**COVID-19 Small Business Survival webinar-- Q&A**

1. Special assistance for applying for unemployment?

Visit [www.jobs.state.nm.us](http://www.jobs.state.nm.us). They are encouraging people not to call. There are some FAQs and recommend you visit the place and take an online tutorial. There is a chat box feature so many people can find answers from the chat box online.

1. How to navigate unemployment on a partial basis?  
   Need to apply online, qualify and to have worked 4 out of 5 quarters. Let’s say your hours are cut. You should be able to make up the difference. It’s called partial benefits.
2. If an employee has self-quarantined are they eligible?  
   Regular unemployment means an employee was laid off or quit under duress. If you can demonstrate that you left a position because the employer was not following OSHA cleaning standards or COVID-19 guidelines, then it you may be eligible, but it will be a longer process.
3. Airbnb or commercial properties? Are they eligible for SBA programs to recoup lost income?  
   Yes, there are some places on the application. You could apply for those. Approval criteria is not known but you are eligible to apply.
4. Retail or Sales if there is no work and they have laid off employees and there is a pay reduction? How to handle it? Can they rehire them to qualify for the PPP?  
   Yes, it will be based on headcount before and after as well as the salary. If you have a lower headcount, it is possible that the amount could be reduced. It is advisable to speak with an SBDC or Score representative. If your business does not pick up after the next 4 months, you may want to think long term as you may not recover as quickly. Consider that your business may not pick up quickly in 4 or 5 months.
5. To access the 10K advance, can you add more insight into the advance?  
   To get the up to 10K advance and it may not be a 10K advance. You go to SBDA website click on EIDL and complete the process and then you are in the cue. You will wait. Loan portion probably 2 – 3 weeks and you may be asked for additional forms to be filled out.
6. Employer exempt from paying back unemployment?  
   All of the employers know the payroll tax is set by a formula and that formula is affected by number of people laid off. This process is called “mutualization” and this has been waived. And it is no longer part of the formula. There is no penalty for businesses laying people off in terms of their payroll tax rate.
7. Eligibility for non-resident immigrant businesses?  
   Data is limited. If you are in the US with a legal status the loans will be for the duration of your status…If it is a 2 year visa then that is the length of your loan.
8. EIDL vs PPP If you are a microbusiness (1-2 people).  
   You want to look at the EIDL as it is more applicable. It will cover the payment. You could apply for the PPP but it may not be applicable. Will have to make the decision of the unemployment side and the interaction between the two and are not currently sure. You have to decide if unemployment vs. EIDL. If they get the PPP how will it affect my unemployment and at the moment the interaction and how they impact each other are not known if you are at that micro level.
9. Can the PPP be used to pay 1099 contractors?  
   Allowable use of proceeds are healthcare, salary commissions or similar compensations, rent, mortgages, utilities, and payroll. If you make a mistake on this it may not be forgiven and currently people are not certain. Make sure it is a written rule. If a 1099 contractor qualified for unemployment, you will be under the Pandemic unemployment act it allows for self-employed to apply for unemployment. Sunday night the guidelines were released. Friday they will release guidelines and you won’t collect until end of April (i.e. massage therapist). You may be able to back date and receive through March and April.
10. Questions on how long does it take to hear back after you filled out an application? Depends on the program PPP will take a while. Lender has their process. Has to go through SBA. Do not expect it will approve in the next day or 2 it may take 30 days. EIDL when you apply you are applying for the advance. When they call you back that is when they start the process. It is currently unknown.
11. Who can apply for PPP? Independent contractors and self-employed? You have to have been in operations on Feb 15, 2020. You can be a sole proprietor, independent contractor and be eligible.
12. Can people apply for EIDL and PPP?   
    Yes, but you cannot pay for same expenses from both. Can have an EIDL and it gets refinanced into a PPP.
13. Any restrictions on owner compensation or limitations?  
    Payroll compensation limit is over 100K if you are paying an employee over 100K they won’t be eligible. If the owner is paying themselves it will depend on how they pay themselves.
14. If you have employees, and you discharge an employee for cost and you hire someone else?  
    All of this written guidance does not exist. If you had 10 positions, fire someone for theft and you replace them. Depends on headcount.
15. Is there a prepayment penalty for SBA Loans? No.
16. EIDL does having a criminal record disqualify them?  
    They will ask about criminal records and they need to be honest and the SBA will make the decision. Do not know if they will disqualify. Fill it out honestly and the SBA will let you know.
17. How to apply headcount when employees are part time and employers who do not want to return as they are part time?  
    Some employees may not be incentivized to return as they may earn more from unemployment and at the moment there is not an answer. Yes, you may have a challenge.
18. What if your employees are long-term contract? Not salary?  
    If you give them a 1099 they are independent contractors not your employees. They are eligible for these programs themselves.