

NATIONAL SMALL BUSINESS WEEK 2020

September 22-24

**Prepared by the House Small Business Committee
Majority Staff**



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DEMOCRATS FIGHT FOR SMALL BUSINESS RECOVERY FROM COVID-19

RELIEF PACKAGES

March 4th- H.R. 6074, the Coronavirus Preparedness and Response Supplemental Appropriations Act

H.R. 6074 was the first piece of small business relief legislation passed by House Democrats in the early days of the pandemic. The bill enabled the SBA to make an estimated \$7 billion in low-cost loans to impacted small businesses.

March 20th- Families First Coronavirus Response Act

The Families First Coronavirus Response Act created emergency paid sick leave along with paid family leave for individuals impacted by coronavirus/COVID-19. Employers were able to claim a 100 percent refundable tax credit against payroll taxes for employers and sole proprietors. The bill also secured enhanced Unemployment Insurance, a step that extended protection to small business employees that were furloughed. For more information on the Families First Coronavirus Response Act, [click here](#).

March 27th- House Democrats Pass the CARES Act

With American small businesses facing an unprecedented economic disruption due to COVID-19, House Democrats acted by passing the CARES Act. The bipartisan bill featured numerous provisions for small business relief. The CARES Act created the Paycheck Protection Program (PPP), a small business debt relief program, opened up the EIDL program for COVID-19, and created emergency grants through the EIDL program. These programs allocated 100's of billions to small businesses through low-interest loans and grants and helped hundreds of thousands of firms keep their doors open. For more information on the small business provisions in the CARES Act, [click here](#).

April 23rd- House Democrats pass the Paycheck Protection Program and Health Care Enhancement Act (H.R. 266).

In the opening weeks of the PPP program, demand was overwhelming, and the funds allocated to the program quickly ran dry. H.R. 266 increased the appropriation level for PPP from \$349 billion to \$670.355 billion. This increased funding replenished the program and ensured that small businesses desperate for relief were able to access loans. The legislation also help underserved businesses by creating set-asides for the community lenders that they typically rely on for capital. These set-asides were created following reports that America's smallest businesses, including minority, women, veteran, and rural businesses were being neglected by the big banks participating in the program. The bill also increased the authorization level for the Emergency Economic Injury Disaster (EIDL) Grants from \$10 billion to \$20 billion and appropriated an additional \$50 billion for the Disaster Loan Program. For more information on the Paycheck Protection Program and Health Care Enhancement Act, click [here](#).

May 15th- House Democrats Pass the Heroes Act

The bill included provisions which would make immediate fixes to strengthen the PPP, ensuring small businesses in desperate need of funding are able to stay afloat. The bill also shores up funding for the depleted grant program, injecting much needed capital into our small businesses. The Heroes Act would establish additional set asides for Community Development Financial Institutions (CDFIs), Minority Development Institutions (MDIs), SBA microlenders, and SBA Certified Development Companies (CDCs). The bill would also carve out 25% of the funds to be used for microbusinesses and an additional 25% for nonprofits. Provisions in the bill provide more assistance through the EIDL program by Appropriating an additional \$10 billion for Emergency EIDL Grants. House Democrats also included measures to strengthen SBA's core program to set small businesses up for success moving forward. 4 months after the passage of the bill, this critical legislation still has yet to be taken up by the Senate. It is vital the Majority Leader Mitch McConnell pass the bill and supply small businesses with more relief. For more information on the Heroes Act, click [here](#).

COMMITTEE ACTIVITY-

Hearings-

[The Impact of Coronavirus on America's Small Businesses-](#) 3/10/20

[Member Day Hearing on COVID-19 Response and Recovery-](#) 4/23/20

[Bipartisan Virtual Forum- SBA Resource Partners and Their Response to COVID-19](#) – 5/7/20

[Bipartisan Virtual Forum- A Conversation with SBA Lenders-](#) 5/13/20

[First Look: SBA Office of Inspector General Preliminary PPP Report-](#) 5/15/20

[The Effects of COVID-19 on Rural Economies-](#) 5/20/20

[Business Interruption Coverage: Are Policyholders Being Left Behind-](#) 5/21/20

[Small Business Priorities for the Next Phase of Recovery: How to Leverage the SBC Network-](#) 5/28/20

[The Economic Injury Disaster Loan Program: A View From Main Street-](#) 6/10/20

[Paycheck Protection Program: Loan Forgiveness and Other Challenges-](#) 6/17/20

[An Overview of the Dynamic Between the Defense Production Act and Small Contractors-](#) 6/24/20

[The Economic Injury Disaster Loan Program: Status Update from the Administrator](#) – 7/1/20

[Supply Chain Resiliency-](#) 7/2/20

[Long Lasting Solutions for the Small Business Recovery-](#) 7/15/20

[Putting America Back to Work: The Role of Workforce Development and Small Business Rehiring-](#) 7/16/20

[Oversight of the Small Business Administration and Department of Treasury Pandemic Programs-](#) 7/17/20

[Kick Starting Entrepreneurship and Main Street Economic Recovery-](#) 9/10/20

Letters-

Velázquez, Other Committee Chairs Request Extension of Public Comment Periods During Coronavirus National Emergency- 4/1/20

Velázquez Letter to Mnuchin and Carranza on Paycheck Protection Program Guidance- 4/2/20

Velázquez Letter to Mnuchin and Carranza on Implementation of CARES Act- 4/7/20

Velázquez and Chu Letter to SBA on Language Services Implementation- 4/8/20

Velázquez Letter to FDA on Unnecessary Requirements Around Hand Sanitizer Production- 4/9/20

Velázquez and Committee Members Letter to Treasury and Federal Reserve on Aiding Small Businesses- 4/15/20

Velázquez and Senator Warren Call on IGs to Open Investigation into Paycheck Protection Program- 4/23/20

Velázquez and Top Democrats Write to Treasury and SBA on Steps Agencies can Take to Ensure Money Reaches Underserved Small Businesses- 4/26/20

Velázquez and Grijalva Write to Administration on Disproportionate Disbursement of PPP loans to U.S. Territories- 4/28/20

Velázquez, Maloney, Chu, and Pro-Choice Caucus Chairs, Lead Over 160 Members Of Congress in Denouncing Ideological Attacks on Planned Parenthood Health Centers Over PPP Loans-5/28/20



Chairwoman Velázquez and Ranking Member Chabot Lead Bipartisan Letter to SBA on Issues Within COVID-19 Relief EIDL Program- 6/9/20

Chairwoman Velázquez Leads 12 Committee Democrats in Urging SBA to Release Demographic Data of PPP & EIDL Recipients-6/16/20

Velázquez and Clyburn Investigation Into \$500 Million Contract In SBA Emergency Loan Program Plagued By Errors And Delays- 7/30/20

HEROES ACT TOPLINE SUMMARY

On March 27, 2020, the Coronavirus, Aid, Relief, and Economic Security Act (CARES) was enacted into law, providing emergency assistance for small businesses and eligible nonprofits affected by the Coronavirus pandemic (COVID-19). The CARES Act established the Paycheck Protection Program (PPP), a new guaranteed loan program at the Small Business Administration (SBA) to help small businesses cover payroll and other expenses during the crisis, with 100 percent of the amount eligible for forgiveness if employers retain employees. The CARES Act also created a new \$10 billion grant program, leveraging SBA's Office of Disaster Assistance to provide small businesses with much needed capital in a timely manner. Congress intended that these programs would provide immediate financial support to secure the survival of the small business community.

While recognizing the implementation of these new programs is a tall order for a small agency like the SBA, critical problems have emerged with the rollout of the Paycheck Protection Program that threaten the survival of small businesses across the country. That is why House Democrats propose the Heroes Act, which would make immediate fixes to strengthen the PPP, ensuring small businesses in desperate need of funding are able to stay afloat. The bill also shores up funding for the depleted grant program, injecting much needed capital into our small businesses.

Strengthen the Paycheck Protection Program

The Heroes Act would make important fixes to the Paycheck Protection Program and provide much-needed clarity for Main Street small businesses. Specifically, the bill:

- Amends PPP funding by:
 - Establishing an additional set aside of funds specifically for small Community Development Financial Institutions (CDFIs), Minority Development Institutions (MDIs), SBA microlenders, and SBA Certified Development Companies (CDCs);
 - Creating a carve out of 25% of the funds to be used specifically for small businesses with 10 or fewer employees to guarantee they are fully able to access PPP assistance;
 - Creating a carve out of 25% of the funds solely for the use of all nonprofits, no matter their size or type but requiring that at least half this amount go to small nonprofits under the 500-employee threshold; and
 - Mandating that any returned amounts due to the cancellation of a covered loan shall be redistributed through loans to small businesses with 10 or fewer employees.
- Adds flexibility in the covered period for borrowers by extending the 8-week period to 24 weeks and extends the covered period from June 30 to December 31;

- Creates a safe harbor for borrowers who cannot rehire in the prescribed timeframe and clarifies the hold harmless provision for lenders;
- Harmonizes the use of proceeds with forgiveness;
- Establishes a minimum maturity on PPP loans of 5 years to enable borrowers to amortize loans over a longer period of time, which lowers monthly payments;
- Clarifies that PPP loans cannot be calculated on a compound basis, saving borrowers money over the long-term;
- Bifurcates the SBA's traditional lending authority in the 7(a) program from that of the PPP authority to certify the 7(a) lending program continues operation after PPP appropriations run out;
- Requires mandatory regular reporting by the SBA on a number of specific demographic, industry, size, and geographic data points for PPP loans and EIDL loans and grants;
- Mandates forgiveness data collection and reporting;
- Clarifies the definition of a tribal business concern to prevent them from being held to inapplicable HUB-Zone requirements;
- Alleviates burdens to borrowers deemed ineligible due to prior criminal history;
- Makes a technical clarification to ensure hospitals in bankruptcy still qualify for PPP loans due to the essential nature of their operations;
- Clarifies the interaction between the Employee Retention Tax Credit and the PPP loans to ensure borrowers can take advantage of both types of assistance;
- Eliminates the 75/25 rule on use of loan proceeds;
- Clarifies that the conflict of interest standards set forth in the law apply to PPP funds;
- Establishes technical assistance grants for small community financial institutions and small depository institutions and credits with assets of less than \$10 billion;
- Mandates the SBA use previously allocated funds for purposes of translations services for all materials, applications, and websites related to COVID-19; and
- Ensures the principal and interest loan assistance is not treated as taxable income to small business borrowers.

Expand Economic Injury Disaster Program

Heroes Act would provide more assistance through the Economic Injury Disaster Program by:

- Appropriating an additional \$10 billion for Emergency EIDL Grants to remain available until expended.

Support SBA's Core Programs

Recognizing the need to move into the next phase of economic recovery, Heroes implements a number of proven strategies within the many lending programs at SBA that were utilized after the Great Recession. The bill temporarily tailors SBA's programs to the needs of small businesses as the nation looks toward a long-term recovery, in addition to strengthening the cybersecurity posture of the SBA itself. The bill specifically:

- Reduces the cost of capital by waiving fees associated with the SBA 7(a) and 504 loan programs for borrowers and lenders, including the Community Advantage and Export loan programs;

- Expands the pool of availability capital for small firms by increasing the annual lending limit of the 7(a) program from \$30 billion to \$75 billion;
- Incentivizes lenders to make loans by increasing the guarantee up to 90% on 7(a) loans and for 504 loans, increasing the guarantee to 90% on loans up to \$350,000 and 75% on loans greater than \$350,000;
- Enhances the 504 refinance program to reach more small businesses who need to refinance expensive fixed assets and lower their payments;
- Boosts the SBA microloan program with an additional \$72 million in loans, increase how much each lender can loan from \$6 million to \$10 million, and give borrowers an extra two years to repay;
- Includes SCORE and Veteran Business Outreach Centers (VBOCs) as eligible SBA entrepreneurial development resource partners so they can access \$10 million each in previously appropriated sums for the purpose of assisting businesses during the pandemic; and
 - Strengthens the cybersecurity of the Small Business Administration by directing SBA to issue reports that assess its cybersecurity infrastructure and reporting cyber-threats, breaches, and cyber-attacks.

What these Changes Mean for Small Businesses

Reach Underbanked Communities and Rural Areas That Were Left Behind

SBA's interim final rule states that the Paycheck Protection Program is a "first-come, first-serve" program, creating a sense of urgency amongst small businesses to apply before the funds run dry. With that said, lenders are not required to process the loans in that manner, and lenders have given preference to existing clients shutting out small businesses, particularly the underserved and small "mom and pop" stores that lack a cadre of attorneys, accountants, and advisors. To make sure farmers, women-, and minority- owned small businesses don't get left behind, the bill would:

- Creates an additional set aside of money specifically for community development corporations (CDCs), Microloan Intermediaries, community development financial institutions (CDFIs), and Minority Development Institutions (MDIs) to focus on lending to underserved communities.

Prioritizes the Nation's Smallest Businesses, Independent Contractors, Sole Proprietors, and the Self-Employed

The CARES Act requires SBA and the Department of Treasury to issue an emergency rule within 15 days of enactment of the law. Instead, the SBA rolled out guidance in a piecemeal manner forcing lenders to rely on incomplete and ever-changing information. The guidance left out vital information about eligibility of businesses and nonprofits, failed to inform lenders on how to close loans and provide forgiveness, and made it easier for large businesses to take advantage of the program. To make sure truly small businesses receive the assistance they need, the bill would:

- Create a 25% set-aside of funds solely for small entities with 10 or fewer employees and once expended, they would still be able to access assistance in the general PPP fund.

Recognizes the Contributions of America's Nonprofits and the Challenges they Face

The CARES Act made 501(c)(3) entities eligible for PPP loans, which left out many nonprofits on the frontlines of the pandemic. Anecdotal reports also indicate that eligible nonprofits are experiencing much difficulty accessing PPP assistance. In order to help nonprofits, the bill would:

- Create a 25% set-aside of funds solely for nonprofits;
- Expand the eligibility to allow all nonprofits to participate; and
- Remove the size restrictions on nonprofits.

Provide Flexibility to Paycheck Protection Loan Borrowers

Small businesses have 8 weeks to spend the PPP loan proceeds on payroll, mortgage interest, rent, and utilities. Under SBA rules, the 8-week period begins on the date the borrower received the disbursement of the loan, regardless of whether the business is permitted to reopen. Currently, small businesses have to choose between paying employees not to work or forgoing the debt forgiveness altogether. The Heroes bill would:

- Extend the Paycheck Protection Program to December 31, giving small businesses an extra two months to apply for working capital loans and more time to seek forgiveness for the loan proceeds;
- Allow borrowers to choose their 24-week period, giving them flexibility to wait out shelter in place orders and still remain eligible for forgiveness; and
- Remove the requirement that 75% of loan proceeds be used for payroll since many small businesses will be unable to return to pre-pandemic operational levels.

Protect Small Business Borrowers on Loan Repayments

Small businesses are eligible for loan forgiveness. However, SBA and Treasury have failed to issue guidance on forgiveness, which has left many business owners worried they may not be granted forgiveness. The Heroes bill would:

- Extend the loan terms from two years to five years to lower monthly payments and extend repayment;
- Clarify that interest accrues on a simple interest, non-compounding basis to provide additional cost-savings for borrowers who must repay the loans;
- Provides a safe harbor for borrowers who are unable to rehire; and
- Mandates data collection and reporting on forgiveness.

Allow Borrowers with Minor Criminal Records to Participate in PPP

According to the Sentencing Project, one in U.S. adults have been arrested by age 23. With that said, SBA has issued confusing and frequently changing eligibility guidance for people with criminal records. The Heroes Act would make it easier for borrowers with low-risk criminal histories to obtain PPP loans.

Eases the Burdens on Hospitals to Participate in PPP

Current guidelines prohibit otherwise-eligible entities undergoing bankruptcy proceedings from receiving a PPP loan. However, some of these entities, especially rural hospitals, are on the frontlines of battling the coronavirus. The Heroes Act creates a narrow exception to target specific businesses and nonprofits, such as nonprofit critical access hospitals, that are undergoing Chapter 11 bankruptcy reorganizations. While these entities are few in number, they are vitally important to the communities they serve, both as frontline providers and services during this public health emergency and as anchor institutions that provide the paychecks and local economic stability that Congress intended this program to preserve. These institutions need temporary financial assistance to weather sharp revenue decreases while remaining operational to serve local communities.

Streamlines the Interaction between the Employee Retention Credit and PPP

In addition to PPP, the CARES Act allows a tax credit for wages paid to employees to encourage businesses to retain workers. This section coordinates the tax credit for businesses that do get their loan forgiven and for those that do not get their loan forgiven. First, it does not allow the tax credit to be taken for PPP loans that are forgiven. Doing so would allow businesses a double benefit. However, there will be some businesses that took a PPP loan and do not get it forgiven. The IRS issued guidance saying businesses cannot use the tax credit if they get a PPP loan. This section explicitly states that businesses that took out a PPP loan, and do not get their loan forgiven, can utilize the tax credit for wages paid to employees.

Increases the Education and Outreach for Small Businesses

The CARES Act appropriated funds for SBA's Small Business Development Centers (SBDCs) and Women's Business Centers (WBCs). This Heroes bill amends this section to clarify that SCORE and Veterans Business Outreach Centers (VBOCs) are also eligible to receive financial assistance to ensure small businesses across the nation have all the resources available to them as they navigate the pandemic.

Ensures Debt Forgiveness is Nontaxable

Section 1112 of the CARES Act provided relief payments to borrowers on principal and interest on existing SBA loans. The Heroes Act clarifies that such relief is not to be considered taxable income.

Strengthens the Cyber Posture of the Small Business Administration

Media reports indicated the Small Business Administration (SBA) permitted sensitive, personally identifiable information of thousands of Economic Injury Disaster Loan (EIDL) applicants to become exposed. In recognition of the task the SBA has taken on to assist in the federal response to COVID-19, the Heroes bill requires directs the SBA to issue reports that assess its cybersecurity infrastructure and report cyber-threats, breaches, and cyber-attacks.

SAMPLE SOCIAL MEDIA POSTS

Day 1 – Small Business Recovery

-This year's #NationalSmallBusinessWeek is all about recovery.

Our nation's entrepreneurs will be key to getting our economy back on it's feet.

That's why I'm committed to ensuring that #smallbiz have the resources needed to bounce back.

-Programs implemented under the #CARESAct have been vital to helping small businesses stay afloat.

But there is much more that needs to be done.

This #NationalSmallBusinessWeek, I'm recommitting myself to ensuring that #smallbiz have the resources they need to recover.

-New entrepreneurs will be key to our nation's recovery. Have a great business idea? @SBAgov has resources that can help make your dream into a reality.

Visit <https://bit.ly/2GFq8un> to learn more

-Small businesses are the backbone of our economy and will be key to our nation's recovery.

#SmallBiz is responsible for 40% of all new jobs over the past 20 years.

That is why I'm working to ensure that small businesses have the resources necessary to carry on. #NationalSmallBusinessWeek

-The recent string of natural disasters has been devastating for many communities.

When disaster strikes, @SBAgov is there help.

Disaster assistance programs can help small firms rebuild their businesses. To learn more visit:

<https://bit.ly/2HnKYxZ>

-The recent string of natural disasters and the ongoing pandemic has been devastating for #smallbiz.

Fortunately, @SBAgov is there to help rebuild.

To learn more about SBA disaster relief visit: <https://www.sba.gov/funding-programs/disaster-assistance>

-This #NationalSmallBusinessWeek, it's important to recognize the countless small businesses that are still struggling from this pandemic.

@SBAgov is still offering EIDL loans to #smallbiz impacted by the virus.

Learn more here: <https://www.sba.gov/funding-programs/disaster-assistance/coronavirus-covid-19>

-As we kick off #NationalSmallBusinessWeek, I want to recognize the small businesses in (DISTRICT) that have been supporting our community throughout this crisis.

In Washington, I'm working to ensure small firms have the resources they need.

Our entrepreneurs will be key as we continue to recover.

Day 2 – Diversity in Small Business

- Minority-owned businesses have been disproportionately impacted by this crisis.

These entrepreneurs are responsible for a great deal of growth in #smallbiz and are vital to their communities.

That is why I'm working to ensure underserved firms have the resources they need.

- Minority biz owners face problems accessing credit, business counseling and federal contracting opportunities.

All these issues have been exacerbated by COVID-19.

This #SmallBusinessWeek we pledge to continue working to alleviate the challenges facing underserved communities.

- Latino-owned businesses have grown at double the rate of all businesses across America and are vital to the small business sector.

Yet, these firms have been disproportionately impacted by COVID-19.

We must ensure that underserved firms aren't left behind. #SmallBusinessWeek

- Over the years, the smallbiz sector has seen huge growth in the number of minority owned firms.

We can't afford to lose this to COVID-19, which has disproportionately impacted these businesses.

We must ensure that underserved firms aren't left behind. #SmallBusinessWeek

-Women owned businesses employ over 9 million people and account for nearly \$2 trillion in sales.

Female entrepreneurs are vital to their communities and I'm committed to ensuring they have the resources needed to recover and grow in the future. #SmallBusinessWeek

-Microbusinesses make up nearly 74% of all private sector employers.

Unfortunately, these businesses have less access to capital and are struggling during COVID-19.

This #Smallbusinessweek, I'm committed to ensuring that these businesses have the resources needed to recover.

Day 3 – Moving Small Businesses Forward Through the Heroes Act

-Small businesses are resilient but they are still struggling. They need more options now.

In May, the House passed funding for more grants & set-asides for the smallest of [#SmallBiz](#).

The Heroes Act would help small businesses across the country recover. #SmallBusinessWeek

-This #SmallBusinessWeek, it's important to recognize the small businesses that are still hurting.

In May, @HouseDemocrats passed the Heroes Act to get these small businesses more grants & set-asides.

These small businesses need relief now!

-It's been 4 months and the Senate still hasn't taken up the Heroes Act.

The bill would provide small businesses with more grants and set asides to help them recover.

Small businesses need relief now. #SmallBusinessWeek

-The Trump admin's failure to aid states has made it harder for them to fight this pandemic.

As cases rise, consumer confidence drops and small firms struggle.

#Smallbiz can't recover until the virus is under control, that's why small firms need the #HeroesAct.

- By refusing to provide aid, the Trump admin has left states out to dry as they fight this virus.

This has devastated local economies and smallbiz.

If the virus isn't under control, #Smallbiz can't recover.

The Senate must pass the Heroes Act and give states the \$ they need.

- Federal aid to states helps support frontline workers in their fight against COVID.

That helps bring cases down, which allows for #smallbiz and local economies to recover.

The Trump admin must pass the #HeroesAct to provide funding to states and territories. #SaveOurStates

SAMPLE PRESS RELEASE

FOR IMMEDIATE RELEASE

Month Date, 2020

CONTACT: NAME (XXX) XXX-XXXX

Rep. X Announces Commitment to Supporting Small Business Recovery

Washington, DC- This week, the United States is paying homage to its longstanding history of supporting small businesses and entrepreneurship through National Small Business Week. To mark the occasion, Rep. X joined fellow members of Congress to pay tribute to the vital role that small businesses play in serving the American economy.

“I’m proud to stand with small businesses as we take this week to honor and celebrate their contributions to our neighborhoods, cities, and national economy,” said Representative X. “This crisis has shown all of us just how integral small businesses are the fabric of our communities. Entrepreneurs will be vital to our nation’s recovery, and I will continue to support them and work to get them the resources needed to get back on their feet.

This year’s celebration comes as the COVID-19 pandemic has devastated small businesses across the country. Current estimates list 7 million small businesses as at risk of closing permanently, with thousands of firms already having closed their doors for good since March. Small businesses help make up the foundation of the country’s economy, with over half of Americans owning or working for a small business. Small firms create around two out of every three jobs in the United States every year. In all, America’s 28 million small businesses account for 54% of all U.S. sales. As the driving force behind America’s economy, it is crucial that the government take the necessary to support small businesses as they recover from this crisis.

“America’s small businesses are as diverse as its citizens,” said Rep. X. “From the neighborhood family-owned grocery store to the minority-owned small consulting firm, these ventures have a unique role in bolstering both local communities and the national economy. However, without more support, they are all at risk. We must take the necessary steps to ensure that all these businesses are protected, particularly the smallest of the small.”

There are multiple ways for lawmakers to stand up for entrepreneurs and small business owners during this tough time. For one, ensuring adequate access to affordable capital will help give small business owners the means and the peace of mind to start or run their business during uncertain times. Underserved small businesses, particularly those that are minority, women, or veteran-owned, often lack prior relationships with larger financial institutions and rely on community lenders to fulfill their financing needs. Lawmakers must recognize and anticipate the challenges of operating and starting a small business during this time.

“My district is home to (X) small business owners who have been with our community every step of the way during this crisis,” said Rep. X. “It is important to me to fight to ensure they aren’t left behind, so small businesses and entrepreneurs have the resources they need to recover.”

This year, National Small Business Week falls from September 22nd to September 24th. This year, the Small Business Administration (SBA) will hold a virtual conference featuring events and workshops highlighting the impacts of entrepreneurs and small businesses in all fifty states.

###

SBA ECONOMIC INJURY DISASTER LOANS

COVID-19 FREQUENTLY ASKED QUESTIONS

Question: What is an Economic Injury Disaster Loan?

Answer: The SBA's Economic Injury Disaster Loan (EIDL) program provides small businesses with working capital loans of up to \$2 million to help overcome the temporary loss of revenue.

- The loans may be used to pay fixed debts, payroll, accounts payable, or other bills that can't be paid because of the COVID-19 outbreak.
- The interest rate is 3.75 percent for small businesses without credit available elsewhere, and businesses with credit available elsewhere are not eligible to apply for assistance.
- The maximum term is 30 years.
- A small business is defined by the SBA's Size Standards in accordance with the Native American Industry Classification System (NAICS) codes and SBA's Size Standards Tool can be utilized.

Question: Where do small businesses apply?

Answer: Small businesses in eligible areas may apply for an EIDL online at: <https://disasterloan.sba.gov/ela/> or they can also reach out to their local SBA District Offices.

Question: If small businesses need help with their applications, are there any other resources available to help them fill out the applications?

Answer: SBA has also coordinated with the Resource Partners, including Small Business Development Centers, (SBDCs) who can assist with the application process. The list of SBDCs is available online at: <https://www.sba.gov/local-assistance/find/>

Question: What's the timeline like?

Answer: Once a borrower submits an application, approval timelines depend on volume. Typical timeline for approval is 2-3 weeks and disbursement can take up to 5 days. Borrowers are assigned individual loan officers for servicing of the loan.

Question: Where can I find more information?

Answer: For additional information, borrowers should contact the SBA Disaster Assistance customer service center by calling 1-800-659-2955 or emailing disastercustomerservice@sba.gov.

- They can also visit SBA.gov/disaster for more information.

COUNSELING AND TRAINING FOR UNCERTAIN TIMES

If you, like many small business owners, need a business counselor to help guide you through this uncertain time, you can turn to your local Small Business Development Center (SBDC), Women's Business Center (WBC), or SCORE mentorship chapter. These resource partners, and the associations that represent them, will receive additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19. There will soon be a joint platform that consolidates information and resources related to COVID-19 in order to provide consistent, timely information to small businesses. To find a local resource partner, visit <https://www.sba.gov/local-assistance/find/>.

In addition, the Minority Business Development Agency's Business Centers (MBDCs), which cater to minority business enterprises of all sizes, will also receive funding to hire staff and provide programming to help their clients respond to COVID-19. Not every state has a MBDC. To find out if there is one that services your area, visit this [site](#).

FREQUENTLY ASKED QUESTIONS

QUESTION: Do I have to pay for counseling and training through SBDCs, WBCs, and MBDCs?

Answer: Counseling is free and training is low-cost with these partners. The additional funds that Congress provided will help keep this possible. Mentorship through SCORE is always free.

QUESTION: What is a SBDC?

Answer: SBDCs are a national network of nearly 1,000 centers that are located at leading universities, colleges, state economic development agencies and private partners. They provide counseling and training to new and existing businesses. Each state has a lead center that coordinates services specifically for that state, which you can find by clicking the link above. To find out more about SBDCs, visit <https://americassbdc.org/about-us/>.

QUESTION: What is a WBC; is it only for women?

Answer: WBCs are a national network of more than 100 centers that offer one-on-one counseling, training, networking, workshops, technical assistance and mentoring to entrepreneurs on numerous business development topics. In addition to women, WBCs are mandated to serve the needs of underserved entrepreneurs, including low-income entrepreneurs. They often offer flexible hours to meet the needs of their diverse clientele. To find out more about WBCs, visit <https://www.awbc.org/>.

QUESTION: What is SCORE?

Answer: SCORE provides free, confidential business advice through our volunteer network of 10,000+ business experts. You can meet with a mentor online. Find out more [here](#).

QUESTION: Who do MBDCs serve?

Answer: MBDCs are a good option for minority-owned businesses (including those owned by Black, Hispanic, Asian American/Pacific Islander, and American Indian business owners), especially those seeking to penetrate new markets — domestic & global — and grow in size and scale.

HOW TO GROW YOUR ENTERPRISE: SMALL BUSINESS CONTRACTING AND GRANTS

I want a federal contract. What do I need to know?

- There are major bodies of rules and regulations that govern the [federal contracting process](#). Both the government and contractors comply with the existing law—the **Federal Acquisition Regulation (FAR)** or **Defense Acquisition Regulation Supplement (DFARS)** in addition to agency specific rules.
- There are different contract types that all businesses can bid for:
 - Fixed-Price contracts as sealed bidding or negotiated
 - Cost-reimbursement contracts
 - [Small Business Subcontracting](#)
- More [steps](#) you need to take before you can bid on a contract.
 - Obtain a Dun & Bradstreet ([DUNS](#)) Number to identify the physical location of your business.
 - Register your business with the System of Award Management ([SAM](#)).
 - Find the NAICS Codes for Your Company [NAICS Code](#).
 - Obtain your Federal Tax Identification Number ([EIN](#)) and Standard Industrial Classification ([SIN](#)).
 - Obtain [Past Performance](#) Evaluations to include in your bid material and know which contracts you qualify for as an offeror.
- Contract opportunities are listed at the **Federal Business Opportunities** website ([FedBizOpps](#)) and in the **Federal Procurement Data System (FPDS)**. There are government-wide contracts, like the [GSA Schedules](#), available to contractors, allowing Federal agencies to choose from approved suppliers directly for products and some services.
- Contracting [resources](#) help businesses prepare proposals once they are all registered.
 - The SBA has prepared a [workbook](#) that walks through each step of preparing a proposal.
 - The SBA has Procurement Center Representatives ([PCR](#)) to assist small businesses in obtaining federal contracts through six Area Offices across the U.S. and its territories.
 - There are also Commercial Market Representatives ([CMR](#)) who are government contracting staff at the SBA stationed in area offices as well.
 - Many federal agencies have an Office of Small and Disadvantaged Business Utilization ([OSDBU](#)) or an Office of Small Business Programs (OSBP) to identify opportunities to incorporate small businesses as vendors to their agencies.

I'm certified to bid on government contracts, but are there any specific programs I should know about?

- The government-wide goal is at least 23% of federal contract dollars go to small businesses; at least 5% to women-owned small businesses and small disadvantaged businesses; and 3% to Historically Underutilized Business Zone (HUBZone) and service-disabled veteran-owned small businesses.
- There are also [Small Business Set-Asides](#) that limit competition for contracts to only eligible small businesses, depending on the category.
 - [Small Disadvantaged Business](#) (SDB)
 - [Women-Owned Small Business](#) (WOSB)
 - Small Disadvantaged Business [8\(A\)](#) Certified
 - [Veteran-Owned Small Business](#) (VOSB)
 - [Service Disabled Veteran-Owned Small Business](#) (SDVOSB)
 - Historically Underutilized Business Zone ([HUBZONE](#))

I'm a small business but contracts don't fit my practice, can I still grow through government funding?

- In late 2013, the Office of Management and Budget (OMB) released new guidance on Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which has been dubbed the "[Super Circular](#)" to simplify the grant process.
 - [Grants](#): Used primarily when substantial involvement is not expected between the agency and the recipient when carrying out the contemplated activity. Search the [Catalog of Federal Domestic Assistance](#).
 - **Cooperative Agreements**: Used primarily when substantial involvement is expected between the agency and the recipient when carrying out the contemplated activity.
- If your small business is engaged in scientific research and development ([R&D](#)), you may qualify for federal grants under the Small Business Innovation Research ([SBIR](#)) and the Small Business Technology Transfer ([STTR](#)) programs.

I still have questions. What resources are available to help me?

The SBA has several tools to assist in the many stages of bidding for government contracts and grants.

- [Surety Bonds](#) - By law, contractors are required to procure surety bonds for any construction contract exceeding \$150,000. Thus, in order to help small businesses receive bonding, the SBA has a Surety Bond Guarantee Program in which the agency guarantees 70 to 90 percent of the bond in order to help small businesses obtain surety bonds.
- [Mentor-Protégé Programs](#) - This new program was established to develop strong protégé firms through mentor-provided business development assistance, and to help protégés successfully compete for government contracts.
- **Joint Ventures & Teaming** - Teaming allows small businesses to form a joint venture or partnership for a limited amount of time for the purpose of winning a contract. The limited scope of joint ventures has been important as it ensures that the businesses do not become affiliated.
- **The SBA's Non-Manufacturer Rule** ([NMR](#)) allows a firm to qualify as a small business concern under a solicitation for the provision of manufactured products or other supplies as a "non-manufacturer" under certain conditions. SBA's regulations allow agencies and small businesses to avoid the constraints of the NMR when the procurement is for both supplies and services as the NMR only applies to procurements that have been assigned a manufacturing or supply NAICS code.
- [Interagency Task Force](#) on Federal Contracting Opportunities for Small Businesses to ensure there is a diversification of opportunities available to small businesses.
- General Contracting [Resources](#) from the SBA such as reporting fraud, waste, and abuse.

RESOURCES IN THE SMALL BUSINESS COMMUNITY: LENDING AND ENTREPRENEURIAL DEVELOPMENT

What are my options for obtaining capital to start or expand my business?

The SBA administers an array of [loan programs](#) to help businesses start, expand, and recover from disasters. Below are programs SBA offers to help your business succeed:

- [The 7\(a\) Loan Program](#) is SBA's primary business loan program, assisting small businesses to obtain financing when they are unable to obtain traditional credit.
- [The 504 Certified Development Company Program](#) provides long-term, fixed rate financing for businesses to acquire real estate, buildings, or heavy equipment and machinery.
- SBA's [Microloan Program](#) provides loans to non-profit intermediary lenders who in turn lend the funds in amounts of \$50,000 or less to the smallest of small businesses and start-ups.
- The [Small Business Investment Company \(SBIC\) Program](#) provides long-term loans and equity capital to high-growth start-up businesses.
- [The Community Advantage Program](#) is a pilot initiative intended to increase the number of SBA lenders making loans to underserved communities.
- SBA provides low interest, long-term loans through its [Disaster Loan Program](#) to businesses of all sizes, private non-profit organizations, homeowners, and renters. These loans can be used for physical and economic damage caused by a declared disaster.

Where do I go for business assistance?

The SBA operates a wide-range of programs designed to assist would-be and existing entrepreneurs.

- [Small Business Development Centers](#) (SBDCs) help entrepreneurs realize the dream of business ownership and help existing businesses remain competitive in a global marketplace.
- The [Service Corps of Retired Executives](#) (SCORE) program utilizes an expansive network of volunteers to provide business assistance to entrepreneurs.
- [Women's Business Centers](#) (WBCs) represent a national network of nearly 100 educational centers, which provide in-depth counseling, training and mentoring.
- [Veteran's Business Outreach Centers](#) (VBOCs) provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business.
- [Procurement Technical Assistance Centers](#) (PTACs) provide local, in-person counseling and training to provide technical assistance to businesses that want to sell products and services to federal, state, and local governments.
- The [Program for Investment in Microentrepreneurs](#) (PRIME) program is one of the only federal programs that target very low-income entrepreneurs.
- [State Trade Expansion Program](#) (STEP) provides financial awards to state and territory governments to assist small businesses with export development.

I live in a rural area. Are there any programs designed to meet my unique needs?

- [The U.S. Farm Service Agency](#) administers a number of [loan programs](#) including the following:
 - [Beginning Farms and Rancher Loans](#) for farmers and ranchers unable to obtain credit from commercial credit sources.
 - [Commodity Loans/Marketing Assistance Loans](#) that provide interim financing at harvest time to meet cash flow needs without having to sell commodities when market prices are low.
 - [Microloans](#) for small, beginning, niche, and non-traditional farm operations.
- [The United States Department of Agriculture Rural Development](#) offers a wide variety of programs and services for small businesses. These include:
 - A [listing](#) of assistance programs, loan guarantees, and grants for specific rural industries.
 - The [Rural Business Investment Program](#) (RBIP) provides a Rural Business Investment Company (RBIC) license to newly formed venture capital organizations to help meet the equity capital investment needs in rural communities.
 - The [Rural Business Development Grants](#) (RBDG) is a competitive grant designed to support targeted technical assistance, training and other activities leading to the development or expansion of small and emerging private businesses in rural areas that have fewer than

50 employees and less than \$1 million in gross revenues.

I still have questions. What resources are available to help me?

The SBA has several tools available to assist small business develop and grow.

- [Disaster Center Offices](#) offer counseling and financial help to those who are rebuilding their homes and offices.
- The SBA's [Entrepreneurship Education](#) initiative provides assistance to high growth small businesses in underserved communities through the Emerging Leaders, Accelerators, and other ScaleUp initiatives.
- SBA [District](#) and [Regional](#) Offices offer a wide range of assistance.

WANT TO START A SMALL BUSINESS? WANT TO GROW YOUR SMALL BUSINESS? DEMS HAVE A PLAN

I want to start a business but where do I begin?

Starting a business involves planning, making financial decisions, and completing a series of legal activities. The [Small Business Administration](#) (SBA) offers the following steps to start the process:

- **[Write a business plan.](#)** A business plan serves as a roadmap. Consider including key concepts such as the firm's mission, objectives, strategies, and action plan required to achieve the stated objectives.

In addition, if you are seeking funding for your business, providing financial projections to back up your request will be critical.

- **[Conduct market research.](#)** You need to learn about your potential customers, competitors, and industry. Market research involves analyzing data to help you understand which products and services are in demand and how to be competitive.
- **[Choose a location.](#)** Most business owners choose a location that provides exposure to customers. Selecting a business-friendly location also involves looking at demographics, assessing your supply chain, scoping the competition, and understanding state laws and taxes.

- **[Finance your business.](#)** A variety of options are available for financing your small business, including traditional lending, government backed loans (such as the SBA 7(a) program), and venture capital.
- **[Determine the legal structure of your business.](#)** The business structure you choose will have legal and tax implications. Decide which form of ownership is best suited for your business: sole proprietorship, partnership, Limited Liability Company (LLC), corporation, S corporation, nonprofit, or cooperative.

- **[Register your business.](#)** Choosing and registering your business name is an important step to legally operating. After you have selected a name, you may need to register with your state or local government agency.
- **[Determine your tax obligations.](#)** Federal tax obligations are determined by the form of business entity you establish. Similarly, the forms you use to report your taxes depend on how your business is organized. You will also have to comply with state and local tax laws. Register with your state and the Internal Revenue Service to obtain tax identification numbers, workers' compensation, unemployment, and disability insurance.
- **[Obtain business licenses and permits.](#)** If your business is involved in activities supervised and regulated by a federal agency you may need to obtain a federal license or permit. In addition, you will need to determine which general business permits, license, and registrations may be required by your state, county, or city.
- **[Hire and retain employees.](#)** When you are ready to [hire](#) employees for your business, learn about the responsibilities that employers have under employment and labor law.
- **[Get training and assistance.](#)** Take advantage of free training. Find courses offered through the SBA Learning Center at: <https://www.sba.gov/tools/sba-learning-center/search/training>. Local counseling and other assistance can be found at: <https://www.sba.gov/tools/local-assistance/districtoffices>.

I have a business but how do I grow it?

Choosing the proper steps to take to grow will depend on factors such as the type of business and available resources. SBA has provided the following ideas on ways to expand:

- **[Develop a marketing plan.](#)** A solid marketing plan includes everything from understanding your target market and competitive position to what tactics you intend to use to differentiate yourself from competition.

See the [guiding principles of marketing](#) and [how to develop a marketing plan](#).

- **Win a government contract.** Federal, state, and local governments offer businesses the opportunity to sell products and services. Many agencies require that a percentage of procurements be set aside for small businesses. Learn how to get started as a contractor at:

<https://www.sba.gov/contracting/getting-started-contractor>.

- **Expand globally.** With nearly 96 percent of consumers living outside the U.S. and two-thirds of the world's purchasing power in foreign countries, consider exporting to increase sales and profit.

For six steps to help you begin, see:

<https://www.sba.gov/managing-business/exporting/explore-exporting>.

- **Merge with or acquire another business.** Research companies that are similar to yours, or that have offerings that are complementary to yours, and consider the benefits of combining forces or acquiring another company.

- **Enhance your use of technology.** Understanding advanced technologies can help increase business efficiency and expand operations. Specifically, SBA provides resources on [eCommerce](#)

and [online advertising](#).

- **License your product.** Licensing can be an effective, low-cost growth medium, particularly if you have a service or branded product. Licensing also minimizes your risk and is low cost compared to the price of starting your own company to produce and sell your brand or product. To find a licensing partner, start by researching companies that provide products or services similar to yours. Licensing professionals can help with product development, licensing agreements, and merchandising.

- **Diversify.** Diversifying allows you to have multiple streams of income that can often fill seasonal voids and increase sales and profit margins. Here are a few of the most common ways to diversify:

- o Sell complementary products or services;
- o Teach adult education or other types of classes;
- o Import or export yours or others' products;
- o Become a paid speaker or columnist.