

**Updated 4/2/20**



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## **City of Middletown COVID-19 Guide for Businesses**

Business Information as of 3/27/20 from the NY State website:

- New York State on PAUSE: In New York we know that Policies Assure Uniform Safety for Everyone
- Governor Cuomo signed an Executive Order mandating that 100% of the workforce must stay home beginning Sunday, March 22 at 8PM, excluding essential services\*
- All barbershops, hair salons, tattoo or piercing salons, nail salons, hair removal services and related personal care services will be closed to the public effective Saturday, March 21 at 8:00PM.
- New York will implement a 90-day moratorium on evictions for residential and commercial tenants.
- Casinos, gyms, theaters, retail shopping malls, amusement parks and bowling alleys are closed until further notice. Bars and restaurants are closed, but takeout can be ordered during the period of closure.
- Businesses and entities that provide other essential services must implement rules that help facilitate social distancing of at least six feet

\*Essential services include: Health care operations including research and laboratory services; essential infrastructure including utilities, telecommunication, airports and transportation infrastructure; essential manufacturing, including food processing and pharmaceuticals; essential retail including grocery stores and pharmacies; essential services including trash collection, mail, and shipping services; news media; banks and related financial institutions; providers of basic necessities to economically disadvantaged populations; essential construction; vendors of essential services necessary to maintain the safety, sanitation and essential operations of residences or other essential businesses; vendors that provide essential services or products, including logistics and technology support, child care and services needed to ensure the continuing operation of government agencies and provide for the health, safety and welfare of the public.

If you are unsure whether your business is essential or non-essential, visit Empire State Development's Guidance on Executive Order 202.6: <https://esd.ny.gov/guidance-executive-order-2026>

## Helpful Resources

### Planning:

- CDC Interim Guidance for Businesses and Employers provides business guidelines to help prevent workplace exposure:  
[https://www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html?CDC\\_AA\\_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronaviruses%2F2019-ncov%2Fspecific-groups%2Fguidance-business-response.html](https://www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronaviruses%2F2019-ncov%2Fspecific-groups%2Fguidance-business-response.html)
- To take advantage of most financial assistance programs, it is very important to keep track of your business finances, along with how Coronavirus has affected you. Typical items that might be required include:
  - 2019 tax returns
  - Bank Statements (2019 & 2020)
  - Quarterly sales tax filings
  - Point-of-sales reports
  - Certified profit & loss statements
  - Receipts for virus-related expenditures
- Pursuit (formerly Excelsior Growth Fund) presented a webinar to provide business tips for weathering the storm and the most up-to-date information on resources. Available at “Business Health During a Pandemic“:  
<https://pursuitlending.com/resources/webinar-business-health-during-a-pandemic/>
- NYC has a helpful Emergency Planning Process Checklist that applies to all businesses:  
[http://www.nyc.gov/html/nycbe/downloads/pdf/EM\\_SBSBCPWorksheetsMar2017.pdf](http://www.nyc.gov/html/nycbe/downloads/pdf/EM_SBSBCPWorksheetsMar2017.pdf)
- New York’s Empire State Development has distributed and updated a comprehensive
- COVID-19 Q&A to provide guidance for businesses in the state:  
<https://esd.ny.gov/>

### Financial Assistance:

- Unemployment: NY State is waiving the 7-Day waiting period for Unemployment Insurance benefits for people who are out of work due to COV-19 closures or quarantines -**See Attachment A**
- SBA Economic Injury Disaster Loans – **See Attachment B**
- Community Capital (a SBA lender) is offering low interest, deferred-payment, emergency loans for businesses affected by COVID- 19 -**See Attachment C**
- CARES Act (Coronavirus Aid, Relief, and Economic Security) Programs – **See Attachment D**
- USBG Bartender Emergency Assistance Program:  
<https://www.usbgfoundation.org/beap?fbclid=IwAR3ZquAquzvTZaziCUoWb38hrbDmIVYIAY2kfBxS1MJil-xeAlwuJK0u33q>

- Facebook will be offering \$100M in cash grants and ad credits for up to 30,000 eligible small businesses in over 30 countries:  
<https://www.facebook.com/business/boost/grants>

## **Communications**

- City of Middletown website: <https://www.middletown-ny.com/>
- New York State website: <https://www.ny.gov/>
- Orange County Health Dept. COVID-19/Coronavirus website:  
<https://www.orangecountygov.com/1936/Coronavirus>
- Downtown Middletown Business Improvement District: <https://middletownbid.org/>
- Call New York State Dept. of Health hotline at 888-364-3065 with questions.

For more information, contact Maria Bruni, Director of Economic and Community Development for the City of Middletown, at (845) 346-4170. You can also visit our website at: <https://www.middletown-ny.com/en/departments/economic-development.html>

## **Attachment A**

### **Governor Cuomo Signs Bill to Guarantee Paid Leave for New Yorkers Under Mandatory or Precautionary Quarantine Due to COVID-19**

The bill provides protections for employees of private and public employers who are subject to a mandatory or precautionary order of quarantine related to COVID-19.

- For employees working for small employers (1-10 employees), employees subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19 will receive unpaid sick days and the ability immediately to qualify for paid family leave and temporary disability benefits, plus full job protection.
- For employees working for medium sized employers (11-99 employees) and small employers (1-10 employees) with a net income of \$1 million a year, employees subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19 will receive five paid sick days and the ability immediately thereafter to qualify for paid family leave and temporary disability benefits, plus full job protection.
- For employees working for large employers (100 or more employees) and public employees, employees subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19 will receive paid sick days for the entirety of the quarantine (up to 14 days), plus full job protection.
- All employees subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19 are given full job protection during time of absence. Employees will qualify for paid family leave to care for a minor dependent child who is subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19.
- The Department of Financial Services will implement a risk adjustment pool to assist in the stabilization of claims related to paid family leave and temporary disability benefits.

### **New Unemployment Claims should be submitted based on the First letter of your Last Name**

- NYS is waiving the 7-Day waiting period for Unemployment Insurance benefits for people who are out of work due to Coronavirus (COVID-19) closures or quarantines.
- Filing a new Unemployment Insurance claim? The day you should file is based on the first letter of your last name.
  - Last names starting with A-F, file on Monday.
  - Last names starting with G-N, file on Tuesday.
  - Last names starting with O-Z, file on Wednesday.
  - If you missed your filing day, file on Thursday, Friday or Saturday.

Filing later in the week will not delay your payments or affect the date of your claim; all claims are effective on the Monday of the week in which they are filed.

## Attachment B

### Small Business Administration Disaster Assistance

The U.S. Small Business Administration has made available low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

#### SBA's Economic Injury Program

- For Economic Injury, the SBA can provide up to \$2 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. The loan amount will be based on the actual economic injury and the company's financial needs, regardless of whether the business suffered any property damage.
- May be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.
- The interest rate will not exceed 4 percent if you cannot obtain credit elsewhere. For businesses and nonprofit organizations with credit available elsewhere, the interest rate will not exceed 8 percent. SBA determines whether the applicant has credit available elsewhere.
- Repayment terms can be up to 30 years, depending on your ability to repay the loan.
- Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- Learn more here: SBA Disaster Assistance in Response to the Coronavirus

You may apply online at <https://disasterloan.sba.gov/ela>. If you are unable to apply online, you may download an application at <https://disasterloan.sba.gov/ela>, under the Loan Information tab.

#### Completed applications should be mailed to:

U.S. Small Business Administration Processing and Disbursement Center 14925 Kingsport Road, Fort Worth, TX 76155

For additional information, contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

## **Attachment C**

### **Emergency Loans for Businesses Affected by the COVID 19 Virus**

Community Capital New York is a not for profit lender that has been serving Westchester and the lower Hudson Valley for over 30 years.

In this time of unprecedented uncertainty, we want to do everything we can to make sure local businesses survive these uncertain times.

For immediate needs, both current clients and those who are new to us can apply for an Express Loan:

**Express Loan:** Business owners who have a credit score of 650 or above can apply for an Express Loan of up to \$10,000. This loan will have all payments deferred for 90 days and carries a 2% interest rate.

As an SBA Lender, Community Capital will continue to make larger loans and loans to those with credit scores below 650, however we will not be able to turn them around as quickly as the Express Loans. Applying for an Express loan does not limit your ability to apply for one of our other loan products.

For more information call Rachael Dubin: (914) 747 8020, extension 118.

While it's vitally important to limit contact in order to limit the spread of contagion, when you do need to shop or go out for meals, try to remember that neighborhood small businesses are hardest hit in times of crisis. Please support them when possible.

## Attachment D

### CARES Act Programs

The programs and initiatives in the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was just passed by Congress are intended to assist business owners with whatever needs they have right now. When implemented, there will be many new resources available for small businesses, as well as certain nonprofits and other employers. This guide provides information about the major programs and initiatives that will soon be available from the Small Business Administration (SBA) to address these needs, as well as some additional tax provisions that are outside the scope of SBA.

#### 1) Paycheck Protection Program

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.

#### FREQUENTLY ASKED QUESTIONS

##### **QUESTION: What types of businesses and entities are eligible for a PPP loan?**

- Answer:
- Businesses and entities must have been in operation on February 15, 2020.
  - Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard ([https://www.sba.gov/sites/default/files/2019-08/SBA%20Table%20of%20Size%20Standards Effective%20Aug%202019%2C%202019.pdf](https://www.sba.gov/sites/default/files/2019-08/SBA%20Table%20of%20Size%20Standards%20Effective%20Aug%202019%2C%202019.pdf)) in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.
  - Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.

- Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.
- Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

**QUESTION: What are affiliation rules?**

Answer: Affiliation rules become important when SBA is deciding whether a business's affiliations preclude them from being considered "small." Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Please see this resource ([https://www.sba.gov/sites/default/files/affiliation\\_discussion\\_0.pdf](https://www.sba.gov/sites/default/files/affiliation_discussion_0.pdf)) for more on these rules and how they can impact your business's eligibility.

**QUESTION: What types of non-profits are eligible?**

Answer: In general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer as most nonprofit SBA size standards are based on revenue, not employee number. You can check here: [https://www.sba.gov/sites/default/files/2019-08/SBA%20Table%20of%20Size%20Standards\\_Effective%20Aug%202019%2C%202019.pdf](https://www.sba.gov/sites/default/files/2019-08/SBA%20Table%20of%20Size%20Standards_Effective%20Aug%202019%2C%202019.pdf)

**QUESTION: How is the loan size determined?**

Answer: Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always \$10 million.

- If you were in business February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs. If your business is a seasonal employer, the max loan is equal to 250 percent of your average monthly payroll costs between February 15, 2019 and June 30, 2019; you can also opt to choose March 1, 2019 as your time period start date.
- If you were not in business between February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.

- If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020 and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.

**QUESTION: What costs are eligible for payroll?**

- Answer:
- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
  - Payment for vacation, parental, family, medical, or sick leave
  - Allowance for dismissal or separation
  - Payment required for the provisions of group health care benefits, including insurance premiums
  - Payment of any retirement benefit
  - Payment of State or local tax assessed on the compensation of employees

**QUESTION: What costs are not eligible for payroll?**

- Answer:
- Employee/owner compensation over \$100,000
  - Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code
  - Compensation of employees whose principal place of residence is outside of the U.S.
  - Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act

**QUESTION: What are allowable uses of loan proceeds?**

- Answer:
- Payroll costs (as noted above)
  - Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
  - Employee salaries, commissions, or similar compensations (see exclusions above)
  - Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)

- Rent (including rent under a lease agreement)
- Utilities
- Interest on any other debt obligations that were incurred before the covered period

**QUESTION: What are the loan term, interest rate, and fees?**

Answer: For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is 4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).

**QUESTION: How is the forgiveness amount calculated?**

Answer: Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000):

- Payroll costs plus any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation plus and any covered utility payment.

**QUESTION: How do I get forgiveness on my PPP loan?**

Answer: You must apply through your lender for forgiveness on your loan. In this application, you must include:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.

**QUESTION: What happens after the forgiveness period?**

Answer: Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.

**QUESTION: Can I get more than one PPP loan?**

Answer: No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.

**QUESTION: Where should I go to get a PPP loan from?**

Answer: All current SBA 7(a) lenders are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including nonbank lenders, to help meet the needs of small business owners.

**QUESTION: How does the PPP loan coordinate with SBA's existing loans?**

Answer: Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from Small Business Investment Corporations (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.

**2) Small Business Debt Relief Program**

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

## FREQUENTLY ASKED QUESTIONS

### **QUESTION: Which SBA loans are eligible for debt relief under this program?**

Answer: 7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans.

Disaster loans are not eligible.

### **QUESTION: How does debt relief under this program work with a PPP loan?**

Answer: Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.

### **QUESTION: How do I know if I'm eligible for a 7(a), 504, or microloan?**

Answer: In general, businesses must meet size standards, be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business's 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see <https://www.sba.gov/fundingprograms/loans> for more details.

### **QUESTION: What is a 7(a) loan and how do I apply?**

Answer: 7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit this site (<https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans>) to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called Lender Match to help find a lender near you.

### **QUESTION: What is a 504 loan and how do I apply?**

Answer: The 504 Loan Program provides loans of up to \$5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development.

SBA has a free referral service tool called Lender Match to help find a lender near you.

**QUESTION: What is a microloan and how do I apply?**

Answer: The Microloan Program provides loans up to \$50,000 to help small businesses and certain not-for profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called Lender Match to help find a micro lender near you.

**QUESTION: I am unfamiliar with SBA loans, can anyone help me apply?**

Answer: Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center here: <https://www.sba.gov/local-assistance/find/?type=Small%20Business%20Development%20Center&pageNumber=1>

**3) Counseling & Training**

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: <https://www.score.org/frequently-asked-questions-about-score>

**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.

**4) Small Business Tax Provisions**

**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 of 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.

More information on the CARES Act Programs can be found here:

<https://www.sbc.senate.gov/public/index.cfm/guide-to-the-cares-act>