



NAWBO

National Association of Women Business Owners

NAWBO Coronavirus Relief Advocacy Wins

In the wake of the COVID-19 crisis, NAWBO developed an Advocacy agenda that embodied the ever-present need to create both the avenue and environment to build sustainable businesses. After reviewing the most recent COVID-19 Relief Package, we are pleased to report some big wins for America's women business owners.

ASK: Outreach to Women and Minorities

The law maps out a targeted approach to help women and minorities through:

- \$25 million for the MBDA's Minority Business Development Centers program to help minority business enterprises (MBEs) respond to COVID-19 and identify and access local, State, or Federal government assistance.
- Approximately \$20 Billion in targeted funding for eligible entities located in low-income communities through the EIDL Advance program
- Set-asides within the Paycheck Protection Program including:
 - For lenders:
 - A \$15 billion set-aside for loans issued by mission-lenders, including community development financial institutions (CDFIs), minority-depository institutions (MDIs), and SBA 504 and Microlenders
 - A \$15 billion set-aside for certain smaller depository institutions, such as credit unions and farm credit institutions
 - For borrowers:
 - \$35 billion for borrowers who were unable to apply for an initial PPP loan,
 - \$15 billion is for smaller borrowers with up to 10 employees or loans of up to \$250,000 in low-income areas.
 - \$25 billion for second PPP loans for smaller borrowers with up to 10 employees or loans of up to \$250,000 in low-income areas.

Eligible small businesses and nonprofits seeking initial PPP and second draw loans should contact an eligible PPP lender. A list of approved lenders is available on SBA's website [here](#).

ASK: Fix Tax Concerns with Forgiven PPP Loans and EIDL Advances

The law clarifies numerous provisions, including:

- Removes PPP borrowers' requirement to deduct the amount of their EIDL advance from their PPP forgiveness amount.
- Gross income does not include any amount that would otherwise arise from the forgiveness of a Paycheck Protection Program (PPP) loan
- Gross income does not include forgiveness of certain loans, emergency EIDL grants, and certain loan repayment assistance.
- Deductions are allowed for otherwise deductible expenses paid with the proceeds of a PPP loan that is forgiven. The tax basis and other attributes of the borrower's assets will not be reduced due to loan forgiveness.

ASK: Second Round of PPP

The law includes a second PPP loan of up to \$2 million for smaller, harder hit businesses starting January 1, 2021. Businesses must:

- Employ no more than 300 people,
- Demonstrate a loss of 25% gross receipts in any quarter in 2020 when compared to the same quarter in 2019, and
- Use first PPP in full before the second loan.

ASK: Expansion of Eligible Expenses for PPP

The law makes the following expenses allowable and forgivable uses for Paycheck Protection Program funds:

- Operations expenditures such as software, cloud computing, and other human resources and accounting needs,
- Property damage costs due to public disturbances that are not covered by insurance,
- Supplier costs such as expenditures to a supplier according to a contract, purchase order, or order for goods in effect before taking out the loan that was essential to the recipient's operations at the time at which the expenditure was made
- Supplier costs of perishable goods can be made before or during the life of the loan.
- Worker protection expenditure. Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration.

ASK: Simplified Application Process

The law creates a simplified application process for loans under \$150,000. SBA has 24 days to create the document.

ASK: Inclusion of 501(c) 6's into the Paycheck Protection Program

The law expands eligibility to receive a Paycheck Protection Program loan to include 501(c)(6) organizations if:

- The organization does not receive more than 15 percent of receipts from lobbying;
- The lobbying activities do not comprise more than 15 percent of activities;
- The cost of lobbying activities of the organization did not exceed \$1,000,000 during the most recent tax year that ended before February 15, 2020, and
- The organization has 300 or fewer employees.

ASK: Affordable, Reliable Broadband

The law:

- Establishes a temporary Emergency Broadband Benefit program to help qualifying low-income individuals and families to get connected or remain connected to internet access for the duration of the public health emergency.
- Directs the Federal Communications Commission to collect more data and develop a broadband map depicting the availability of broadband services throughout the country. The map will be used to target federal broadband resources to areas lacking service to ensure all Americans are connected.

ASK: Bi-partisan Oversight

The law:

- Requires the SBA to comply with GAO requests no later than 15 days
- Requires the SBA to submit a detailed justification to Senate and House Small Business Committees if they cannot comply with a GAO request.
- Requires the Secretary of the Treasury and SBA Administrator to testify within 120 days of enactment and not less than twice per year for the next two years to the Senate and House Small Business Committees.