SAN ANGELO & THE CONCHO VALLEY

COVID-19 BUSINESS RECOVERY PLAN

Presented by the Economic Resource Task Force

ANGELO.EDU/BIZRECOVERY
This guide neither intends nor offers specific legal advice. Contents contained herein are intended for informational and educational use and believed to be valid as of the date of publication. Please consider consulting with your attorney or certified public accountant before you take action on legal or financial issues affecting you or your business.

ASU-SBDC: Funded in part through the State of Texas and a Cooperative Agreement with the U.S. Small Business Administration. Reasonable accommodations for persons with disabilities or limited English proficiency will be made if requested at least two weeks in advance. Contact ASU-SBDC at ASU Station #10910, San Angelo, Texas, 76909-0910, 325-942-2098.

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ACTION ITEMS FOR RECOVERY

These are items to consider throughout the recovery process. See detailed information and resources for each step in the following guide.

**Financing:**
- Determine your needs
- Seek appropriate funding sources
- Communicate with current creditors

**Managing Employees:**
- Reducing Hours
- Plan for staffing needs
- New employee training
- Workforce Board /Solutions referrals for employees

**Cash Flow:**
- Shortening inventory cycle
- Reducing account receivables
- Communicating with suppliers, banks, landlords

**Marketing:**
- Advertising
- Pricing & discounts
- Selling using alternative methods or channels
- Leverage Google tools

**E-commerce:**
- Website
- Managing inventory

**Mentoring:**
- Seek assistance from business related services
- Visit with your SBDC Advisor
- Discuss your challenges with those in related fields

**Safety:**
- COVID -19 social distancing
- Employee safety - review or establish policies
Opening Up America Again

President Trump has unveiled Guidelines for Opening Up America Again, a three-phased approach based on the advice of public health experts. These steps will help state and local officials when reopening their economies, getting people back to work, and continuing to protect American lives.

PHASE 1: For States and Regions that satisfy the gating criteria
- Continue to ENCOURAGE TELEWORK, whenever possible and feasible with business operations.
- If possible, RETURN TO WORK IN PHASES.
- Close COMMON AREAS where personnel are likely to congregate and interact, or enforce strict social distancing protocols.
- Minimize NON-ESSENTIAL TRAVEL and adhere to CDC guidelines regarding isolation following travel.
- Strongly consider SPECIAL ACCOMMODATIONS for personnel who are members of a VULNERABLE POPULATION.

Phase 2: For States and Regions with no evidence of a rebound and that satisfy the gating criteria a second time
- Continue to ENCOURAGE TELEWORK, whenever possible and feasible with business operations.
- Keep COMMON AREAS closed where personnel are likely to congregate and interact, or enforce moderate social distancing protocols.
- Strongly consider SPECIAL ACCOMMODATIONS for personnel who are members of a VULNERABLE POPULATION.

Phase 3: For States and Regions with no evidence of a rebound and that satisfy the gating criteria a third time
- Resume UNRESTRICTED STAFFING of worksites.

www.whitehouse.gov/openingamerica
Opening Texas

Please visit the Office of Texas Governor website for updates on “Open Texas Checklists” and current official announcements.


Paycheck Protection Program Flexibility Act

Upcoming Procedures:

- Extend the covered period for loan forgiveness from eight weeks after the date of loan disbursement to 24 weeks after the date of loan disbursement.
- Lower the requirements that 75 percent of a borrower’s loan proceeds must be used for payroll costs to 60 percent.
- Provide a safe harbor from reductions in loan forgiveness based on reductions in full-time equivalent employees for borrowers that are unable to return to the same level of business activity the business was operating at before February 15, 2020.
- Provide a safe harbor from reductions in loan forgiveness based on reductions in full-time equivalent employees, to provide protections for borrowers that are both unable to rehire individuals who were employees of the borrower on February 15, 2020, and unable to hire similarly qualified employees for unfilled positions by December 31, 2020.
- Increase to five years the maturity of PPP loans that are approved by SBA (based on the date SBA assigns a loan number) on or after June 5, 2020.
- Extend the deferral period for borrower payments of principal, interest, and fees on PPP loans to the date that SBA remits the borrower’s loan forgiveness amount to the lender.
- In addition, the new rules will confirm that June 30, 2020, remains the last date on which a PPP loan application can be approved.

Funding Sources

*First round of Federal funding was depleted within two weeks of approval. Currently the second round of funding is available, and is expected to be depleted quickly. (as of 4/29/2020)*

**SBA Paycheck Protection Program***
The Paycheck Protection Program provides small businesses with zero-fee loans of up to $10 million to cover payroll and other operating expenses. Up to 8 weeks of payroll, mortgage interest, rent, and utility costs can be forgiven. Payments on principal and interest are deferred for one year.

**SBA Economic Injury Disaster Loans***
The CARES Act creates a new emergency grant of $10,000 for small businesses that apply for an SBA economic injury disaster loan (EIDL). EIDLs are loans up to $2 million with interest rates of 3.75% for businesses and 2.75% for nonprofits, and principal and interest payments deferred up to 4 years. The EIDL loans may be used to pay for expenses that could have been met had the disaster not happened, including payroll and other operating expenses. The EIDL grant does not need to be repaid even if the applicant is denied an EIDL. A small business may apply for an EIDL grant and a Paycheck Protection loan. The EIDL grant will be subtracted from the amount of the Paycheck Protection loan that is forgivable.

**COVID-19 Financial Disaster Relief Programs**

<table>
<thead>
<tr>
<th>Uses</th>
<th>ECONOMY INJURY DISASTER LOAN (EIDL)</th>
<th>ECONOMY INJURY CASH ADVANCE</th>
<th>PAYCHECK PROTECTION PROGRAM (PPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital &amp; Payroll</td>
<td>No collateral on loans up to $25k</td>
<td>No collateral</td>
<td>Payroll &amp; approved operating expenses</td>
</tr>
<tr>
<td>0% eligible for forgiveness</td>
<td>up to 6 months operating expenses not to exceed $2 million</td>
<td>Total amount forgiven</td>
<td>No collateral required</td>
</tr>
<tr>
<td>3.75% interest for small businesses 2.75% interest for nonprofits up to 10-year fixed note</td>
<td>No re-payment required</td>
<td>2.5X avg. monthly payroll for the prior 12 months</td>
<td>After deducting Loan Advance from Initial Amount UP TO 100% is forgivable</td>
</tr>
<tr>
<td>No payments for first 12 months</td>
<td>Eligible Small Businesses Independent Contractors/ Self Employed Eligible Private non-profits</td>
<td>No terms</td>
<td>1% interest on unforgiven portion 2-year fixed note</td>
</tr>
<tr>
<td>SBA.gov/disaster</td>
<td>Eligible Entities</td>
<td>Apply within EIDL Online Application</td>
<td>Eligible Small Businesses Independent Contractors/ Self Employed Eligible Private non-profits</td>
</tr>
</tbody>
</table>

This graph is published to be used as a quick reference guide only. Please visit sba.gov for full detail on each loan program.
Tom Green County Revolving Loan Fund

- Eligible borrowers: for-profit businesses in Tom Green County.
- Average loan amounts: $10,000- $20,000.
- Maximum loan amount is $60,000.
- Loans may be used to finance land and building cost, machinery and equipment purchases and working capital needs.

Contact info: albert.rodriguez@cvcog.org

Concho Valley Council of Governments

5002 Knickerbocker Rd. San Angelo, TX 76904

Phone: (325) 944-9666

Download the Application:
https://www.angelo.edu/content/files/27317-tom-green-county-rlf-application

LiftFund Disaster Relief 2020 Loan Program (CDFI)

Qualifying Conditions:

- Business must be in operation as of August 1, 2019
- Business has experienced a decrease in revenue by at least 15% as a result of COVID-19
- Business owners are able to have a consultation reviewing a six month recovery plan and working capital plan
- Applicant must be able to properly cover expenses and new loan payment
- Must be in good standing with creditors for the past six months

Loan Size: up to $50,000 | Deferment: up to 120-day payment deferment
Collateral: available collateral owned free and clear by the business and verification of collateral is required via photo or video.

Apply at: www.liftfund.com/liftfund-disaster-relief-2020-loan-program/

PeopleFund Disaster Relief Program for COVID-19 (CDFI)

Eligibility:

- Proof that the borrower has applied for SBA EIDL or PPP loan
- 600 credit score for up to $25,000; 650 credit score for up to $60,000

Process and Application:

- Use funds for rent, payroll, utilities, accounts payable, other fixed expenses
- Funds may not be used for owner salary, refinancing, or debts to other creditors
Subject to credit check and request for additional documentation

Amount:

- up to $60,000
- Zero % interest rate and no payments for first 6 months

Apply at: [www.peoplefund.org/apply](http://www.peoplefund.org/apply)

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**BCL of Texas Small Business COVID-19 Relief (CDFI)**

BCL of Texas has been front and center during multiple economic and disaster recoveries to help small businesses and local communities get back on their feet. BCL of Texas has the experience and partnerships to help small businesses weather the storm and connect to the resources you need for your small business.

Contact: 214-688-7456 Dallas | 512-912-9884 Austin

Apply at: [https://bcloftexas.org/lending/lending-inquiries](https://bcloftexas.org/lending/lending-inquiries)

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**COSADC Business Retention & Expansion Program (BREP)**

- The Business Retention and Expansion Program is an incentive program intended to assist local businesses who are interested in expanding their business either through additional capital investment, hiring additional personnel or some combination thereof.
- Incentives may take the form of monetary grants, tax rebates, development fee reimbursements or other monetary or non-monetary assistance.
- The program is also intended to help retain companies who may be contemplating leaving San Angelo or expanding in another location.
- Please visit with COSADC to determine eligibility based on your companies specific NAICS code

Contact: shannon.scott@cosatx.us | [www.economicdevelopmentsanangelo.com](http://www.economicdevelopmentsanangelo.com)

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**San Angelo Business Plan Competition**

- San Angelo Business Plan Competition is a three-phase business plan competition.
- Cash prizes totaling $70K as well as in-kind prizes donated by local businesses.
- Phase I is the first entry point and consists of a two-page business overview along with the entry form which are due August 3rd, 2020.
- The competition is open to those who want to develop a new business or expand an existing business in San Angelo.

More information: [www.angelo.edu/business-plan-competition](http://www.angelo.edu/business-plan-competition)
Business Advising & Training Assistance

ASU Small Business Development Center

Take Action: Contact a Certified Business Advisor today

Take Action: Manage Cash Flow
- Look at your costs and look at things you must cut and can cut
- Ask for deferment from your bank and landlords
- Negotiate current interest rates or deferred payments with creditors
- Communicate with your suppliers for longer terms
- Lower your inventory cycle (the more inventory, the more cash)
- Decrease your Account Receivables
- Find alternative markets

Certified Business Advisors are available to assist small business owners through CONFIDENTIAL AND NO COST advising. Advising topics include but are not limited to the following:

- COVID-19 Business Recovery
- Financing/ Funding Options
- Cash Flow/ Budgeting
- Human Resources
- Leadership Skills
- Social Media
- Marketing
- Public Relations
- Use of Technology
- E-Commerce

Contact: 325-942-2098 | Visit: www.sbdc.angelo.edu

SBDC COVID Business Recovery Accelerator

UTSA South-West Texas Border Small Business Development (SBDC) Network opens new SBDC Specialty Center to assist companies impacted by the COVID-19 pandemic. The SBDC COVID Business Recovery Accelerator works in partnership with the San Antonio Small Business Development Center to provide business advising on applying for Federal SBA loans and training on COVID-19 business resources.

Contact: businessrecovery@utsa.edu | More information: www.txsbdc.org/businessrecovery
Workforce: Rehire, Recruit, & Train

The CV Workforce Board and CV Workforce Solutions will be key in assisting small businesses with rehiring previous employees, recruiting new employees and training the available workforce.

Phone: 325-653-2321 | Visit: www.cvworkforce.org

Shared Work Program

TWC administers the Shared Work Program, which allows partial unemployment benefits for similarly-situated employees whose hours are reduced by a standard amount between 10 and 40 percent.

Visit: https://www.twc.texas.gov/businesses/shared-work

ACT WorkKeys Assessment

ACT WorkKeys® assessments are the cornerstone of ACT workforce solutions. The assessments measure foundational skills required for success in the workplace, and help measure the workplace skills that can affect job performance.

Visit: https://cvworkforce.org/171/Skills-Assessments

Take Action:

Communicate with your team

- Reducing Hours
- Adjust Staffing Needs
- Especially for Employers Handbook
- New employee Training
- Workforce Board /Solutions Referrals

Identify Alternatives

- Partner with your competitors to get through this hardship. For example, if you lack staff for delivering, you can make a deal with your competitor to help you out until you gain employees again.
- Cross-train your employees so one may perform the job of the other.
Marketing & Communication

Take Action:

Maintain external communications
- Reach out to customers and let them know you’re available and need their support: Email, Social Media Channels, Text and Phone Call
- Give them ways to support you with sales and non monetary support
- Offering a gift card option with bonuses (“Get $125 gift card for only $100) or the ability to pre-pay for services later

Leverage Google Tools
- Update critical business information your website and on Google my Business page
- Edit Business Description
  - “We are now back in business after our temporary close due to the precaution of COVID-19...”
- Unmark business temporarily closed
- Publish posts: “Consider ordering a gift certificate to support our small business.”
- If your business doesn’t have a website, you can create one for free within Google My Business. The website will come with a web address.

Ecommerce
- Consider online selling platforms to increase awareness of your products: Ebay, Etsy, Facebook Marketplace etc.
- Explore social media platforms where ideal customers are engaging.
- Start a blog that details your new online presence and relevant topics.
- Use live video features on social platforms to best reach your audience.
- Reassess your marketing budget for efficient spending.
- Measure your marketing results on a weekly basis and adjust actions.

Local Government Support

Local Government will continue to support the community and small business owners throughout the recovery process.

Contact: 325-653-7197 | Visit: [www.economicdevelopmentsanangelo.com](http://www.economicdevelopmentsanangelo.com)

Mentorship & Networking Assistance

Supporting each other in this very difficult time will be a major component of the recovery response. The task force will coordinate potential mentorship relationships and online networking opportunities to strengthen our local businesses.

Contact: 325-655-4136 | Visit: [www.sanangelo.org](http://www.sanangelo.org)

Take Action:
● Utilize social networking such as Facebook, Twitter, and LinkedIn for business-to-business communication
● Learn from others in your industry
● Reach out to your Chamber for insights on digital events and other tools

Mindset

This has been a trying time for our nation. Business owners will struggle to overcome mental obstacles and negative thinking throughout the recovery process.

Contact: 325-655-4136 | Visit: www.sanangelo.org

Take Action:

Assist employees

● If you don’t have an Employee Assistance Program (EAP), consider starting one. An EAP will help your business and your employees cope with the aftermath of a disaster.
● Point employees to your EAP or crisis counselors for assistance, and be supportive as this may impact productivity.
● Ask them what they need and give them an opportunity to share their feelings.
● Continue to update employees on the business’ ongoing recovery as that will help in their recovery.

Invest in your skills

● Read one book on the topic, connect with the author
● Watch videos or listen to a podcast on a topic
● Form a mastermind group of experts on that topic
● Budget 2 hours per week to study for three months
● Plan a project that requires the skill, during which I will have proved to myself that I have now acquired that skill

Develop new productivity habits

● Set up time blocking: Put deep work time (writing) and shallow work time (social media and email) on your calendar.
● Test new email management tools and behaviors: There are great new tools to drive maximum efficiency from chaotic inboxes.
● Optimize your phone for focus: Focus is just the opposite of distraction. Remove apps and turn off notifications. Install a spam/scam call blocker (like Call Control)
Sources

- Ten Big Impacts of Coronavirus on Economic Development published by SizeUp
- National Development Council’s Small Business Recovery and Local Revolving Loan Funds (April 9, 2020)
- U.S. Chamber of Commerce Foundation’s Small Business Disaster Recovery
- 7 Ways to Recession-Proof Your Business written by Susan Ward
- Coronavirus and Your Small Business: Live Q&A with SCORE Mentors (April 9, 2020)
- Small Business Resilience Toolkit
- America’s SBDC Small Business Resiliency Guide and Business Resiliency Plan
- The Governor’s Report to Open Texas (April 27, 2020)

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