FAQs for Practices: Coronavirus Aid, Relief and Economic Security (CARES) Act

The CARES Act was passed by Congress and signed by the President to assist business owners with immediate financial relief during the COVID-19 pandemic. The FAQs below will assist you, your practice managers and your consultants (e.g. accountants, lawyers) in identifying what is right for you. The US Small Business Administration (SBA) was appropriated $349 billion under the CARES act to administer several new loan programs for small business relief due to COVID-19. As the Administration develops additional guidelines, we will continue to make updates to this document.

What options are available for me now?

- Economic Injury Disaster Loans (EILDs) (apply with SBA online) for businesses with less than 500 employees. The application will take approximately 2 hours to complete and up to $10,000 can be requested as a loan advance.

- The Paycheck Protection Program is available for small businesses to cover payroll up to $10 million or 250% of your average monthly payroll costs. Loans are forgivable on a sliding scale up to 100%. Businesses must have been operational on or before February 15, 2020. Deadline to apply is June 30, 2020.

- Express Bridge Loans are available for up to $25,000 for small businesses that were operational on or before March 13, 2020.

- The Debt Relief Program is available for qualifying SBA loans issued prior to September 27, 2020, or current loans. SBA will pay the principal and interest.

Are there deadlines?

- Small business and sole proprietorships can apply for the Paycheck Protection Program loan starting April 3, 2020; independent contractors and self-employed apply starting April 10, 2020.

- Deadlines vary. Most require applications or action prior to June 30, 2020.

How do I apply?

- Most of the loans are administered through local lenders identified by the SBA Local District offices. Follow these steps to find online contact information for your District Office:
  1. Go to https://www.sba.gov/local-assistance/find/ to get to the SBA Find Local Assistance search tool:

What documents should I prepare to submit when I apply?

- You will have to provide proof that your practice was in operation before February 15, 2020 with employees that received salaries and for whom you paid payroll taxes (i.e., Social Security, Medicare)

- Lenders will ask you for good faith certification that:
  1. The uncertainty of current economic conditions makes the loan request necessary to support ongoing operations
  2. You will use the loan to retain workers and maintain payroll or make mortgage, lease, and utility payments
  3. You do not have an application pending for a loan duplicative of the purpose and amounts applied for here
  4. From Feb. 15, 2020 to Dec. 31, 2020, you have not received a loan duplicative of the purpose and amounts applied for here (Note: There is an opportunity to fold emergency loans made between Jan. 31, 2020 and the date this loan program becomes available into a new loan)
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Is there anyone that can help me with the loans?
SBA has resource partners: Small Business Development Centers (SBDCs), Women’s Business Center (WBC) and SCORE mentorship chapters. To locate resources in your area:

1. Go to https://www.sba.gov/local-assistance/find/ to get to the SBA Find Local Assistance search tool:
2. Do NOT enter a key word
3. Enter your Zip code
4. In "Provided By" select:
   a. “Small Business Development Center” or “Women’s Business Center” for counselors and assistance with loan packages
   b. “SCORE Business Mentor” for local mentors, online advice, and webinars
5. Call or email and request assistance.

Can I apply online for the loans?
• Paycheck Protection Program loan applications are available online to submit to your lender.
• Economic Injury Disaster Loans (EILDs) applications are available through SBA online. The application will take approximately two hours to complete and up to $10,000 can be requested as a loan advance.
• The other loan options need to be coordinated with your local bank or SBA Local District Office.

Can I defer my payroll taxes?
• Businesses can defer their portion of Social Security (6.2%) and Medicare (1.45%) of payroll taxes into two payments due late 2021 and 2022. This option cannot be used if the business is approved for the paycheck protection program.

Are there other options available, like grants or additional loans?
• State governors are offering small business loans and grants. The National Governors Association updates their website daily with state-by-state policies surrounding COVID-19 and direct links to COVID-19 updates and actions, sorted by state.
• ACOG recommends practices consult with local accountants and lawyers to determine the best action plan for their practice.

Where can I find additional information?
• ACOG’s online resource: Financial Support for Physicians and Practices During the COVID-19 Pandemic
• ACOG’s free webinar: Financial Tips for Practices in Crisis: COVID-19 Resources airing live on April 2, 2020 at 7:00 pm ET, recording available following live presentation.
• US Senate Committee on Small Business and Entrepreneurship’s Small Business Owner’s Guide to the CARES Act

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Information on practice management during Coronavirus is developing rapidly and ACOG will release updates to policy and funding opportunities as they arise. ACOG continues to support its members during this time. If you have any further question or concerns, please reach out to us and submit your questions at covid@acog.org or acogcoding.freshdesk.com