

## Help for Small Businesses During the COVID-19 Outbreak

Shrouded in uncertainty and panic, COVID-19 is an ominous and unanticipated event that will certainly have significant social and economic impacts. With industries in crisis, and markets plunging, many are asking what a middle-market business can do to survive. While you want to continue to keep your customers as active as possible during this crisis, you also want to focus on getting people back as customers after the crisis.

For the unforeseeable future, the Kentucky Capital Development Corporation (KCDC) will issue a list weekly of new assistance programs, loans, grants and marketing ideas to help small businesses survive. **The latest information is highlighted below.**

There are also a number of other business organizations offering FREE webinars with some very resourceful ways to assure that your customers remain loyal through and after the COVID-19 pandemic.

I've listed some of those ideas below; however, I encourage you, during this down time to participate in these webinars and read their insights. Try sites such as **Entrepreneur.com**, **Alignable.com**, **DestinationDevelopment.org**, **Mainstreet.org**, **SBA.gov**, **EIG.org** and **SBDC.org**, **Kychamber.com** and **Kybizhelp.com** (every Wednesday at noon) to name a few.

Here are some of their suggestions.

**Start by putting your situation into perspective:** Bring together your key advisors and begin assessing the situation. Strategic planning, and developing solutions before matters get worse, is critical.

**Take a look at your financial situation,** including your liquidity, cash availability, and accounts receivable. Prepare a cash flow chart, anticipating income and reviewing fixed and variable expenses and how to delay those. (For example, if you pay outstanding invoices upon receipt, you may want to extend that to closer to the due date.) A number of credit card companies are implementing special programs to assist their cardholders:

- For the next 30 days (subject to extension and beginning on March 9, 2020), **CitiBank** is evaluating small business card holders affected by COVID-19. They are offering assistance on a case-by-case basis that includes: fee waivers on monthly service fees and remote deposit capture and waived penalties for early CD withdrawal.
- Through their **Financial Hardship** program, **American Express** has been waiving some late fees for personal and business card holders, evaluating on a case-by-case basis. Businesses have seen success by [contacting them through their chat function](#).
- The **American Express Working Capital** program can also provide working access to funds for affected small businesses.

- **Research creative ways to improve your cash flow for the immediate future.**

- If you have a loan with a commercial bank, talk to them about ways they might be able to help.
- **Apply for the Paycheck Protection Program Loan.** The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30, 2020.
- **Apply for the Economic Injury Disaster Loan or Emergency Economic Injury Grant.** 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 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, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.
- See if you qualify for the **Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship.** This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent 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 fulltime 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. Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S). The

credit is not available to employers receiving assistance through the Paycheck Protection Program. The credit is provided through December 31, 2020.

- **Delay Payment of Employer Payroll Taxes.** This provision would 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, one at the end of 2021, the other 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), and half of SECA tax liability. • Deferral is not provided to employers receiving assistance through the Paycheck Protection Program.
- Or see if you qualify for the new **SBA** loan recently approved by Congress at <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>. The good news is that the SBA offers much more than loans. Some examples include:
  - Free business counseling,
  - [Disaster preparedness plans](#),
  - Investment capital,
  - Surety bonds,
  - Grants,
  - Business courses, and
  - Business guides.
- **Facebook** is creating \$100M grant program for small businesses that can be spent on operational costs like paying workers and rent. That application is not available yet, but should be soon.
- They are also partnering with **Lenfest Institute for Journalism** and the **Local Media Association** to offer \$1M in grants to newsrooms that need more resources to cover the pandemic.
- **Kentucky Farm Bureau Insurance Company** is temporarily suspending insurance policy cancellations that result from non-payment of premiums. Contact your local KFB Insurance Agent or the Customer Service Team at 800-206-6887 to ensure your ability to delay your premium payment.
- Per **IRS Notice 2020-18**, the federal government has extended filing and payment due dates for 2019 income tax returns until July 15, 2020 for some taxpayers and businesses. Governor Beshear has also announced that KY Income taxes will be extended to that same date. Notice 2020-18 applies to individuals, trusts, estates, partnerships and corporations. Taxpayers DO NOT have to file forms with the IRS to request this extension.
- To help small businesses affected by CIVID-19, **Quickbooks** is teaming up with GoFundMe to launch the **Small Business Relief Initiative**. Quickbooks is committing up to \$1 million through a fund and employee-directed contributions while also seeking donations from other large partners. You can see how this works at [https://quickbooks.intuit.com/smallbusinesshelp/?cid=DR\\_em\\_46549\\_001\\_Button1\\_US\\_QBO](https://quickbooks.intuit.com/smallbusinesshelp/?cid=DR_em_46549_001_Button1_US_QBO).

**Consider extending discounts to customers who pay more quickly** and negotiate better terms with vendors. Try to hold on to good customers who may also be having temporary liquidity issues.

**Arrange for on-site daycare** to assist team members with children. I realize this is not an ideal situation but it may determine whether or not your employees show up for work.

**Watch closely for measures policymakers may be putting into place** to help businesses and advocate for pro-business legislation.

**Stay in contact with your customers** and tell them how they can help you. Whether it is buy a gift card that can be used later; shop over the phone or online; leave a good review; promote your business on social media; maintain subscriptions and memberships; share hoarded sanitizer and toilet paper; pay with plastic rather than cash; volunteer to help with deliveries... your customers want you to survive and they want to help. They just often do not know what you need. Tell them. Also be certain your current operating hours; limits to menus or services; what you are doing to keep your customers safe; etc.... remain updated online and on your social media sites.

**Actively encourage sick employees to stay home** and well employees to practice good hygiene.

**Make a positive difference in your community**, especially if you have more downtime than normal. If you can deliver items, make a phone call to someone who is self-quarantined, walk a dog or care for homebound children, offer to do it. This shows you care for the community and builds loyalty from your members and customers who will remain loyal after the restrictions are lifted.

**Be creative with partners.** Look for ways you can work with others to package opportunities for sales and experiences and stay in contact with your partners at KCDC, DFI, Tourism and the Chamber of Commerce, and your media partners, to be certain the community has the facts about your business.

- **DoorDash, Uber Eats and Grubhub** have announced they are suspending the collection of fees from independent restaurants.
- **Square** just launched their curbside pickup feature for their point-of-sale merchants. Due to the heightened importance of social distancing, they are [waiving fees for the first 3 months](#). If you are an existing Square customer, the company is refunding software subscription fees for March 2020. This will be done automatically and requires no additional action from your business.
- **Amazon** is hiring 100,000 new employees because of the increased demand of online orders. Look into using an online marketplace to sell your products.

- State government offices are still filled with workers, but all food services within the buildings are closed. Reach out with delivery/curb service to those facilities.
- There are a number of FREE online video and livestreaming services that would allow you to teach classes online.
- Summer is upon us and families and individuals will be looking for opportunities for vacations that comply with the current social distancing restrictions. Can you work with partners to provide a safe visit to Frankfort that might include hiking, canoeing or kayaking, a hotel stay and picnic lunch package?
- **Privy**, a technology partner that helps capture and convert your website visitors into loyal customers, is launching ‘A Call To Shop Small’ in midst of the COVID-19 crisis. To be included, simply submit your store [here](#).

There are a number of partnerships that you can build. Just be creative, do some research and reach out to others. There are lots of ideas out there.

**Use this time to educate you and your employees.** There are a number of free online classes available.

- **Constant Contact** is offering a free online Social Media 101 course.
- **Facebook** has created a Business Hub with tips and resources for businesses trying to survive the outbreak and they are offering free technology classes through **Blueprint**, their free e-learning training program.
- Hosted by **Ahrefs**, [Blogging for Business](#) will take you through 10 tutorials to teach you how to grow your blog beyond 100K monthly visitors — and how to convert your thousands of readers.
- **Digital Marketer** is offering a [complimentary Lab membership](#) for the month of March — which may be extended longer depending on how COVID-19 progresses. The Lab membership includes 36 marketing checklists and execution plans, 11 certifications and master courses, access to an exclusive, members-only Facebook group, and weekly updates and live trainings.
- Looking to expand your YouTube channel? [Creator Academy](#) is currently offering free courses. Topics span across getting started, content strategy, production, channel optimization and more.
- Twitter also is also offering complimentary education on their platform known as [Twitter Flight School](#). Topics include, but are not limited to, getting started with Twitter Ads.

**Reduce overhead costs.** As you determine whether to furlough or layoff, factor in severance pay and other expenses to assure that it’s really cost effective.

**Communicate well and often with your employees.** Be straightforward, yet positive and focused on solutions.

**If employees start working from home**, assure they have the laptops and technology they need?

**Deep clean and do repairs.** If you are closed, now is a good time to use employees to deep clean your business and make any repairs necessary, so when the crisis is over you are ready to open. If you are still open, use slow times to perform routine environmental cleaning such as doorknobs, workstations and countertops. Or consider closing 1 hour early every night to clean, then have at-risk customers only for the first hour you're open each morning.

**If things deteriorate for your business**, reach out to attorneys, a restructuring professional, and/or an investment banker who works with distressed companies for assistance. There are a number of professionals in Frankfort who can assist you. Reach out to the Chamber of Commerce to get recommendations.

**Participate in the Kentucky Chamber's Who's Hiring Campaign**, whether you are one of the many businesses who is experiencing layoffs or one who is ramping up hiring efforts. The Kentucky Chamber will be working in partnership with the state government by connecting those experiencing job loss to industries across the state currently in need of talent. If you have an employment opportunity, visit <https://www.kychamber.com/news/coronavirus/covid-19-whos-hiring> and let them know so they can help recruit candidates to your team!

**Take advantage of the many free digital tools being made available.** Here are some examples:

- The document automation software **PandaDoc** has just launched a free e-signature plan for small and medium-sized businesses to make sure business can continue as usual without physical signatures. Here are a few Virtual Office and Meeting Apps that may help you.
- **Microsoft TEAMS** comes standard with your Office 365 account, and will allow you to start one-on-one video calls or conference calls with groups. However, Microsoft is offering anyone its premium version of TEAMS for free for six months and has lifted existing user limits on its free version.
- For anyone who uses the Google Suite for corporate email, **Google Hangouts** comes standard with your subscription, and provides one-on-one video calls or conference calls groups. Google is also offering its enterprise videoconferencing features for free to G Suite and G Suite for Education customers through July 1, 2020.
- **Slack** is a market leader, but it doesn't come standard with any email service providers like the two above. Still, it provides the same capability. This works on desktop and mobile devices. They are offering a free version for small teams and a nominal monthly fee for small-medium size businesses.

- There is a free version of **Zoom** that allows you to host up to 100 individuals at once for up to 40 minutes. There's a user-friendly version available for both desktop and mobile devices.
- Search engine optimization (SEO) is a core component of any ecommerce strategy. Now that COVID-19 has pushed many brands into the digital sphere, optimizing your SEO has never been more important. To help small businesses stand out in a sea of competitors, **1Digital**, a BigCommerce agency partner, is offering a complimentary SEO audit at <https://www.1digitalagency.com/bigcommerce-seo/>.
- **Klaviyo**, a marketing automation platform, is taking it to social media to connect with small businesses. The technology partner is sharing content and daily metrics related to COVID-19 on their Twitter account. You can follow them here: <https://twitter.com/klaviyo>.
- Lifesize, the world's first global 4k video conferencing technology, is [offering free, unlimited video conferencing](#) to all global businesses for six months.

Unfortunately, things will probably get worse before they get better, but we are a resilient community and we'll come out of this stronger. In the meantime, please tell us at KCDC if there are things we can do to assist you and continue to look for our weekly updates of assistance programs for businesses throughout the crisis.