

## **Frequently Asked Questions (FAQs) Relating to COVID-19 for Texas Businesses and Community Economic Development Partners**

Our priority is the health and safety of Texas residents, local businesses and communities throughout the state. The Office of the Governor's Economic Development & Tourism staff and our community partners are closely monitoring the situation and following the advice of health officials and government agencies. This is a dynamic situation and we will update this information as we find out about new resources and hear about new policies devised to help businesses cope during and after this crisis. For additional news and resources regarding the Coronavirus (COVID-19), go to [gov.texas.gov/business/coronavirus](http://gov.texas.gov/business/coronavirus).

### **Employment:**

**Q: As an employer, where can I get advice about what I should do in this crisis?**

A: The [Texas Workforce Commission – Resources for Employers](#) provides information and actionable advice for employers facing layoffs or interacting with employees during this crisis. The site offers an option for subscribers to receive updates as new content is posted.

**Q: I am self-employed and can no longer work during this crisis. Can I apply for unemployment assistance?**

A: Freelancers, independent contractors and other self-employed individuals are not currently covered by the state's unemployment benefits, unless they have sufficient wages reported from covered employers aside from their independent contractor or freelance work. This is because those types of workers do not have sufficient wage credits paid into the unemployment insurance system. There is a federal program, Disaster Unemployment Assistance (DUA), which is a cooperative effort between the U.S. Department of Labor and the State of Texas. However, at this time, the federal government has not authorized that program. If you are self-employed, please check in with the Texas Workforce Commission (TWC) regularly to see if DUA has become available. Additionally, if you are unsure of whether you qualify for unemployment benefits, you may call TWC's Commissioner Representing Labor at (800) 832-2829. Click on the link to learn more about [Disaster Unemployment Assistance](#).

### **Funding/Loans:**

**Q: I am a small business and need a loan to stay in business. What options are available?**

A: The U.S. Small Business Administration (SBA) is offering low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of COVID-19. The Economic Injury Disaster Loans can be made to small businesses, most private non-profit organizations and small agricultural cooperatives. These loans 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 is 3.75% for small businesses and 2.75% for non-profits. Terms are determined on a case by case basis, based on each borrower's ability to repay.

Small businesses who believe they may be eligible for an SBA EIDL, should visit the [SBA's website](#) where they can directly apply for assistance. The online application is the fastest method to receive a decision about loan eligibility.

Below is the list of ten documents prospect applicants should assemble and scan to prepare for uploading them into the EIDL website, in addition to forms required by SBA.

1. Corporate governance documents; e.g., Articles of Incorporation, Articles of Organization (for LLC), or Registration of Sole Proprietorship
2. Written statement justifying the nature and scope of economic injury and how/why nature of business was adversely impacted by the Coronavirus (one page/no more than two), such as loss of revenues, cancelled contracts, interrupted supply chain, etc., that resulted in economic injury
3. Current Accounts Payable and Accounts Receivable Aging as of date of filing for the loan
4. Three (3) years' 1040 Federal Income Tax Returns for the business & owners
5. Three (3) years' company FYE Income Statement and Balance Sheet and latest YTD Financial Statements (Company prepared is acceptable)
6. Company and Owners' Debt Schedule Tables [e.g., Lender, original loan amt., date, current balance, interest rate, collateral, purpose of loan, guarantors, status (e.g., current or past due with explanation) per row in table]
7. Monthly two (2) years' cash flow projections
8. Three (3) years' Monthly Sales History up to date of filing for loan
9. Current copies of owners' credit reports from the three (3) credit bureaus with explanations for any negative reports
10. Required SBA Forms:
  - IRS Form 4506-T
  - Personal Financial Statement (SBA Form 413)
  - Schedule of Liabilities & Fixed Assets (SBA Form 2202)
  - Monthly Sales (SBA Form 1368)
  - Home Loan (SBA Form 5c), if applicable

All forms and further details are available on the SBA Disaster Loan website: <http://www.sba.gov/disaster>. Click on the Coronavirus link at the top of the page.

**Q: I am thinking about applying for the SBA Economic Injury Disaster Loan (EIDL). Do you have any information for me to consider before applying?**

A: The SBA knows this is an unprecedented event and is working diligently to ensure resources are made available to those small businesses in need of assistance. SBA loan reviews and approvals will be on a case-by-case basis, so applicants should be sure they have provided **everything** required to make the application complete or applications will be returned. Currently, the SBA estimates a three-week turnaround time for loan decisions, but timing may vary based on application volume. There are several forms that will need to be completed, regarding considerable current and historical information about the business. Guidelines regarding the application are listed on the [SBA disaster loan website](#). The SBA disaster loan application for Texas companies is not yet available. Once the Economic Injury Disaster Loan declaration is received, the SBA will be able to process applications.

**Q: Besides SBA loans, where can I go for financial assistance for my business?**

A: Financial resources may be available in your local community. Check with your local and regional economic development organization for local resources which may be available, as well as your local financial institutions. Community Development Finance Institutions (CDFI) may also be able to provide assistance. Click [here](#) to download the full list of CDFIs in Texas.

**Other:**

**Q: I have a restaurant and cannot serve people on premises during the crisis. How can I keep my business alive?**

A: We know this is a challenging time for restaurants and other service-related industries who are not able to serve patrons onsite. However these restrictions will ensure the health and safety of our residents and neighbors. Many restaurants are offering take-out, drive-thru and delivery options for customers. Additionally, Governor Abbott issued a [waiver](#) that now allows restaurants with a mixed beverage permit to deliver alcoholic beverages with food purchases to patrons, including beer, wine and mixed drinks. Visit the [Texas Alcoholic Beverage Commission website](#) to learn more about the qualifications necessary for your restaurant to offer this service.

**Q: I am struggling to pay my taxes as I normally would. What should I do?**

A: While the Comptroller's Office recognizes the hardships businesses are facing during these uncertain times, the taxes that are due are based on sales made in February and collected by businesses on behalf of the state and local governments in February. At this time there is no plan to extend or delay the March due dates for state and local sales taxes, hotel taxes, mixed beverage gross receipts and sales taxes, motor vehicle rental tax, seller-financed motor vehicle sales tax and motor fuels taxes. You can learn more at the [Comptroller's website](#).

The IRS has established a special section focused on steps to help taxpayers, businesses and others affected by the Coronavirus. For tax help and other guidance, read [Coronavirus Tax Relief information](#) or visit the [IRS' website](#) to see if you qualify to apply online for a payment plan.

**Q: Where else can I find information that could help my business during the crisis?**

A: For the most up-to-date information, please utilize the following resources:

[Additional SBA Resources & Programs](#)

[Texas Department of State Health Services](#)

[Centers for Disease Control and Prevention](#)

[World Health Organization](#)

[Texas Department of Licensing & Regulation](#)

[Texas Comptroller's Office](#)

[Texas Alcoholic Beverage Commission](#)

The federal government has a "one stop shop" regarding the [Government Response to Coronavirus, COVID-19](#). This page is being updated daily and has the most current federal government agency actions and information. Of particular interest are the actions [the U.S. Small Business Administration](#) is taking to help small business during this uncertain time.

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