



Avoid layoffs with programs you can lean on

Relief is available for Arizona small businesses affected by COVID-19



Paycheck Protection Program

Part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the program provides small businesses and sole proprietorships cash flow assistance through 100% federally guaranteed loans.

– Funds up to **24 weeks** of payroll costs & eligible expenses –
Or until Dec. 31, 2020 following disbursement of funds

NEW

How can the funds be used?

The loan will be fully forgiven if used for:



Payroll costs



Rent



Interest on mortgages



Utilities

60% of the forgiven amount must have been used for payroll and up to 40% goes to the other eligible expenses

Apply for loan forgiveness within **10 MONTHS** of the covered period and the loan will be **DEFERRED** until the SBA compensates the lender with the forgiveness amount.

What types of small businesses are eligible?



Less than 500 employees



Gig economy workers



Independent contractors



Tribal businesses



Agriculture enterprises



Nonprofits 501(c)(3)



Veterans organizations 501(c)(19)

Exceptions exist for some businesses with over 500 employees (ex: hospitality & food industry)

For any staff reductions made between Feb 15 – April 27, 2020

EMPLOYERS MUST

maintain workers OR rehire their recently laid-off employees by December 31, 2020

UNLESS employers are able to document:

- ✓ an employee did not accept a rehire offer
- ✓ the inability to hire a similarly qualified worker for the position
- ✓ a hindrance to rehire employees due to compliance with federal guidelines for sanitation or social distancing

How much funding can I receive?

250%

of your average monthly payroll costs not to exceed \$10M

2.5 x average total monthly payroll costs in 2019

--- OR ---

2.5 x average total monthly payroll costs for Jan and Feb 2020 for businesses not operational in 2019

Seasonal Employers: payroll costs equate to the 12-week period from Feb 15, 2019 or Mar 1, 2019 to June 30, 2019



CALCULATING PAYROLL COSTS

Salaries + wages + commissions + vacation + sick leave + health insurance premiums + retirement benefits = Payroll Costs

Payroll costs EARNED or PAID during the 24-week coverage period are eligible for forgiveness

How can I apply?

Through any SBA-approved 7(a) lender insured depository institutions, credit unions and community financial institutions

Under the leadership of Governor Doug Ducey, Arizona banks have committed to expediting the application and approval of these loans.

Use the ACA's **loan calculator tool** and **application instruction guide** to help with the application process.

Can I still apply for the Economic Injury Disaster Loan? **Yes, but funds can't be used for the same purpose.**

We recognize that this crisis is unprecedented and the entire Arizona Commerce Authority team is working hard to help ease the burden on Arizona businesses, workers and families.

For more COVID-19 support, business tools and webinars, visit azcommerce.com/COVID-19.