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## RECOMMENDATIONS FOR BUSINESS CONTINUITY DURING COVID-19 OUTBREAK

We understand that many of our clients and business partners are evaluating the impact of COVID-19 on their businesses. While the direct impact may be uncertain for many of us, below are considerations to help you navigate any impact.

### 1. **Develop a business continuity plan in the event of non-essential business closures.**

- a. Assess remote options and capability.  
Identify who is permitted to work remotely. If a current policy is not in place, identify remote work processes.
- b. Review essential staff that are necessary to be physically present.  
Staff that are not required to be present in a location should be permitted to work from home so long as the capabilities are in place. Traveling should be restricted for any unnecessary employee travel.
- c. Contact customers.  
Advise customers of what is happening, who they can contact, and any anticipated interference with regular purchasing/selling, project deadlines, etc.

### 2. **Communicate with and prepare a workforce plan.**

- a. Develop 30-day and 60-day plans to address potential closures, staff absences.  
Consider the impact of House Bill “Families First Coronavirus Response Act” (“FFCRA”). Access [here](#) for a description of FFCRA. Assess and identify the minimum staffing levels required for each department to sustain necessary business functions and operations.
- b. Develop a layoff plan.  
If necessary, determine the criteria if layoffs become necessary and a priority of layoffs.

### 3. **Review business contracts.**

- a. Review and consider customer needs and contractual obligations and rights (including the impact of “Force Majeure” provisions which address unforeseeable circumstances preventing a party from fulfilling a contract).
- b. Consider whether projects should be deferred and/or renegotiate compliance timelines.

- c. Proactively engage with necessary suppliers to determine if they will be able to meet ongoing demands. If they are unable to continue meeting demands, consider renegotiating terms of agreements.
- d. Proactively engage with customers to determine if their ongoing needs are going to increase or decrease and if you will be able to meet those demands.

**4. Consider liquidity needs and talk to your lender about short term loans.**

- a. Several large banks are initiating programs to assist businesses.
- b. For businesses that are unable to receive credit elsewhere, the U.S. Small Business Administration (SBA) is offering loans for working capital to businesses that have endured substantial economic hardship due to COVID-19. These loans, known as Economic Injury Disaster Loans, can provide up to \$2 million in funding for a small business. Proceeds of these loans may be used to pay fixed debts, payroll, accounts payable and other bills that cannot be paid because of the disaster's impact. Interest is 3.75% for small for-profit businesses, 2.75% for non-profit enterprises. The SBA has more information regarding Economic Injury Disaster Loans [here](#).
- c. Additionally, the Pennsylvania Department of Community and Economic Development may have additional lending options which could assist businesses during this time.

**5. Consider refinancing current debt.**

- a. The Federal Reserve recently cut interest rates by one percent (1%). With interest at historically low rates, consider refinancing or entering into a rate swap (if allowable by your lender and loan documents).

BCGL's Business Law Team of Ted L. Brubaker and Ryan C. Givens are available to assist you with are available to answer any questions you may have about coronavirus strategies.