

COVID-19 ECONOMIC RELIEF FOR BC SMALL BUSINESS OWNERS

The Vancouver Chinatown Foundation has compiled a summary of certain support programs for BC small business owners as of June 4, 2021. If you have further questions, we recommend you contact your legal or accounting professional advisor.

You may also contact info@chinatownfoundation.org. We will make every effort to connect you with an accounting professional to provide you with more information.

1

Launch Online Grant Program

B.C.'s Economy Recovery Plan, the Launch Online Grant program will invest up to \$12 million to help small and medium-sized businesses move their business models online

How the program works

The program provides funding to B.C.-based businesses to create an online shop and/or improve their e-commerce experience. The grant will pay up to 75% of eligible expenses, up to a maximum of \$7,500 per business

- **Step 1:** Develop a grant proposal that indicates how you plan to use the funds. Businesses need to show a cost estimate that includes how much funding you need and how it will be spent
- **Step 2:** Complete the online application demonstrating that you meet the eligibility criteria and submit your online shop proposal
- **Step 3:** Applicants will be contacted within three weeks with the outcome of their application

Eligibility criteria

Applicants must meet **all** the following general eligibility criteria:

- Your business has its primary operations in B.C. and is owned by a B.C. resident
- The business:
 - Is currently operating, registered in B.C., and pay taxes in B.C.;
 - Maintains a business license number, GST number, PST, and WorkSafeBC number (where applicable)
 - Employs less than 149 B.C. residents;
 - Generated sales of more than \$30,000 in the past year;
 - Has repeatable products, or in the case of artists and jewelers, individual items that have slight differences (i.e. paintings or rings);
 - Does not currently have an online store or has an online store that has no more than three of the five identified store features:
 - i. Customer registration and information security features
 - ii. Shopping cart and order management capabilities
 - iii. Payment processing options including the application of appropriate taxes and shipping costs at the time of order
 - iv. Product catalogue, search, and inventory statuses
 - v. Website analytics and reporting capabilities

Eligibility expenses

Funding will help cover up to 75% of costs for expenses such as:

- Service provider cost:
 - Platform and website development
 - Copy and online content writing
 - Developing an online inventory of goods and products
 - Pictures (including hiring a photographer), stock photos, or related graphics needed
- Digital customer costs:
 - E-commerce platform subscriptions (up to 1 year)
 - Online advertising (up to 1 year)
 - Search Engine Optimization (SEO)
 - Creating banners and other embedded advertising
- Staff training to manage the online shop, learn about digital marketing, etc.
- Successful applicants must use one or more B.C.-based service provider(s) to build or improve their online store. The only non-B.C.-based eligible expenses are:
 - Platform subscription costs
 - Purchase of online photos and graphics
 - Purchase of online promotional space such as Facebook ads

Mandatory online shop features

At the end of the 12-weeks your online shop must have:

- Customer registration and information security features
- Shopping cart and order management capabilities
- Payment processing options including taxes and shipping costs at the time of order
- Product catalogue, search, and inventory status
- Website analytics and reporting

Required documents

You will be asked to provide:

- Current year's balance or past fiscal year's statement
- Proof of a valid B.C. business licence
- Business number
- PST and WorkSafe BC registrations, if applicable
- Income tax return:
 - Notice of Assessment (2019); or first section of T2 return or first section of owner's tax return (Form 5010-R) from 2019 or 2020
- B.C. business registration number and official registered name

How to apply:

- Via an [online application process](#)
- **Note:** Meeting the criteria does not guarantee that the application will be approved for funding
- **Deadline:** Available until funds have been fully distributed

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Highly Affected Sectors Credit Availability Program (HASCAP) Guarantee

Businesses heavily impacted by COVID-19 can access guaranteed, low-interest loans of \$25,000 to \$1,000,000 to cover operational cash flow needs

How the program works

- Guaranteed loans ranging from \$25,000 to \$1,000,000 to qualifying businesses
- Low-interest (4%) loans and repayment terms of up to 10 years
- Up to a 12-month postponement on principal repayments at the start of the loan
- You can apply for a loan under the HASCAP Guarantee for each legal entity you own, up to a maximum combined amount of \$6,250,000

Eligibility criteria

Your primary financial institution will determine your eligibility based on the criteria established by the Government of Canada. Qualifying businesses must...

- Be Canadian based
- Have been financially stable and viable prior to your current economic situation
- Have received payments from either the Canada Emergency Wage Subsidy (CEWS) or the Canada Emergency Rent Subsidy (CERS) by having demonstrated a minimum of 50% revenue decline for at least three months (does not have to be consecutive) within the eight-month period prior to the date of the HASCAP Guarantee Application
 - If your business does not qualify for CEWS or CERS but meets all of the HASCAP eligibility criteria, you must provide financial statements that reflect three months (does not have to be consecutive) in which monthly year-over-year revenue decreased by at least 50% within the eight-month period prior to the date of the HASCAP Guarantee Application
- Must use the loan to continue or resume operations
- Must not use the loan to pay or refinance existing debts
- Other conditions may also apply

How to apply:

- Contact your primary financial institution to find out whether the HASCAP Guarantee is a good choice for your business and how to apply
- **Deadline:** December 31, 2021

3

Small and Medium-Sized Business Recovery Grant

Grants of \$10,000 to \$30,000 are available to small and medium-sized B.C. businesses impacted by COVID-19. An additional \$5,000 to \$15,000 grant is available to eligible tourism-related businesses

How the program works

- Step 1: **Apply** - Businesses apply for funding online
- Step 2: **Develop a plan** - If eligible, a business must develop a recovery plan. To download the Recovery Plan Template, please [click here](#)
- Step 3: **Receive funding** - Once a recovery plan is submitted and approved, funding is provided to implement said plan
- Step 4: **Report** - Businesses may be asked to submit an audit of their recovery efforts and spending supported by the grant

Eligibility criteria

To be eligible for the grant, you must meet all of the following criteria:

- The majority share of the business is owned by one or more B.C. residents
- The business has been operating in B.C. for at least 18 months as of your date of application to this grant program
- The business's sole or primary operations are located and conducted in B.C.
- The business is currently operating
 - Seasonal or temporarily closed businesses are eligible
- The business employs between 2 and 149 people in B.C. for at least four months of the calendar year
 - This includes businesses that had employees or contracted staff prior to February 1, 2020
 - For businesses such as sole proprietorships and partnerships that do not have staff, please state in your application how the grant funding will support your recovery and benefit your community
- The business had positive cash flow for the last financial statement, prior to February 1, 2020
- The business experienced revenue losses compared to the same period in 2019
 - At least 30% at some point during March 2020 to present
- The business's ownership has not prepared the business for closure, dissolution or for sale following February 1, 2020

Tourism businesses

Tourism-related businesses can qualify to receive up to \$15,000 in additional grants if they meet all the base grant eligibility criteria and the tourism grant top-up eligibility criteria

To qualify

To receive the tourism grant top-up, a business must declare that a majority (50% or more) of their business is tourism-related as defined in the eligibility criteria

- Tourism sector businesses can include: Transportation, Accommodation, Food and beverage services, Recreation, Entertainment services, Travel services
- Accommodation includes: Hotels, Inns, Lodges, Campsites, Recreational vehicle rentals and other similar businesses

Required documents

Businesses will need to complete an online application and upload financial documents

- Shareholder Register or Certificate of Incorporation which must specifically include the city where shareholders are located. **Include one of the following**
 - Central Securities Register
 - T2-Schedule 50 Shareholder Information
 - T1-T2125 Statement of Business or Professional Activities
- Payroll documents from September 1, 2019, to now. Documents must display the number of B.C. residents employed. **Include one of the following**
 - T4 Statement of Remuneration Paid
 - PD7A Payroll filing documents
 - Payroll or cheque run
- Current year plus the two preceding years' financial statements including:
 - Balance sheets, Income statements, Statement of cash flows
- Actual monthly revenue in the past 24 months
- Business tax returns from the last two reporting years 2018, (if applicable) and 2019, specifically:
 - Notices of Assessment, First section of the T2 return (incorporated businesses only) and First section of owners' T1 return - T2125 Statement of Business or Professional Activities (unincorporated businesses only)
- To see a full checklist of the Required Documents please [click here](#)

How to apply:

- Through the [BC Business Recovery Grant](#) website
- To see a full breakdown of the available funding and how to properly use your funding, please check the [Small and Medium Sized Business Recovery Grant](#) website.
- **Deadline:** July 2, 2021

Canada Emergency Business Account (CEBA)

The federal government will provide interest-free loans of up to **\$60,000 (25% of received loan is forgivable if loan is fully repaid by December 31, 2022).**

For small businesses and non-profit organizations with payroll

- How to apply: **through your financial institution**
- You must have paid at least \$20,000 to \$1.5 million in total payroll in 2019 to qualify.
- If the loan is not repaid by December 31, 2022, it will be converted into a three-year term loan (starting on January 1, 2023) with a 5% interest rate.

To qualify for CEBA, businesses with payroll lower than \$20,000 or qualify under the above categories need:

- A business operating account at a participating financial institution,
- A CRA business number
- Have filed a 2018 or 2019 tax return, and
- Eligible non-deferrable expenses between \$40,000 and \$1.5 million, (including but not limited to rent, property taxes, utilities, and insurance.)

On December 4, 2020, the government announced that the loan will be increased from \$40,000 to \$60,000:

- Applicants who have received the \$40,000 CEBA loan may apply for the \$20,000 increase, which provides eligible businesses with an additional \$20,000
 - Applicants must apply at the financial institution that provided you with your original CEBA loan

Deadline: June 30, 2021, to apply for the \$60,000 CEBA Loan or the \$20,000

For more information, please check out the [CEBA Homepage](#)

Canadian Emergency Rent Subsidy (CERS)

For renters and commercial property owners (CPOs) who meet eligibility requirements, including a decrease in revenue.

The federal government will provide relief to individuals, partnerships, taxable corporations, non-profit organizations, and registered charities. This subsidy starts on September 27, 2020, and runs until June 2021.

Eligibility criteria

To be eligible to receive the rent subsidy, you must meet **all four** of the following criteria:

1. Renters must meet one of the following requirements:

- a. Had a CRA business number as of September 27, 2020, and provide records and other information to the Minister to support the application, or
- b. Had a payroll account as of March 15, 2020, or had been using a payroll service provider, or
- c. Purchased the business assets of another person or partnership who meets (b) condition above, and have made an election under the special asset acquisition rules, or
- d. Meet other conditions that may be prescribed in the future.

2. Are an eligible business, charity, or non-profit (eligible entity)

- a. To check which type of businesses are eligible, [click here](#)
- b. If your business, charity, or non-profit is related to another eligible entity, you may be considered an 'affiliated entity'. This may affect your calculations for the subsidy. To learn more about affiliated entities, [click here](#)

3. Experienced a drop in revenue

- a. Your drop in revenue is calculated by comparing your eligible revenue during the reference period with your eligible revenue from a previous period
- b. To calculate your revenue drop online, please [click here](#)

4. Have eligible expenses

- a. To apply for CERS, you must have a qualifying property. Only certain expenses you pay for qualifying properties are eligible for CERS
- b. To learn about qualifying properties and which expenses you can claim, [click here](#)

There is also an additional top-up subsidy of 25% for organizations that are temporarily forced to close or have their business activities significantly restricted due to a mandatory public health order issued by a qualifying public health authority.

How to apply:

- Via an [online application process](#).
- **Deadline:** September 25, 2021

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Canada Emergency Wage Subsidy (CEWS)

The federal government will provide up to 75% of an employee's wage (max. \$847 per week) from March 15, 2020 to September 2021.

Eligibility criteria

To be eligible to receive the wage subsidy, you must meet **all three** of the following criteria:

1. Have had a CRA payroll account on March 15, 2020

- a. Even if you didn't have a payroll account on March 15, you may still qualify if
 - i. another person or partnership made remittances on your behalf or
 - ii. you purchased all of another person's or partnership's business assets

2. Be one of the following types of employers:

- a. Individuals
- b. Corporations (or trust) that are not exempt from income tax
- c. Organizations that are exempt from income tax
- d. Registered charities
- e. Partnerships consisting of eligible employers
- f. Prescribed organizations
- g. To read more about who is an eligible employer, please [click here](#)

3. Experienced a drop in revenue

- a. Your drop in revenue is calculated by comparing your eligible revenue during the reference period with your eligible revenue from a previous period
- b. To calculate your revenue drop online, please [click here](#)

Eligible Employees

When applying for CEWS, you will need to know which of your employees can be included in your calculation. You will also need to know how much their pay was. To see a full breakdown of eligible employees, please [click here](#)

How to apply:

- Via an [online application process](#).
- To calculate the amount of subsidy you will receive, please see a full breakdown on the [CEWS subsidy page](#)

Canada Recovery Benefit (CRB)

The federal government will provide \$500 per week for up to 26 weeks. For employees and self-employed individuals who are not eligible for EI, who have been laid-off or are experiencing at least a 50% reduction in their average weekly income due to COVID-19.

Eligibility criteria:

To be eligible to receive the wage subsidy, you must meet **all** of the following criteria:

- You were not employed or self-employed for reasons related to COVID-19 or you had a 50% reduction in your average weekly income compared to the previous year due to COVID-19
- You did not apply for the following: CRSB, CRCB, EI, QPIP, and short-term disability benefits
- You were not eligible for EI
- You reside and are currently present in Canada
- You are at least 15 years old
- You have a valid SIN
- You earned at least \$5,000 in 2019, 2020, or in the 12 months before the date you apply from any of the following sources:
 - employment income
 - net self-employment income
 - maternity and parental benefits from EI or QPIP benefits
- You did not quit or reduce your hours voluntarily
- You were seeking work during the period, either as an employee or self-employment (Note: You may work while receiving the CRB)
- You have not turned down reasonable work during the 2-week period you're applying for

NOTE: The government has announced changes to the eligibility criteria that may deny individuals who traveled internationally from claiming CRB

How to apply:

- Via an [online application process](#)
- To see a breakdown of all the periods you can apply for, please [click here](#)

Note: If your net income is above \$38,000 (excluding CRB), you must reimburse \$0.50 of the benefit for every dollar of net income that you earned above \$38,000.

Canada Recovery Sickness Benefit (CRSB)

The federal government will provide \$500 per week for up to 2 weeks.

For employees and self-employed individuals who have contracted COVID-19, have underlying conditions that make them more vulnerable to COVID-19, or have been advised to self-isolate.

Eligibility criteria

To be eligible to receive the wage subsidy, you must meet **all** of the following criteria:

- You are unable to work at least 50% of your scheduled work week because you are self-isolating for one of the following reasons:
 - You are sick with COVID-19 or may have COVID-19
 - You are advised to self-isolate due to COVID-19
 - You have an underlying health condition that puts you at greater risk of getting COVID-19
- You did not apply for the following: CRSB, CRCB, EI, QPIP, and short-term disability benefits
- You were not eligible for EI
- You reside and are currently present in Canada
- You are at least 15 years old
- You have a valid SIN
- You earned at least \$5,000 in 2019, 2020, or in the 12 months before the date you apply from any of the following sources
 - employment income
 - net self-employment income
 - maternity and parental benefits from EI or QPIP benefits
- You are not receiving paid leave from your employer for the same period

NOTE: The government has announced changes to the eligibility criteria that may deny individuals who traveled internationally from claiming CRB

How to apply:

- Via an [online application process](#)
- To see a breakdown of all the periods you can apply for, please [click here](#)

***A medical practitioner, nurse practitioner, person in authority, the government, and your public health authority can advise you on these reasons.**

Canada Recovery Caretaker Benefit (CRCB)

The federal government will provide \$500 per week for up to 26 weeks. If you are eligible for the CRSB, you can receive \$500 (\$450 after taxes) for a 1-week period. If your situation continues, you will need to apply again. You may apply up to a total of 2 weeks between September 27, 2020, and September 25, 2021

For employees and self-employed individuals who are unable to work because they need to take care of a family member due to COVID-19.

Eligibility criteria

To be eligible to receive the wage subsidy, you must meet **all** of the following criteria:

- You are unable to work at least 50% of your scheduled work week because you are caring for a family member
- You are caring for your child under 12 years old or a family member who needs supervised care because they are at home for one of the following reasons:
 - Their regular care services are unavailable due to COVID-19
 - The person under your care is:
 - Sick with COVID-19 or has symptoms of COVID-19
 - At the risk of serious health complications if they get COVID-19, as advised by a medical professional
 - Self-isolating due to COVID-19
- You did not apply for the following: CRSB, CRCB, EI, QPIP, and short-term disability benefits
- You were not eligible for EI
- You reside and are currently present in Canada
- You are at least 15 years old
- You have a valid SIN
- You earned at least \$5,000 in 2019, 2020, or in the 12 months before the date you apply from any of the following sources
 - employment income
 - net self-employment income
 - maternity and parental benefits from EI or QPIP benefits
- You are not receiving paid leave from your employer for the same period

NOTE: The government has announced changes to the eligibility criteria that may deny individuals who traveled internationally from claiming CRB.

How to apply:

- Via an [online application process](#)
- To see a breakdown of all the periods you can apply for, please [click here](#)

Transition from CERB to Employment Insurance (EI)

Note: As of December 2, 2020, CERB is closed to retroactive applications. You can no longer apply for this benefit

The Government of Canada announced changes to the Employment Insurance (EI) program and new recovery benefits that will better support Canadians.

If you were receiving CERB, you may be eligible for one of the new recovery benefits retroactive to September 27, 2020, and available until September 25, 2021.

- **Canada Recovery Benefit (CRB)**

- The Canada Recovery Benefit (CRB) provides eligible workers with \$500 per week (taxable, deducted at source) for up to 26 weeks for those who are not employed or self-employed due to COVID-19 and not eligible for EI. This also applies to those who had their employment/self-employment income reduced at least 50% due to COVID-19. Learn more about the Canada Recovery Benefit [here](#)

- **Canada Recovery Caregiving Benefit (CRCB)**

- The Canada Recovery Caregiving Benefit (CRCB) will provide \$500 per week (taxable, deducted at source) for up to 26 weeks per household for workers unable to work because they must care for children under 12 or a family member. Learn more about the Canada Recovery Caregiving Benefit [here](#)

- **Canada Recovery Sickness Benefit (CRSB)**

- The Canada Recovery Sickness Benefit (CRSB) will provide \$500 per week (taxable, deducted at source) for a maximum of two weeks, for workers unable to work because they contracted COVID-19, self-isolated for reasons related to COVID, or have underlying conditions. Learn more about the Canada Recovery Sickness Benefit [here](#)

If you received the CERB through Service Canada

After you receive your last CERB payment, continue completing reports. In most cases, you do not need to apply for EI benefits. They will automatically review your file and Record of Employment (ROE), then start a claim for EI regular benefits if you qualify.

If you received the CERB through Canada Revenue Agency (CRA)

You need to receive all your CERB payments before applying for EI benefits. You can apply after the end of your last CERB eligibility period. Visit [EI benefits and leave](#) to determine the correct benefit for your situation and apply online

REDUCED EXPENSES

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Reduced School Tax Rate

The province will reduce school tax rates by 50% for commercial properties (Class 4, 5, 6) for the 2020 tax year to allow for landlords to immediately pass savings onto their tenants in triple-net leases.

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EI Premium Rate Freeze

The federal government is freezing the EI Premium Rate for employees at the 2020 level of \$1.58 per \$100 of insurable earnings for two years.

Employers pay 1.4 times the employee rate. For 2021, the premium rate for employers will also remain unchanged at \$2.21 per \$100 of insurable earnings.

Warning: The above is general information and is not tax or legal advice. The above summary does not provide information on all programs available for BC business owners and does not provide all relevant details of the above programs. You should consult your accounting and legal professional advisors for advice appropriate to your situation. No individual or organization involved in either the preparation or distribution of this content accepts any contractual, tortious, or any other form of liability for its contents or for any consequences arising from its use.

The Vancouver Chinatown Foundation is here for you

Please do not hesitate to email info@chinatownfoundation.org with the subject line "COVID-19 Relief".

Thank you to Baker Tilly Canada Cooperative and KPMG for assisting us in compiling resources and summarising the above information.

Program support from:

華埠基金
VANCOUVER
CHINATOWN
FOUNDATION



Helpful Resources:

Summary of all federal relief from Baker Tilly

<https://www.bakertilly.ca/en/btc/publications/table-support-for-businesses>

MNP COVID-19 Business Advice Centre

<https://www.mnp.ca/en/covid-19>

Information and Portal for Canada Emergency Commercial Rent Assistance (CECRA) from CMHC

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

Canada Emergency Response Benefit FAQ from the Government of Canada

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

COVID-19 Business Resources by Vancouver Economic Commission

<https://www.vancouvereconomic.com/covid-19-business-resources/>

COVID-19: Support for Small Businesses by the BC Government

https://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/small-business/covid-19_small_business_supports.pdf

Additional Support for Canadian Businesses by CRA

<https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html>

Top 10 Questions Businesses are asking about the New Canada Emergency Rent Subsidy (CERS) from RBC

<http://click.website.rbc.com/?qs=e1bd6edf8689580220f4c50d7133bee11de8f26fb20102799f8e6ba0551d90831917f33bf1e194eb4e999b5cdbff2fd02113e2305cc99704>

You can call an advisor at Small Business BC at [1-800-667-2272](tel:1-800-667-2272). Services are available in Cantonese, Mandarin, and Vietnamese.