



American Rescue Plan Small Business

The purpose of this program is to re-invigorate small businesses that have suffered tremendous economic losses during the pandemic. These funds will allow them to pay back rent, pay employees and make-up for dollars lost. **\$50 billion in total** will be distributed for small business relief through both the Small Business Administration and the Department of Treasury.

Programs and Their Purposes

Paycheck Protection Program

Originally established in 2020, the Paycheck Protection Program was designed to avoid mass layoffs. The ARP provided Increased PPP loans that now include large non-profits are eligible for **\$7.25 billion** in additional funding for forgivable loans. Businesses may receive up to \$10 million for their first loan, and \$2.5 million for their second loan. Businesses must also demonstrate that at least 60% of funds were used on payroll costs, while the other 40% may be used on operational costs. Currently, businesses have until March 31, 2021 to apply. Funds must be allocated 60 days after the signing of ARP.

State Small Business Credit Initiative

Originally authorized in the Jobs Act of 2010 and set to expire in 2017, the State Small Business Credit Initiative (SSBCI) is a **\$10 billion** program to be administered by the Department of Treasury within 30 days of the ARP being signed. This program is designed to strengthen state programs that support business, principally businesses owned by traditionally marginalized groups. In total, the SSBCI includes \$10 billion in grants (\$5 billion in formula-based allocations and an additional \$5 billion in competitive grants for states that have already capitalized the financing from the 2010 program). Businesses are permitted to use the funds to access credit and for investment. Of the \$10 billion, \$1.5 billion is set aside specifically for states to support businesses owned by socially and economically disadvantaged individuals, \$1 billion is for a state incentive program for additional support to businesses owned by socially and economically disadvantaged individuals, \$500 million is for very small businesses of 10 employees or less, and \$500 million is for states and minority business development agencies to provide technical assistance to socially and economically disadvantaged businesses or for SBA to contract directly with legal, accounting, and financial advisory firms that could provide technical assistance to such businesses. Funds should be allocated no later than April 12, 2021.

[Economic Injury Disaster Loans and Shuttered Venue Operators](#)

This program provides **\$15 billion** in funds to small businesses that have been “severely impacted;” businesses that are located in low-income communities and have suffered at least a 30% economic loss while employing fewer than 500 people. Businesses that have not applied for grants in the past or applied and received a smaller amount than requested are eligible for up to \$10,000 in grants. Businesses pursuing loans qualify for up to \$150,000 to cover payroll or operational costs. **\$1.25 billion** of the total \$15 billion has been allocated for shuttered venue operators, businesses such as: theaters, concert halls and museums that have lost at least 25% of their revenue. Eligible businesses are able to obtain up to \$10 billion in grants. The application process is currently closed to new applicants, as SBA is focused on addressing previously received applications.

Community Navigators

Under ARP, The Small Business Administration will provide **\$175 million** in aid to community navigators in a pilot program to help with outreach, education, technical assistance and increase awareness for eligible businesses to access SBA programs. Additionally, the fund should be used to make grants, or enter into contracts or cooperative agreements with, private nonprofit organizations, resource partners, States, Tribes, and units of local government to ensure the delivery of free community navigator services to current or prospective owners of eligible businesses in order to improve access to assistance programs and resources made available because of the COVID–19 pandemic by Federal, State, Tribal, and local entities. This group includes non-profits, state and local governments, small business development centers, women’s business centers, with a priority for businesses owned by socially and economically disadvantaged groups as defined in the Small Business Act, i.e.: women and veterans. As this a new program, more details are forthcoming.

Restaurants Revitalization Fund

The Restaurant Revitalization Fund is designed to assist businesses that primarily serve food, and they have disproportionately been affected by COVID-19 related restrictions. Eligible “restaurants” include restaurants, food stands, food trucks, food carts, caterers, saloons, inns, taverns, bars, lounges, brewpubs, tasting rooms, taprooms, licensed facilities of a beverage alcohol producer where the public may taste, sample, or purchase products.

The ARP has set aside \$28.6 billion in total, including: \$5 billion for businesses with less than \$500,000 in receipts and \$23.6 billion to be distributed in an equitable manner to eligible entities of different sizes based on annual gross receipts. Grants can be up to \$10 million (\$5 million per location) and will be rolled out in early April by the Small

Business Administration. After roll out, there will be a 21-day preference period for women and veteran owned businesses, or any other groups considered socially or economically disadvantaged. Funds are to be distributed beginning a maximum of 60 days after the signing of the ARP. Businesses will have to certify that economic conditions necessitate a grant and that they have not received funding under the previously enacted Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

Under ARP, Funds can be used for the following purposes: Payroll, Mortgage obligations, Rent & Utilities, Maintenance, Supplies (including PPE & cleaning stuff), Food & beverage expenses, Supplier costs, Operational Expenses, Paid Sick Leave and anything else the SBA Administrator determines essential to maintaining business.

Funding of Flows and Timing

Funding dollars are distributed through the Small Business Administration (SBA) and through the Department of the Treasury. All funds distributed by the department of the treasury are to be dispersed not later than September 30th, 2021.

Learn more about the American Rescue Plan on the Results for America [website](#).