's Business Centers (WBC), or SCORE mentorship chapters have received, along with the associations that represent them, additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19.

Find a local resource partner: <https://www.sba.gov/local-assistance/find/>

In addition, the Minority Business Development Agency's Business Centers (MBDCs), which cater to minority business enterprises of all sizes, will also receive funding to hire staff and provide programming to help their clients respond to COVID-19.



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Government Contracting



Government Contracting

If you are a government contractor, there are a number of ways that Congress has provided relief and protection for your business.

Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave.

The contractors eligible are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.



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We encourage our members to contact our team for any additional information, questions you may have, or if we can provide any necessary technical assistance to your business during this time.

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Thank you for supporting the USHCC. Your contributions make our work possible.

If your chamber of commerce would like to become a member of the USHCC, click [here](#).

To make a general contribution, call 202-842-1212 or checks can also be mailed to:

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