

SMALL BUSINESS ASSOCIATION RESOURCE GUIDE

FOR AESTHETICS BUSINESSES DURING COVID-19

What is the CARES Act?

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses keep workers employed and offers 100% federally guaranteed loans to small businesses.

These loans may be forgiven if borrowers maintain their payrolls during the COVID-19 crisis, or if they restore their payrolls after the pandemic has passed.

For more details on loan forgiveness calculations please visit <https://uscham.com/2JtslGM>.

When Should I Apply?

Immediately. Don't wait until you anticipate working capital challenges. Approval for the CARES Act loan does not obligate you to accept the approved funding.

How Do I Apply?

Submit your application directly to the Small Business Application, both English and Spanish language applications are available. Access the U.S. Small Business Administration Disaster Loan Applications Portal at www.sba.gov/disaster.

What are the Loan Terms & Collateral Requirements?

There are no fees associated with the loan. Interest begins to accrue immediately at a 3.75% rate for a 30-year term. Payments are deferred for 12-months. Lenders will not require collateral for the loan, however good faith certification will be required. For a detailed list of what lenders will be looking for please visit <https://uscham.com/2JtslGM>.

Is My Business Eligible?

- Businesses with fewer than 500 employees
- Small business that meets SBA's size standard
- 501(c)(3) with fewer than 500 employees
- Tribal business concern that meets the SBA size standard
- 501(c)(19) Veterans Organization that meets the SBA size standard
- Individual who operates as a sole proprietor or an independent contractor or a self-employed individual who regularly carries on any trade or business



What Documents Will I Need to Apply?

- Application
- Schedule of Liabilities
- Release of Tax Transcripts
- Physical Address of Business
- Copies of Most Recent Tax Return or Profit and Loss Statement

An emergency advance of up to \$10,000 is available to small businesses and non-profits harmed by COVID-19 within 3 days of application and does not need to be repaid under any circumstances.

For more details please visit <https://bit.ly/2WW1e11>.

What is the Program Designed to Do?

The CARES Act is designed to offset working capital and fixed expenses for a 6-month period. Borrowers may secure loans for up to 2.5 times the borrower's average monthly payroll costs, not to exceed \$10 million.

Calculate your average monthly payroll costs:

Sum of included payroll costs - Sum of excluded payroll costs

Included Costs

- Salary, wage, commission
- Cash tip
- Vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Health care benefits & insurance premiums
- Retirement benefits
- Compensation associated state or local taxes

Excluded Costs

- Compensation of an employee earning over \$100,000 annually
- Payroll taxes, railroad retirement taxes, and income taxes
- Compensation of employees who reside outside of the US
- Qualified sick leave wages see sections 7001 & 7003 of Families First Coronavirus Response Act.