

COVID-19 BUSINESS AND EMPLOYEE CONTINUITY AND RECOVERY FUND

Executive Summary:

The COVID-19 Business and Employee Continuity and Recovery Fund (the “Fund”) provides streamlined and tailored federal support for businesses most impaired by the COVID-19 national emergency. Relief is targeted to help businesses retain and rehire employees, maintain worker benefits, and continue or resume economic activity. The Fund is focused on supporting businesses in the most impaired sectors and includes strong anti-abuse protections.

Purposes:

- Offset operating expenses for businesses most impacted by COVID-19, supporting their ability to retain and rehire their employees, with benefits, and to provide resources to help them stay open or reopen operations.
- Protect individuals unable to work because of COVID-19 exposure or illness.
- Prioritize compensation for businesses most impacted by the COVID-19 pandemic: small businesses, including independently owned franchises, women-owned and minority-owned businesses, and businesses that operate in rural and underserved areas.
- Complement the assistance provided under the CARES Act.

Program Administration:

- Creates a streamlined relief fund run by a Special Administrator appointed by the Secretary of the Treasury.
- Expedites support to workers and businesses through accelerated processes.
- Supports efficient processes by allowing private sector support for application filing, compensation determination, payment, and auditing assistance.
- Provides strong oversight and auditing by the Treasury Secretary and a Special Inspector General, with accountability to a Congressional Oversight Board.
- Authorizes advance appropriations.

Recovery Compensation:

- Simple-to-file and audit electronic forms in multiple languages to enable continued business liquidity and continuity, and retention and rehiring of employees.
 - Form requires information on impairment and known collateral sources.
 - Formula-based compensation to support payroll and benefits, as well as operating expenses (such as utilities, rent, and interest expenses).
- Provides interim expedited assistance for a percentage of a company’s needs.
- Prioritizes assistance to the most impaired businesses and supports up to four months of losses.

Eligibility:

- U.S. businesses impacted by COVID-19 that pledge to retain and rehire most of their employees, including those exposed or ill from COVID-19, at full compensation and benefits.
- Bars use of funds for stock repurchases or dividends, or to compensate highly paid employees.

Timeline:

- Expedited program formation timed to address the national emergency.
- Interim compensation decisions in 15 days and prioritized application actions in 30 days.
- Strict schedules for reports to Congress.
- Fund can be temporarily extended or renewed for recurrences of the COVID-19 pandemic.