# Government Funding Programs during COVID-19 - Resource Guide

## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>表</td>
<td>1</td>
</tr>
<tr>
<td><strong>What are the funding programs available for US Companies?</strong></td>
<td></td>
</tr>
<tr>
<td>1. The Paycheck Protection Program</td>
<td>3</td>
</tr>
<tr>
<td>1.1 Overview</td>
<td>3</td>
</tr>
<tr>
<td>1.2 Eligibility</td>
<td>3</td>
</tr>
<tr>
<td>1.3 Loan Amount</td>
<td>3</td>
</tr>
<tr>
<td>1.4 Application Form</td>
<td>3</td>
</tr>
<tr>
<td>1.5 More Resources Available</td>
<td>4</td>
</tr>
<tr>
<td>2. The Economic Injury Disaster Loan Advance</td>
<td>4</td>
</tr>
<tr>
<td>2.1 Overview</td>
<td>4</td>
</tr>
<tr>
<td>2.2 Eligibility</td>
<td>4</td>
</tr>
<tr>
<td>2.3 Loan Amount</td>
<td>4</td>
</tr>
<tr>
<td>2.4 Application Form</td>
<td>5</td>
</tr>
<tr>
<td>2.5 More Resources Available</td>
<td>5</td>
</tr>
<tr>
<td>3. The SBA Express Bridge Loans</td>
<td>5</td>
</tr>
<tr>
<td>3.1 Overview</td>
<td>5</td>
</tr>
<tr>
<td>3.2 Eligibility</td>
<td>5</td>
</tr>
<tr>
<td>3.3 Loan Amount</td>
<td>5</td>
</tr>
<tr>
<td>3.4 Application Form</td>
<td>5</td>
</tr>
<tr>
<td>4. SBA Debt Relief</td>
<td>6</td>
</tr>
<tr>
<td>4.1 Overview</td>
<td>6</td>
</tr>
<tr>
<td>4.2 Eligibility</td>
<td>6</td>
</tr>
<tr>
<td>4.3 Debt Relief</td>
<td>6</td>
</tr>
<tr>
<td>4.4 Questions</td>
<td>6</td>
</tr>
<tr>
<td><strong>What are the funding programs available for Canadian Companies?</strong></td>
<td>6</td>
</tr>
<tr>
<td>1. Emergency Wage Subsidy</td>
<td>6</td>
</tr>
<tr>
<td>1.1 Overview</td>
<td>6</td>
</tr>
</tbody>
</table>
9. Office of the Superintendent of Financial Institutions actions

9.1 Overview

8.2 More Resources Available
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What are the funding programs available for US Companies?

1. The Paycheck Protection Program

1.1 Overview

- This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.
- SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

1.2 Eligibility

- Qualifying businesses that have suffered significant disruption as a result of COVID-19 are eligible to receive no-fee "paycheck protection loans."
- Qualifying small businesses generally include employers with less than 500 employees, whether employed on a full-time, part-time or other basis; 501(c)(3) nonprofits; veterans organizations; and tribal small business concerns. Individuals who operate under a sole proprietorship or as an independent contractor or eligible self-employed individuals are also eligible.

1.3 Loan Amount

- Loan amount up to 2.5 times average monthly “payroll costs” for the last 12 months up to annual rate of pay of $100,000 per employee (Loans may not exceed $10 million). Different rules apply to seasonal businesses or companies that were not in business from Feb. 15, 2019 to June 30, 2019.

1.4 Application Form

- The Application Form can be found at this link.
1.5 More Resources Available

- Coronavirus Relief Options by the SBA
- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) by Insperity
- The Paycheck Protection Program by the SBA

2. The Economic Injury Disaster Loan Advance

2.1 Overview

- This loan advance will provide up to $10,000 of economic relief to businesses that are currently experiencing temporary difficulties.

2.2 Eligibility

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at https://www.sba.gov/size-standards.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at https://www.sba.gov/size-standards.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

2.3 Loan Amount

- In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to $10,000. This advance will provide economic relief to
businesses that are currently experiencing a temporary loss of revenue. Funds will be made available following a successful application. This loan advance will not have to be repaid.

2.4 Application Form

- The Application Form can be found at this link.

2.5 More Resources Available

- Coronavirus (COVID-19): Small Business Guidance & Loan Resources by the SBA

3. The SBA Express Bridge Loans

3.1 Overview

- Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to $25,000 quickly.

3.2 Eligibility

- For Presidential Disaster Declarations, small businesses that were located, as of the date of the applicable disaster, in Primary Counties that were declared disaster areas under the Presidential Disaster Declaration or in any Contiguous Counties; or • For the COVID-19 Emergency Declaration, small businesses located in any state, territory and the District of Columbia that have been adversely impacted by the COVID19 emergency. The small business must have been operational when the declared disaster commenced and must meet all other 7(a) loan eligibility requirements as set forth in 13 CFR §§ 120.100 through 120.111 and SOP 50.10.

3.3 Loan Amount

- Express Bridge Loan Pilot Program allows small businesses who currently have a business relationship with an SBA Express Lender to access up to $25,000 quickly. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan. If a small business has an urgent need for cash while waiting for decision and disbursement on an Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.
3.4 Application Form

- [The Loan Application process and forms required can be found at this link.](#) The EBL Pilot follows SBA Express processing procedures, except as outlined in this Guide. Program forms can be found on the [SBA website.](#)

4. SBA Debt Relief

4.1 Overview

- The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.

4.2 Eligibility

- For current SBA Serviced Disaster (Home and Business) Loans: If your disaster loan was in “regular servicing” status on March 1, 2020, the SBA is providing automatic deferments through December 31, 2020.

4.3 Debt Relief

- The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months.
- The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.

4.4 Questions

- **Birmingham Disaster Loan Servicing Center:**
  - Phone: 800-736-6048
  - Email: BirminghamDLSC@sba.gov
- **El Paso Disaster Loan Servicing Center:**
  - Phone: 800-487-6019
  - Email: ElPasoDLSC@sba.gov
What are the funding programs available for Canadian Companies?

1. Emergency Wage Subsidy

1.1 Overview

- The Canadian Government is proposing a new Canada Emergency Wage Subsidy (CEWS) to support employers that are hardest hit by the pandemic, and protect the jobs Canadians depend on.

1.2 Eligibility

- for employers of all sizes and across all sectors who have suffered a drop in gross revenues of at least 15 per cent in March, and 30 per cent in April and May.
- The program would be in place for a 12-week period, from March 15 to June 6, 2020.

1.3 Subsidy Amount

- The subsidy would cover 75 per cent of an employee’s wages – up to $847 per week -
- They are also proposing that employers eligible for the CEWS be entitled to receive a 100-per-cent refund for certain employer contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan, and the Quebec Parental Insurance Plan paid in respect of employees who are on leave with pay.
- For employers that are eligible for both the CEWS and the 10% Temporary Wage Subsidy for a period, any benefit from the Temporary 10% Wage Subsidy for remuneration paid in a specific period would generally reduce the amount available to be claimed under the Canada Emergency Wage Subsidy in that same period.

1.4 Application Form

- Eligible employers would be able to apply for the CEWS through the Canada Revenue Agency's My Business Account portal as well as a web-based application. Employers would have to keep records demonstrating their reduction in arm's-length revenues and remuneration paid to employees. More details about the application process will be made available shortly.
1.5 More Resources Available

- The Canadian Emergency Wage Subsidy by the CRA
- Canada’s COVID-19 Economic Response Plan by the CRA

2. Temporary 10% Wage Subsidy

2.1 Overview

- The Temporary 10% Wage Subsidy is a three-month measure that will allow eligible employers to reduce the amount of payroll deduction required to be remitted to the Canada Revenue Agency (CRA).

2.2 Eligibility

- You are an eligible employer if you:
  - are a(n):
    - individual (excluding trusts),
    - partnership,
    - non-profit organization,
    - registered charity, or
    - Canadian-controlled private corporation (including a cooperative corporation) eligible for the small business deduction;
  - have an existing business number and payroll program account with the CRA on March 18, 2020; and
  - pay salary, wages, bonuses, or other remuneration to an eligible employee.

2.3 Subsidy Amount

- The subsidy is equal to 10% of the remuneration you pay from March 18, 2020 to June 19, 2020, up to $1,375 for each eligible employee to a maximum of $25,000 total per employer.
- Note: Associated CCPCs will not be required to share the maximum subsidy of $25,000 per employer.

2.4 Application Form

- You do not need to apply for the subsidy.
• You will continue deducting income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums from salary, wages, bonuses, or other remuneration paid to your employees, as you currently do.
• The subsidy is calculated when you remit these amounts to the CRA.
• Once you have calculated your subsidy, you can reduce your current payroll remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.

2.5 More Resources Available
• Frequently Asked Questions – 10% Temporary Wage Subsidy for Employers by the CRA

3. Extending the Work-Sharing program

3.1 Overview
• The Canadian Government is extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks for employers affected by COVID-19. This measure will provide income support to employees eligible for Employment Insurance who agree to reduce their normal working hours because of developments beyond the control of their employers.

3.2 Eligibility
• To be eligible for a WS agreement, your business must:
  ○ be a year-round business in Canada for at least 1 year
  ○ be a private business or a publicly held company, or
  ○ have at least 2 employees in the WS unit

3.3 Subsidy Amount
• The subsidy is equal to 10% of the remuneration you pay from March 18, 2020 to June 19, 2020, up to $1,375 for each eligible employee to a maximum of $25,000 total per employer.
• Note: Associated CCPCs will not be required to share the maximum subsidy of $25,000 per employer.
3.4 Application Form

- **Note**: **Timeline for employers submitting Work-Sharing documentation**
- Employers are now requested to submit their applications 10 calendar days prior to the requested start date. The streamlined measures undertaken by Service Canada will aim to reduce the processing time to 10 calendar days.
- Prior to COVID-19, employers were requested to send their Work-Sharing application (and supporting documentation) 30 calendar days prior to their requested start date.
- To apply for the Work-Sharing program, employers must submit:
  - Applications for a Work-Sharing Agreement form (EMP5100)
  - Attachment A: Work-Sharing Unit form (EMP5101)
    - **Note**: If the employer does not have enough room on one EMP5101 they can start another EMP5101 and use as many as they need
- Please send your application to one of the following email addresses, based on the area your business is located or where the maximum of participants are located:
  - **Atlantic Provinces Email**: ESDC.TP-ATL-WS-TP.EDSC@servicecanada.gc.ca
  - **Quebec Email**: QC-DPMTDS-LMISDPB-TP-WS-GD@servicecanada.gc.ca
  - **Ontario Email**: ESDC.ON.WS-TP.ON.EDSC@servicecanada.gc.ca
  - **Western Canada and Territories Email**: ESDC.WT.WS-TP.ESDC@servicecanada.gc.ca

3.5 More Resources Available

- [Work Sharing Program](#) by the CRA

4. Deferred Payments: More Time to Pay Income Tax

4.1 Overview

- The Canadian Government is allowing all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act.
- No interest or penalties will accumulate on these amounts during this period.

4.2 Corporation Deferred Due Dates

- **Filing date for current tax year**: June 1, 2020 extended
  - Applies to corporations that would otherwise have a filing due date after March 18 and before June 1, 2020.
5. Deferred Payments: Deferral of Sales Tax Remittance and Customs Duty Payments until June

5.1 Overview & Corporation Deferred Due Dates

- The Canadian Government is allowing businesses, including self-employed individuals, to defer until June 30, 2020 payments of the GST/HST, as well as customs duty owing on their imports.
- Any GST/HST payment that becomes owing from March 27 until the end of May can be deferred until the end of June. For GST and customs duty payments for imported goods, deferral will include amounts owing for March, April and May.
- These amounts were normally due to be submitted to the Canada Revenue Agency and the Canada Border Services Agency as early as the end of March 2020.
- The deadline for businesses to file their returns is unchanged. Those who are able to, should continue to file their GST/HST returns on time reporting their net tax for the reporting period to help facilitate tax compliance and administration. However, recognizing the difficult circumstances faced by businesses, the CRA won’t impose penalties where a return is filed late provided that it is filed by June 30th.

5.2 More Resources Available

- Deferral of GST/HST Tax Remittances (COVID-19 Measures) by the CRA

6. Establishing a Business Credit Availability Program

6.1 Overview

- The Canadian Government established a Business Credit Availability Program (BCAP) to provide $40 billion of additional support through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC).
6.2 Who will Benefit
- All credit-worthy businesses with viable business models whose activities fall within the mandate of either BDC and/or EDC are eligible to benefit from BCAP.

6.3 Loan Amount
- Loan Guarantee for Small and Medium-Sized Enterprises
  EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to $6.25 million to SMEs.
- Co-Lending Program for Small and Medium-Sized Enterprises
  BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements.
  Eligible businesses may obtain incremental credit amounts of up to $6.25 million through the program.
- These programs will roll out in mid-April, and interested businesses should work with their current financial institutions.

6.4 More Resources Available
- Business Credit Availability Program (BCAP) by the CR

7. Canada Emergency Business Account

7.1 Overview
- The new Canada Emergency Business Account will provide interest-free loans of up to $40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced.
- To qualify, these organizations will need to demonstrate they paid between $50,000 to $1 million in total payroll in 2019.
- Business owners can apply for support from the Canada Emergency Business Account through their banks and credit unions

7.2 More Resources Available
- The Access to Credit Section by the CRA
8. Bank of Canada’s Actions

8.1 Overview

- The Bank of Canada is acting in several ways to support the economy and financial system and stands ready to take any and all actions that it can to protect the well-being of Canadians during this difficult time. The Bank has responded by lowering interest rates, intervening to support key financial markets and providing liquidity support for financial institutions.

8.2 More Resources Available
COVID-19: Actions to Support the Economy and Financial System by the Bank of Canada

9. Office of the Superintendent of Financial Institutions actions

9.1 Overview

- The Office of the Superintendent of Financial Institutions announced it is lowering the Domestic Stability Buffer by 1.25% of risk-weighted assets. This action will allow Canada’s large banks to inject $300 billion of additional lending in to the economy.

9.2 More Resources Available
OSFI announces measures to support the resilience of financial institutions by the CRA