

## *Digital Small Business Empowerment Fair: Small Business Resources*

*April 8<sup>th</sup>, 2020*



### **Council President Brenda Jones, Detroit City Council**

- Small business empowerment fair due to COVID-19 pandemic
- Ensuring that all small business within the City of Detroit have the opportunity to collaborate with both the city and each other.
- There is still a way to do business, Detroit has not shut down
- Small business start-up support will be occurring directly after the digital outreach meeting

### **Councilmember Ayers, Detroit City Council**

- Outreach meetings are crucial during this time to bring together resources and entities throughout the City of Detroit
- Allows for strengthening neighbors and businesses through bureaucracy
- Post-Covid-19 society will be different than past and present

### **Dr. Nicole Farmer, Lifeline Consultant**

- Aid in developing business plans and growing the business
- This season has been the busiest, assists in paperwork and grants
- Position yourself so you can use the funds to enhance and grow the business, leverage this opportunity to generate a more desirable outcome for the business
- Research, research, research
- Have everything in one space, such as a Google Doc
- Verizon, possibly Wayne County, and other businesses are re-opening grants for small businesses
- [nicole@gradninnovation.org](mailto:nicole@gradninnovation.org) & 313-629-7983 for questions, concerns, and further assistance
- Turbo Tax Intuit can aid in gathering stimulus money
- Professional Beauty Association provides grants for licensed beauty professionals (typically \$500).

## **Amanda Saab, Civil Rights and Inclusion Department, Business Opportunity Program**

- Formally known as the Human Rights Department, offers translation services, construction outreach resources, incentives team to ensure projects are following city codes and regulations
- Processes several certifications, Detroit Based Business, Small Business, Resident Business, Micro-Business, Start-Up, etc. (allows for equalization credits and access to city resources)
- Certification programs are based on revenue generated by the business for that year
- Ensures equity and inclusive through access to capital, capacity building, additional resources, relationship building, and marketing
- Business crawls also occur through this department, which is incredibly beneficial to small businesses

## **Brian Calley, President of Small Business Association of Michigan**

- Private sector association only for small business, roughly 28,000 businesses involved with SBAM
- Group purchasing, etc. and how to ensure that small businesses can survive, especially during COVID-19
- Substantial federal resources are available to these businesses and cash flow is essential for these businesses to survive during this time
- CARES Act, \$2.2 trillion stimulus package and very relevant to small businesses;
  - Unemployment: Sole proprietors and contract employees (1099) and business owners now qualify at \$600/week, Michigan has to reprogram unemployment system to accommodate these individuals which has not yet occurred
    - Numbers for unemployment are currently above 300,000 people
  - Paycheck Protection Program: Through bank or credit union (only if they are SBF certified), a forgivable loan that does not need to be paid back unless on non-qualifying items, SBAM has never done this before
    - 250% of total average monthly payroll
    - To qualify: Run staff at full staff at pre-COVID-19, can use for rent, interest on debt, and utility
    - Treat with a fair amount of urgency, when fund is gone the fund is gone
  - Economic/Injury Disaster Loan: Directly through SBAM on their website, can apply for grant (loan advance, up to \$10,000, most likely based on number of employees)
    - Can borrow more based on need, case-by-case basis though
    - Have to put out payment for the next twelve (12) months
    - Does not pull credit during this time
    - Eligibility determined pre-COVID-19 status

- \$2400 or less per month, go the unemployment route
  - If a business owner generates more money, look into loan options

## Public Q & A

1. Was unemployment discussed on this call?

No, this call is regarding small businesses and assistance for those businesses within the City of Detroit. Please contact the office of the Council President. The system has not been reprogrammed for self-employed individuals, hopefully this will be completed in the next week or so.

2. Economic Disaster Loan, is there a timeline for approvals and distribution of the loans and grants? How will they be communicating with businesses?

Three days was originally established, but that did not happen. These loans have existed for quite some time and is generally a potential tool. The CARES Act had amended these loan to add the 'up to' \$10,000 loan. The details for this have been sketchy. Rules have been sent to those underwriting applications. The SBA in Massachusetts had established new rules and criteria, but then quickly removed them. Approvals should be sent very soon, within the next few days.

Communication methods have not been determined, but there is an electronic process to confirm the process. An email should be sent regarding approval and commitment, then employer will go to website and pull up deal offered, followed by electronic signature and deposit.

3. As sole proprietors, are there extra benefits for veterans during this time?

Paycheck Protection Program, have been in business since before February 15<sup>th</sup>, 2020, can assist your business and determine how much funding you can receive. PPP were not in the original round of the stimulus package; however, it should open this Friday for sole proprietors and business owners. Additional information and benefits is not currently available for veterans.

4. Can a separate system be created, given the overwhelming status of unemployment?

This will most likely not occur. The system will not be changed or switched over. P-Tech office at Wayne State University may be able to help or VA.gov website can offer programs and mentorships for small businesses owned by veterans. Please contact City Council if you do not have access to internet.

5. If taxes were not filed last year, can an individual still have access to these loans and programs? What should be done if loan applications are not accepted?

If financial information cannot be provided, PPP cannot be processed. It may be easier to follow the unemployment route. PPP requires Schedule C of tax return to determine eligibility and amount of funding. 2018 tax return may work; however, it is unsure and may not work.

6. What is the Red Book Bag program?

Red Book Bag is a program for women-owned companies for employers to receive up to \$5000 in grant funding.

7. How can we access unemployment if we do not have access to internet?

Unemployment agency, governor, etc. will issue orders on how to apply. Public servants will also pass information along, even if individuals do not have access to internet.

8. For the Paycheck Protection Program, if there are no 941's to report, how would I show that I am the one paying my employees if I run my company through another sister company, given that they manage the payroll?

If the 941's are under another company's name, those employees must be submitted under that name. However, you can check with the financial institution to see what can be done to determine eligibility. You may not be accepted by the federal government but see if the 941's for the other company can be resubmitted.

9. Are some SBA's better than others?

It varies based on the institution, depending on inflow of applications. Community banks are faster for processing, but bigger banks can also be helpful and straightforward. An Automated system may not always work well for everyone.

10. If taxes were not filed until last year, and individual who assists with the taxes not longer does so, can I qualify for PPP?

Yes, if all of the proper paperwork is present, then eligibility can be determined. You will need a 941, which is the most important document in determining amount of funding.

11. Should an individuals utilize the PPP or Economic Disaster Loan?

The PPP will be more beneficial because you may receive more funding.

12. For a sole proprietor, what are the requirements?

The requirements have not been published yet by the state for these individuals. If approved, a flat rate amount of \$600/week is given. It only matters if you are in or out. Self-employed benefits are extended 16 weeks. The Michigan Unemployment Agency will list these requirements on their website. Please contact Brian Calley and his office at [sbam@sbam.org](mailto:sbam@sbam.org) with further questions and concerns.

13. Should an individual reapply for unemployment if previously denied?

Yes, refile when the system has been 'revamped.' It is unknown when everything will be reprogrammed for individuals and expanded eligibility. Also, it is important to have all supporting documents, including the W-9 documents to verify income.

## Closing Comments

Farmer –

- Small business owners stick in there!
- You do not have to close, there are various programs available for you.
- Please contact office if you need assistance or have further questions and concerns.

Council President –

- Knowledge is incredibly helpful, especially for small businesses and their owners.
- Wash your hands and use hand sanitizer!
- Thank you to everyone who has helped during this pandemic and provided important information.

Councilmember Ayers –

- We appreciate everyone assisting those in need.
- Be creative during this time.
- We will make it, there is another side to this pandemic.