



# COVID-19 FAQ for Local Independent Businesses

The Sustainable Business Network of Greater Philadelphia remains fully operational to serve our local independent business community. We have been in regular contact with our membership, including through a Task Force, which has surfaced important frequently asked questions.

As a benefit of membership, we have pulled your questions together, and offer as many answers as we are able to help you through this. We will continue to add questions and answers as they surface. Please let [allegra@sbnphiladelphia.org](mailto:allegra@sbnphiladelphia.org) know what additional questions you have and if you have any answers to contribute.

As independent businesses committed to equity and climate resilience, we know the COVID-19 pandemic is deeply challenging your ability to keep your business afloat while practicing your values. Remember you are not alone. SBN is here for you.

Please [visit our website](#) for additional resources and information about SBN's response to this crisis.

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*Please note that these answers are for educational and informational purposes only and are not meant to replace legal or other professional advice. Please make decisions that you think are in the best interests of your business and solicit the advice of professionals that your business may require.*

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## Funding

Q. What funding is currently available for my business, be they grants or loans?

A. [Phila.gov](http://Phila.gov) lists all resources available for small businesses, including city, state and federal funding, which includes:

**a. Philadelphia COVID-19 Small Business Relief Fund**

*\*\*\* Update: Due to extraordinary demand and limited resources available, applications submitted after 5 p.m. on March 30 will only be accepted and reviewed from businesses applying for microenterprise grants of \$5,000. Awards for*



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*applications received after that deadline will only be made as new funds become available. Applications for small business grants and loans will no longer be accepted after this time.*

- i. The Philadelphia Commerce Department, in partnership with PIDC, is offering grants of up to \$25K for businesses with annual revenue less than \$3M. Above that, loans of up to \$100K are available.
- ii. [Here's the application](#), though, it's best to read the [FAQ](#) before you apply.
- b. **COVID-19 Working Capital Access Program**
  - i. Loans are available for up to \$100K but must be packaged by a Certified Economic Development Organization (CEDO), which is the Philadelphia Industrial Development Corporation (PIDC) in Philadelphia. Applications are open as of March 26th, 2020.
  - ii. Here's the application:  
<https://dced.pa.gov/programs/covid-19-working-capital-access-program-cwca/>
  - iii. To see a listing of the Certified Economic Development Organizations for Montgomery, Chester, Delaware and Bucks counties and others, please visit [CEDO's county list](#).
- c. **SBA Disaster Loan Assistance**
  - i. The application: <https://disasterloan.sba.gov/ela/>
  - ii. A great [step by step account](#) of the application process.
  - iii. More SBA [resources for small business owners](#).
- d. **Coronavirus Aid, Relief, and Economic Security (CARES) Act**
  - i. The [\\$2 trillion relief package](#) includes provisions for small businesses.
  - ii. See [a summary of the specific provisions](#) for small businesses.

**Q. If I am awarded funding from one source, will I still be eligible for funding from another source?**

- A. An answer is forthcoming. In the meantime, we are hearing recommendations for you to apply for the resources you need.

## Unemployment

**Here's Pennsylvania's official site:** <https://www.uc.pa.gov/Pages/covid19.aspx>

For employees impacted by COVID-19, [here is a helpful .pdf](#) you can share with them about unemployment and workers compensation.



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Rachel Satinsky from [Littler](#) graciously answered many of your unemployment-related questions.

## Q. Are furloughed employees eligible for unemployment?

- A. Yes, both furlough and laid off workers are eligible for unemployment
  - I. What's the difference between "furlough" and "laid off"?
    - a. Furlough is a partial or total reduction in hours and pay for a finite amount of time (can be extended). Essentially, an employee will remain your employee and you can continue to pay their benefits. There is the expectation that that employee will come back to work for you.
    - b. Lay-off means that the employee is no longer an employee of your company. You will not continue to pay benefits. There is no expectation that that employee will come back to work for you.

## Q. I need to reduce hours and/or furlough some of my staff. How do I approach this for my exempt and nonexempt employees?

- A. An answer is forthcoming.

## Q. Are employees whose hours get reduced eligible for partial unemployment?

- B. Absolutely; see above. Any change in pay will mean an employee is eligible for unemployment. Unemployment covers lost wages for those on payroll or with a W2; benefits and other forms of compensation are not included.

## Q. Are employers eligible for unemployment?

- A. Unemployment claims are challenging if you are not on payroll / have a W2. Most independent business owners are in that situation; however, if you have lost wages due to COVID-19, it is worth applying for unemployment compensation. The worst that will happen is that you will be denied.

## Q. Can you apply for unemployment before the separation date?

- A. The recommendation is to gather all materials in advance, but to wait until separation before applying to not overburden the system and delay processing.



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## BUSINESS & HEALTH INSURANCE

SBN member Noah Glassman, from [Philadelphia Life and Health](#), answered your questions on employee health benefits and has a template to inform your employees about COBRA. He also drafted a mock letter for business owners. Please email [allegra@sbnphiladelphia.org](mailto:allegra@sbnphiladelphia.org) for a copy of this template and letter.

### Q. How do I handle medical insurance if I need to lay off my employees

- A. If your employees receive medical benefits through your business, you must offer them [COBRA](#) (or [mini-COBRA](#)) if you terminate their employment.
- B. You have options to continue contributions to your employee's health benefits. While there may be a lapse in coverage upwards of 45 days, your insurance company can back-date the COBRA coverage. This may get tricky if the employee needs healthcare within that period, so we encourage you to reach out to your carrier or broker to find out more details about your specific coverage options.
- C. For anyone who does not get insurance through their employer or who opts out of COBRA, [the Affordable Care Act](#) offers options for coverage.

### Q. Does a business need to be denied a Business Interruption Insurance claim before being eligible for SBA emergency funding?

- A. This is not something that we have been able to verify. Until insurance companies are able to confirm COVID-19 as a "physical loss" that would be covered under Business Interruption Insurance, most will say that it "can't hurt" to file a claim and each case will be reviewed individually.



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## TAXES, RENT/MORTGAGES

Q. What is Philadelphia doing to ease the burden on small businesses when it comes to paying BIRT, wage tax, sales tax, and liquor tax?

- A. Here's information on what the City of Philadelphia is doing in regards to [business taxes](#).
- I. The [due date](#) for 2020 Real Estate Taxes is now April 30, 2020.
  - II. The Department of Revenue will honor the federal extensions granted to businesses from the IRS for filing and payments until July 15, 2020 for the [Business Income and Receipts Tax](#) and the [Net Profits Tax](#). This policy includes estimated payments.
  - III. No action is required from businesses to take advantage of these extensions in Philadelphia.
  - IV. As a reminder, there is a list of tax credits included on the [Phila.gov site](#), including the Sustainable Business Tax Credit, the Green Roof Tax Credit, and the Sustainable Jump Start Tax Credit, among many others.

Q. Does the city have any plans to implement a moratorium on commercial evictions?

- A. Not at this moment in time, but we will keep you updated. Please see this article from the Inquirer on [rent payments](#).

Q. What, if any, penalties will there be if business owners cannot pay their taxes?

- A. We haven't seen anything come through as of yet.

Q. In the likely event of a recession or depression after the coronavirus, what can you recommend for how local independent businesses can move forward?

- A. While we can't say what's to come, there is a comfort in knowing that none of us are in this alone. SBN will continue to engage experts to offer you advice, including ways to prepare for change, mergers/acquisitions, closures, how the economy will survive, how



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sustainability will play a major factor in that survival, and many more items that may help to answer, “what comes next?”.

Q. What, if any, language in my commercial lease could help me minimize payments in this scenario?

A. An answer is forthcoming.

## VENDOR CONTRACTS

Q. I have vendor contracts but no longer want/need their services given this scenario. How do I handle this?

A. An answer is forthcoming.

Q. I am a vendor/have service contracts with clients that are telling me that they no longer want/need my product/service or that they cannot pay me for what I have already provided them. How can I protect my business?

A. An answer is forthcoming.