



COVID-19 BUSINESS AND EMPLOYEE CONTINUITY AND RECOVERY FUND

Executive Summary. The COVID-19 Business and Employee Continuity and Recovery Fund (the “Recovery Fund”) proposal creates a streamlined and tailored federal fund to provide rapid liquidity to small businesses and commercial sectors impaired by COVID-19. The requested relief is targeted to help businesses retain and rehire employees, maintain worker benefits, and resume or continue economic activity. The fund includes anti-abuse provisions, including audits and Special Inspector General with Congressional Oversight Board, and would be leveraged through private sector servicers.

Purpose:

- Offset operating expenses for businesses shut down as a result of COVID-19, provide resources to help them reopen, and support their ability to retain and rehire employees
- Support small and mid-sized businesses with significant revenue loss with a priority for women-owned, minority-owned businesses and those that operate in rural and underserved areas impacted by COVID-19

Program Administration:

- Establish within Treasury an expedited and streamlined relief program run by a special federal administrator
- Authorize the program to contract with third parties that agree to assist with application filing, compensation determination, payments, and auditing
 - o Overseen by the Secretary, the Special Inspector General for Pandemic Recovery, and a Congressionally appointed Oversight Board
- Fund the program through advanced authorization of appropriations and the creation of an obligation of the federal government

Recovery Compensation:

- Simple-to-file and audit electronic forms to enable quick liquidity and business continuity
 - o Form requires information on impairment and known collateral sources
 - o Formula-based compensation for payroll, payroll support, operating expenses (such as rent and interest expense on pre-crisis debt)
 - o Program may also provide assistance for lost revenue (but not lost profits)

- Interim expedited assistance may be provided

Eligibility:

- Viable businesses of any size that can demonstrate impairment by COVID-19 with few

Timeline:

exceptions

- 5-day oversight board appointment
- Expedited regulatory formation
- 15-day turnaround for expedited interim compensation
- 30-day turnaround for prioritized applications

