The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides several provisions that will enable eligible golf businesses to obtain financial relief for disruption to their operations. Following is basic guidance on several of these programs, including links to program descriptions and how to obtain funding when available. This document is intended to provide WE ARE GOLF stakeholders with resources to consider when making business decisions on behalf of their own organizations.

**Small Business Administration 7(a) – Paycheck Protection Program**

Congress has authorized an increase in the government guarantee of small business loans under a $350 billion Paycheck Protection Program (PPP) through the SBA. The maximum loan amount from the program through June 2020 is $10 million and is based on a formula tied to average total monthly payroll costs for a specified period. Up to eight weeks of payroll and other costs will be forgiven if the business retains its employees and their salary levels. Principal and interest are deferred for up to a year and all borrower fees are waived. The SBA coverage period for these loans applies retroactively to February 15, 2020 for businesses that have already suffered economic harm as a result of the COVID-19 outbreak. The bill allows for rehired employees to be included in the loan forgiveness reduction if they are rehired by June 30, 2020.

Costs which are defined as “payroll costs,” and which are therefore eligible for forgiveness, include compensation, healthcare benefits, paid sick and family leave, severance, mortgage interest, rent, and utility payments, among other items. Uses of the loan not eligible for forgiveness include employee compensation above $100,000 and payroll taxes. The amount of loan forgiveness will be proportionally reduced via a formula that accounts for reductions in employees and reductions in wages for employees making under $100,000. Loans that are not forgiven will be covered under a maximum 10-year repayment plan not to exceed a 4% interest rate.

Eligible firms include small business concerns, as well as businesses with 500 employees or less, veterans, and 501(c)(3) non-profit organizations meeting certain SBA standards. Employees are defined to include individuals employed on a full-time, part-time, or other basis. Sole proprietorships and independent contractors are also eligible for this program. The bill also waives affiliation rules related to firms that operate multiple franchise locations and are assigned a franchise identifier code by the SBA or that operate in the hospitality and restaurant industries.

The loans will be made through the SBA’s network of 7(a) lenders and will be open through June 30, 2020. This program can also be used in coordination with other COVID-19 financing assistance measures established under the CARES Act or any other existing SBA loan program. Accessing the PPP program will disqualify an employer from using the employer retention tax credit created under the CARES Act.

SBA will soon release additional loan guidance on the PPP, including a list of lenders offering loans under the program. Please click on the following link for a comprehensive summary of the PPP. Please also visit [sba.gov](http://sba.gov) for updates on when loans will become available under the PPP.

[Coronavirus Emergency Loans Small Business Guide and Checklist](http://sba.gov)
**Small Business Administration (SBA) Disaster Assistance Loans**

The SBA has begun implementing a disaster loan program related to COVID-19, which is similar to previous disaster assistance programs designed in the wake of natural disasters. SBA’s Economic Injury Disaster Loans (EIDL) offer up to $2 million in assistance with an interest rate of 3.75% for small businesses and 2.75% for non-profits. The loans may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.

All businesses located in U.S. states and territories eligible for EIDL loans can apply online through the SBA website. Unlike the SBA PPP program, these loans are currently available, and you can apply for them now. Please click on the following link [https://covid19relief.sba.gov/](https://covid19relief.sba.gov/) for details on making a loan application.

Eligible firms include small business concerns as well as the following businesses with 500 or fewer employees: tribal businesses, sole proprietorships, and independent contractors. Additionally, most private non-profits of any size are eligible. SBA counts full-time, part-time, and “other basis” employees, such as temporary workers, in its loan criteria.

The CARES Act included $10 billion in funding to expand the EIDL program. This includes a provision allowing an advance grant of up to $10,000 to small businesses and nonprofits within three days of applying for an EIDL loan. The advance EIDL grant does not need to be repaid, even if the grantee is subsequently denied an EIDL, and may be used to provide paid sick leave to employees, maintain payroll, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent, and mortgage payments. Eligible grant recipients must have been in operation since January 31, 2020.

A business that receives an EIDL by June 30, 2020 as a result of a COVID-19 disaster declaration is eligible to apply for a PPP loan or may refinance their EIDL into a PPP loan. In either case, the emergency EIDL grant award of up to $10,000 would be subtracted from the amount forgiven in the PPP.

**Relief for Existing SBA Loans**

The CARES Act also includes $17 billion in funding for a provision to provide immediate relief to small businesses with standard SBA 7(a) loans not made under the PPP, 504, or microloan programs. Under this provision, SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out an SBA loan within six months after March 27, 2020.

The measure also encourages banks to provide further relief to small business borrowers by allowing banks to extend the duration of existing loans beyond existing limits. It also enables small business lenders to assist more new and existing borrowers by providing a temporary extension on certain reporting requirements. While SBA borrowers are receiving the six months of debt relief, they may apply for a PPP loan that provides capital to keep their employees on the job.
Please click on the following links for a listing of National, regional & district offices and loan guaranty centers, for details on the SBA Disaster Loan Program, and for guidance on small business loans available from the SBA https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources.

Additional Resources

The CARES Act provides $275 million in grants to the nation’s network of Small Business Development Centers (SBDCs) and Women’s Business Centers (WBCs), as well as the Minority Business Development Agency’s Business Centers (MBDCs), to provide mentorship, guidance, and expertise to small businesses. The funding will allow SBDCs, WBCs, and MBDCs to hire staff and provide programming to help small businesses and minority-owned businesses respond to COVID-19.

The SCORE and Veterans Business Outreach Center programs can serve as additional on-the-ground resources to assist small business owners in learning about SBA programs during the COVID-19 outbreak.

WE ARE GOLF and its Washington, D.C.-based lobby firm, Forbes Tate Partners, will now focus its attention on addressing the golf industry’s specific needs in the upcoming package of legislation that Congress will consider in the nation’s battle against COVID-19.