

# American Rescue Plan Update

*Small Business Administration Resource Partners*

---

March 22, 2021



**Small Business  
Development Center**  
**UNIVERSITY OF GEORGIA**



**SCORE**   
FOR THE LIFE OF YOUR BUSINESS

# Gwinnett County Small Business Resource Partners



*Funded in part through a  
Cooperative Agreement with  
the U.S. Small Business  
Administration.*

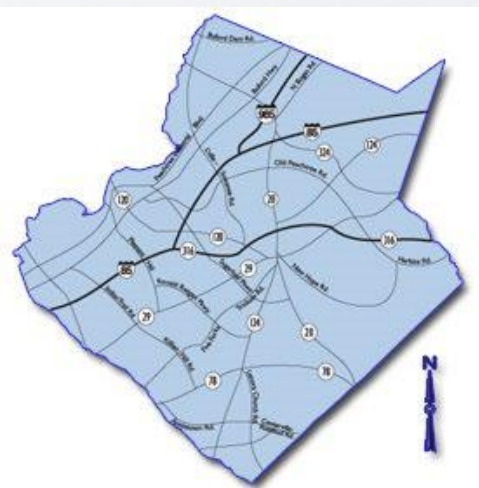


**Small Business  
Development Center**  
**UNIVERSITY OF GEORGIA**



**UNIVERSITY OF  
GEORGIA**

*A Public Service and Outreach Unit  
of the University of Georgia.*



# Meet The Gwinnett Small Business Resource Team

We Are Here to Help Small Businesses!



**Cally D'Angelo**

Senior Director  
Small Business Initiatives  
Gwinnett Chamber



**Mark Farmer**

Economic Development-  
Small Business  
Gwinnett County



**Sandra Font**

Director  
ACE - Women's Business  
Center



**Roman Ptakowski**

Chairman  
SCORE  
North Metro Atlanta



**Glenn Kruse**

Area Director  
UGA Small Business  
Development Center -  
Gwinnett



# Housekeeping



## Chat?

Use the **Chat** function if you are experiencing issues during the presentation and to respond to/interact with facilitators when appropriate



## Questions?

Use the **Q & A** function to post your questions. We will be answering questions throughout the session and have dedicated Q&A time at the end.



## They're in the email

It's hard to listen, write, grab a bite to eat, slurp down coffee so we're going to send you the presentation when were done, just give us about 24 hours.



# American Rescue Plan (ARP)

- President Biden Signed into law on March 11, 2021
- Title V – Committee on Small Business
  - The SBA will administer these programs
  - Makes Modifications/Changes to:
    - Paycheck Protection Plan (PPP)
    - Targeted Emergency Injury Disaster Loan (EIDL) Advance
    - Shuttered Venue Operators Grant (SVOG)
  - Restaurant Revitalization Fund (RRF)
  - Community Navigator Pilot Program



# American Rescue Plan (ARP)

- Non-SBA Programs that Impact Small Businesses
  - Agriculture Programs
  - Emergency Rental Assistance
  - State Small Business Credit Initiative (SSBCI)
  - Extension of:
    - CARES Act Unemployment Provisions
    - FFCRA Unemployment Provisions
    - Credits for Paid Sick and Family Leave
  - Employee Retention Credit (ERC)
  - Tax Exemption Provisions



# Changes to PPP

- Increased funding by \$7.25 B to a total of \$813.7 B
- Expanded ‘additional covered nonprofit entity’ to include additional 501(c) organizations
- Makes Internet Publishing Organizations (NAICS Code 519130) eligible
- H.R. 1799 “The PPP Extension Act” would extend the application deadline from March 31 to May 31
  - Passed in the House on 3/16/21
  - Cloture vote called in the Senate on 3/18/21
  - Likely to be signed into law this week



# IFR#4 – Schedule C Filers

- Applies to sole proprietors, independent contractors and self-employed
- If you have no employees – you can elect to use either:
  - Net Profit – Line 31, or
  - Gross Income – Line 7
- If you have employees and choose to use Gross Income (Line 7) you must subtract the following amounts:
  - Line 14 (Employee Benefit Programs)
  - Line 19 (Pension and Profit-Sharing Plans)
  - Line 26 (Wages – (less employment credits))
  - NOTE – the prior three items are included in your direct employee payroll costs





# PPP Schedule C Forms

SBA Form	PPP Draw	Loan Basis	Schedule C Line Number
2483	First (PPP1)	Net Profit	31
2483-SD	Second (PPP2)	Net Profit	31
2483-C	First (PPP1)	Gross Income	7
2483-SD-C	Second (PPP2)	Gross Income	7

- If you applied and accepted your loan – you **cannot** increase or modify your loan
- You must file a **new application** if you filed before March 3 and want to use Gross Income
- You must use the identified form based on your choice of Loan Basis
- All of the above forms were updated and/or released on March 3, 2021 and revised March 13, 2021



# Changes to Targeted EIDL Program

- Maintained the definition of 'Covered Entity' in EAA
- Added \$15B to the program
  - \$10B to Targeted EIDL Program in the EAA
  - \$5B to severely impacted targeted businesses
- Severely impacted small business:
  - Employs not more than 10 employees
  - Has suffered an economic loss of greater than 50%
  - Provides a 'supplemental payment' of \$5000 to these businesses



# Changes to SVOG

- Adds \$1.25B to the SVOG Program
- Eliminated the restriction on applying for SVOG if the entity had applied for PPP after December 27, 2020
- Reduction of Grant for Recipients of New PPP Loans:
  - SVOG funds will be reduced by the amount of PPP1 and PPP2 loans received on or after December 27, 2020



# New SVOG Updates

- SBA Announced on March 19<sup>th</sup>:
  - Portal Link: <https://www.svograntportal.sba.gov/s/>
  - Informational webinar on March 30<sup>th</sup>
  - Applications will begin on April 8th
- You can apply at any time – your application will be processed according to your priority period



# Restaurant Revitalization Fund (RRF)

- Appropriates \$28.6 B for RRF
  - At least \$5 B will go to entities with less than \$500k in gross receipts in 2019
  - The balance will be distributed in ‘an equitable manner’ by the SBA
- Defines a ‘Covered Period’ starting Feb 15, 2020 and ends on Dec 31, 2021 (or a date set by SBA not later than 2 years after passage or March 11, 2023)



# RRF – Who is Eligible?

Eligible entities are - restaurant, food stand, food truck, food cart, caterer, saloon, inn, tavern, bar, lounge, brewpub, tasting room, taproom, licensed facility or premise of a beverage alcohol producer where the public may taste, sample, or purchase products, or **other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink**

Priority of Awards in the first 21 days will be to:

- Woman-owned businesses
- Veteran-owned businesses
- Disadvantaged Business Entities (DBEs)



# RRF – Excluded Entities – Size of Grants

- Excludes entities that:
  - Are operated by State or Local governments
  - Owns or operates more than 20 locations
  - Has a pending application for SVOG
  - Is publicly traded
- Defined ‘Pandemic-related revenue loss’
  - The difference between 2019 and 2020 gross receipts
  - Grant is based on this amount
- Grants are limited to \$10 M or \$5 M per location for affiliated businesses



# RRF – Grant Calculations

- For entities not in operation for all of 2019
  - Determine average monthly gross revenues for month in operation
  - Multiply by 12 to arrive at annualized revenue
- For entities that opened between January 1, 2020 and March 10, 2021
  - Grant will be equal to the amount of payroll incurred
  - Less any gross receipts
- For entities that have not yet opened but have incurred expenses
  - Grant will be equal to the amount of payroll incurred
- NOTE: The SBA has the option to establish a different formula for each of the above cases
- **Pandemic-related Revenue losses will be reduced by any PPP1 or PPP2 loan received by the entity**





# RRF – Terms of the Grant

- Use of Funds:
  - Payroll Costs
  - Payments of principle or interest on any mortgage obligation
  - Rent payment
  - Utilities
  - Maintenance Expenses
  - Supplies – including PPE and cleaning materials
  - Food and beverage expenses incurred in normal business practice
  - Operational expenses
  - Paid sick leave
  - Other expenses defined by the SBA
- If you fail to use the funds or cease operations before the end of the ‘covered period’ – you must return unused funds to the Treasury



# RRF – What Can you do Now?

- Register your business on SAM.gov (System for Award Management)
- There are three steps to this process:
  1. Obtain a DUNS number
  2. Register at SAM.gov
  3. Submit a notarized letter to grant access to new Entity Administrators

The SBA has a Training Video for SAM.gov registration

<https://www.youtube.com/watch?v=y2t5queourQ>



<b>Key Program</b>	<b>CARES ACT</b>	<b>Economic Aid Act (EAA)</b>	<b>American Rescue Plan (ARP)</b>
<b>PPP*</b>	Established PPP1 Modified by PPP Flexibility Act	Extended PPP1 and Added PPP2 thru Mar 31, 2021	Increased PPP Funds and Non-Profit Eligibility
<b>EIDL</b>	No Impact – was available through Dec 31, 2020	Extended deadline to Dec 31, 2021	No Impact**
<b>EIDL Advance</b>	Established EIDL Advance Funding	Established Targeted EIDL Advance Eliminated Deduction from PPP Forgiveness	Expanded Targeted EIDL Advance Funding for Severely Impacted Small Businesses
<b>Debt Relief</b>	Established Debt Relief Plan	Extended Debt Relief Plan Modified by SBA due to funding restrictions	No Impact
<b>SVOG</b>	NA	Introduced SVOG	Expanded Funding Allowed Venues to also Apply for PPP
<b>RRF</b>	NA	NA	Established RRF

\* H.R. 1799 The PPP Extension Act passed the House on 3/16/21 – if enacted PPP deadline will be extended to May 31

\*\* SBA has extended the deferment period to 24 months and 18 months for loans issued in 2020 and 2021 respectively

# Emergency Rental Assistance

- \$21.55 B in funding through September 30, 2027
- Programs will be administered at the local, county and state level
- Will pay for rent and utilities for “eligible households” where:
  - 1 or more individuals within the household has –
    - Qualified for unemployment benefits; or
    - Experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic
  - 1 or more individual within the household can demonstrate a risk of experiencing homelessness or housing instability; and
  - The household is a low-income family



# State Small Business Credit Initiative (SSBCI)

- \$10 B in funding - pro-rated to states based on their population
- The current Georgia SSBCI is being administered by the Georgia DCA which currently offers two programs:
  - *Georgia Loan Participation Program (GA LPP)*
    - State purchases up to 25% of a loan ranging from \$100k to \$5 M
    - Current cap is \$200k due to limited funds
  - *Georgia Small Business Credit Guaranty (Georgia SBCG)*
    - Provides lenders with a 50% loan guarantee
    - Current maximum loan amount is \$400k
- **These programs could be changed due to ARP funding**



# Extension of Current Programs

- Extended until September 6, 2021:
  - Cares Act Pandemic Unemployment Assistance (PUA)
  - FFCRA Unemployment Provisions
- Extended through the end of 2021:
  - Credits for Paid Sick and Family Leave (added self-employed eligibility)
  - Employee Retention Credit



# Summary of Tax Issues

- Expenses paid by PPP funds **can** be claimed as business expenses
- Debt Relief Payment of P&I will **not** be treated as income
- PPP recipients are now able to claim Employee Retention Tax Credits (ERTC) – **check with your payroll provider or accountant**
- Georgia has adopted PPP state tax loan exemption
- ARP Stipulates the following will not be subject to income tax
  - Targeted EIDL Advances
  - Restaurant Revitalization Fund grants



# Status of SBA Programs – 3/22/2021

- Currently offering:
  - First Draw PPP (PPP1)
    - Initial Application – **Apply to Approved SBA Lender**
    - Increase in Existing Loan – **Apply to ‘Lender of Record’**
  - Second Draw PPP (PPP2) – **Apply to Approved SBA Lender**
  - **Exclusive application ended on Mar 9<sup>th</sup> at 5 PM – but you can still apply**
  - **Revised PPP1 and PPP2 calculations for Schedule C filers on Mar 3<sup>rd</sup>**
  - Economic Injury Disaster Loans (EIDL) – **Apply to SBA – deferral period extended to 24 months for loans in 2020 and 18 months for loans in 2021**
  - Express Bridge Loans – **Apply to Approved SBA Lender**
  - SBA Debt Relief (for existing borrowers) – **Happens Automatically**





# Status of SBA Programs – 3/22/2021

- Targeted EIDL Advance (limited eligibility) –
  - First phase complete
  - Second phase has begun
  - Additional funds included in the ARP Act signed by President Biden on March 11
- Preparing to offer:
  - Shuttered Venue Operator Grants (SVOG) Portal published – Applications begin April 8
  - Restaurant Revitalization Fund (RRF) Part of the recent ARP Act – info TBD
- For updated information:
  - Watch for SBA and Treasury guidance – [www.sba.gov/funding-programs/loans/coronavirus-relief-options](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options)
  - Our website is a good source of information - [www.georgiasbdc.org](https://www.georgiasbdc.org)
  - UGA SBDC will have additional webinars – watch this space! - [www.georgiasbdc.org/2nd-round-covid-funding-webinars/](https://www.georgiasbdc.org/2nd-round-covid-funding-webinars/)





Questions?

# THANK YOU!



*Funded in part through a  
Cooperative Agreement with  
the U.S. Small Business  
Administration.*



**Small Business  
Development Center**  
**UNIVERSITY OF GEORGIA**



**UNIVERSITY OF  
GEORGIA**

*A Public Service and Outreach Unit  
of the University of Georgia.*

