



COVID-19 Tax Information Session for Restaurant Owners

April 12, 2021

Agenda

- 1.** Government Program Overview
 - State of Restaurant Industry During Pandemic
 - Federal and Provincial COVID Relief Measures
- 2.** Case Study
- 3.** Lessons Learned and Future Considerations
- 4.** Tax Planning and Deadlines
- 5.** Other Tax FAQs

I. State of Restaurant Industry During Pandemic

Restaurants During Pandemic

Here are some things affecting the Restaurant Industry:

Financial	Operational/Business Disruptions
Restrictions on indoor dining, operating hours, and service restrictions resulting in revenue loss	Business disruptions, fluctuations, and lack of certainty caused by forced shutdowns
Restaurant owners do not have the time to deal with their bookkeeping and finances to keep up with fluctuations (staffing needs, inventory, paying for expenses like rent, etc.)	Restaurants forced to go digital (Shopify, Uber Eats, DoorDash, etc.)
PPE Requirements forced restaurants to invest in PPE equipment	Restaurant owners are operating with less staff to save costs



Different Government Programs Available to Solve Problems Restaurants are Facing

Federal Government Measures

Financial Support

1. Canada Emergency Wage Subsidy
2. Canada Emergency Rent Subsidy
3. Canada Emergency Business Account (CEBA) Interest-Free Loan
4. Highly Affected Sectors Credit Availability Program (HASCAP)
5. Loan Guarantees and Co-Lending Programs
6. Black Entrepreneurship Loan Fund
7. Canada Recovery Benefit (CRB)

Ontario Government Measures

Financial Support

1. Ontario Small Business Support Grant
2. Ontario's Main Street Relief Grant: PPE support
3. Property tax and energy cost rebates

Operational Support

1. Digital Main Street platform
 - ShopHERE
 - Future Proof
 - Digital Transformation Grants
 - Free Resources and Online Courses

III. Federal Government Programs

Federal Government Programs for Businesses

Program Name	Maximum Benefit	Deadlines	Resources & How to Apply
1. Canada Emergency Wage Subsidy (CEWS) <ul style="list-style-type: none">• Wage subsidy• Subsidy calculated based on revenue decline by comparing to pre-COVID revenues.• Further extensions possible due to continued lockdowns.• Most operating restaurants should qualify for this subsidy.• Benefits are taxable.	<ul style="list-style-type: none">• Maximum subsidy of 75% of wages.	<ul style="list-style-type: none">• Ongoing• Subsidy extended until June 5, 2021.• See slide 34	<p>The rules are complicated, so please refer to the resources below before applying:</p> <ol style="list-style-type: none">1. CRA Landing Page2. CRA Online Calculator3. Guide to help you with the application4. Technical Guide and FAQs <p>Practical Resources Published by this Panel:</p> <ol style="list-style-type: none">1. Impact CPAs COVID-19 Government Assistance Guide2. LRK Tax - The Updated CEWS: 10 Things You Need to Know with Real-Life Examples3. LRK Tax - VIDEO: 10 Things You Need to Know About CEWS 2.0 - Part 14. LRK Tax - VIDEO: 10 Things You Need to Know About CEWS 2.0 - Part 2 (Real Life Example Walkthrough)

Federal Government Programs for Businesses

Program Name	Maximum Benefit	Deadlines	Resources & How to Apply
2. Canada Emergency Rent Subsidy (CERS) <ul style="list-style-type: none">• Subsidize rent, mortgage interest, insurance, and property taxes• Subsidy calculated based on revenue decline by comparing to pre-COVID revenues.• Further extensions possible due to continued lockdowns.• Most restaurants should qualify for this subsidy.• Benefits are taxable.	<ul style="list-style-type: none">• Maximum subsidy of 90%.	<ul style="list-style-type: none">• Ongoing• Subsidy extended until June 5, 2021.• See slide 36	<p>The rules are complicated, so please refer to the resources below before applying:</p> <ol style="list-style-type: none">1. CRA Landing Page2. CRA Online Calculator3. Guide to help you with the application <p>Resources Published by this Panel:</p> <ol style="list-style-type: none">1. Impact CPAs COVID-19 Government Assistance Guide2. LRK Tax: Canada Emergency Rent Subsidy (CERS) Q&A3. LRK Tax: Detailed Commentary on the Canada Emergency Rent Subsidy (CERS)

Federal Government Programs for Businesses

Program Name	Maximum Benefit	Deadlines	Resources & How to Apply
3. Canada Emergency Business Account (CEBA) Loan <ul style="list-style-type: none">• Interest-free, partially forgivable, loans of up to \$60,000.• Maximum \$20,000 forgivable if \$40,000 repaid by December 31, 2022.• To be eligible need apply via Payroll Stream or Non-Deferrable Expense Stream• Business must be facing financial hardship (including, for example, a continued decline in revenue or cash reserves, or an increase in operating costs) as a result of the COVID-19 pandemic.• Payroll Stream: Must have at least \$20,000 of payroll in 2019.• Non-Deferrable Expense Stream: Must have eligible non-deferrable expenses between \$40,000 to \$1.5 Million (i.e., rent, property tax, utilities, insurance, payments to contractors as a result of contract entered into as at March 1, 2020 and that cannot be deferred beyond 2020).• Most restaurants should qualify for this subsidy.• Forgivable portion is taxable in the year the loan is received.	<ul style="list-style-type: none">• \$60,000 interest-free loan.• \$20,000 forgivable if repaid by December 31, 2022.• See slide 38	<ul style="list-style-type: none">• June 30, 2021	<p>The rules are complicated, so please refer to the resources below before applying:</p> <ol style="list-style-type: none">1. CEBA Landing Page <p>Resources Published by this Panel:</p> <ol style="list-style-type: none">1. Impact CPAs COVID-19 Government Assistance Guide2. CEBA \$20,000 extension – BEWARE!

Federal Government Programs for Businesses

Program Name	Maximum Benefit	Deadlines	Resources & How to Apply
4. Highly Affected Sectors Credit Availability Program (HASCAP) <ul style="list-style-type: none">Provides businesses heavily impacted by COVID-19, access guaranteed, low-interest loans of \$25,000 to \$1 million to cover operational cash flow needs.BDC will provide 100% guarantees up to \$1 million.Restaurants could qualify for this subsidy.Apply through your primary bank.	<ul style="list-style-type: none">\$25,000 to \$1 million low-interest loan to pay for immediate operating expenses.	June 30, 2021	<p>The rules are complicated, so please refer to the resources below before applying:</p> <ol style="list-style-type: none">HASCAP Landing PageFact Sheet

Federal Government Programs for Businesses

Program Name	Deadlines/Key Dates	Resources & How to Apply
5. Black Entrepreneurship Loan Fund <ul style="list-style-type: none">• Support to Black business owners and entrepreneurs through the Black Entrepreneurship Loan Fund that will provide loans of between \$25,000 and \$250,000.	Applications begin May 2021	Black Entrepreneurship Program Landing Page
6. Loan Guarantees and Co-Lending Programs <ul style="list-style-type: none">• Loan Guarantee for Small and Medium-Sized Enterprises<ul style="list-style-type: none">◦ Export Development Canada (EDC) is working with banks to guarantee 80% of new operating credit and cash flow term loans to small and medium-sized enterprises (SMEs).• Co-Lending Program<ul style="list-style-type: none">◦ Through the Business Credit Availability Program, Business Development Canada (BDC) is working with financial institutions to co-lend term loans of up to \$6.25 million to SMEs for their operational cash flow requirements.	Available until June 2021.	EDC Business Credit Availability Program (BCAP) Guarantee Co-Lending Program

Federal Government Programs for Individuals

Program Name	Deadlines/Key Dates	Resources & How to Apply
1. Canada Recovery Benefit (CRB) <ul style="list-style-type: none">• \$500 (\$450 after taxes withheld) per week for up to 38 weeks for workers who are:<ul style="list-style-type: none">○ not employed or self-employed for reasons related to COVID-19, or○ have had their income reduced by at least 50% due to COVID-19• If you earn more than \$38,000 net income in the calendar year, you will need to reimburse some or all of the benefit at tax time. You will have to reimburse \$0.50 of the CRB for every dollar of net income you earned above \$38,000 on your income tax return• If you make more than \$42,000 you have to pay back your CRB.	Ongoing Program ends September 25, 2021.	CRB Landing Page
2. Canada Recovery Sickness Benefit (CRSB) <ul style="list-style-type: none">• \$500 (\$450 after taxes withheld) per week for up to a maximum of four weeks, for workers who are unable to work for at least 50% of the week because they contracted COVID-19 or need to self-isolate.	Ongoing Program ends September 25, 2021.	CRSB Landing Page
3. Canada Recovery Caregiving Benefit (CRCB) <ul style="list-style-type: none">• \$500 (\$450 after taxes withheld) for up to 38 weeks per household for workers:<ul style="list-style-type: none">○ unable to work for at least 50% of the week because they must care for a child under the age of 12 or family member because schools, day-cares or care facilities are closed due to COVID-19○ because the child or family member is sick and/or required to quarantine.	Ongoing Program ends September 25, 2021	CRCB Landing Page

III. Ontario Government Measures

Ontario Government Programs for Businesses

Program Name	Deadlines	Resources & How to Apply
1. Ontario Small Business Support Grant <ul style="list-style-type: none">The grant is meant to help small businesses that were required to close or significantly restrict services under the Province wide Shutdown effective December 26, 2020 (i.e., Restaurants and Bars).Initially, grant was \$10,000 to \$20,000 (1st round).Government is offering a 2nd round of grants of an additional \$10,000 to \$20,000.So, total grant of \$20,000 to \$40,000.Good News: If you qualified for the 1st round, you will automatically qualify for the 2nd round.Benefits are taxable.	Application closed on April 7, 2021. (Possible extension?)	<p>The rules are complicated, so please refer to the resources below before applying:</p> <ol style="list-style-type: none">Apply hereUser Application Guide

Ontario Government Programs for Businesses

Program Name	Deadlines	Resources & How to Apply
2. Ontario's Main Street Relief Grant: PPE support <ul style="list-style-type: none">The Ontario government is helping eligible small businesses with the unexpected costs of personal protective equipment (masks, gloves, plexiglass dividers, etc.) with one-time grants of up to \$1,000.	Application closed on April 7, 2021 .	Apply here More information Resources Published by this Panel: 6 Benefits Announced in the 2021 Ontario Budget to Help You Emerge from the Pandemic
3. Property tax and energy cost rebates <ul style="list-style-type: none">Businesses that are, or were, required to shut down or significantly restrict services due to provincial public health measures can apply for rebates, provided in the form of grants, to help with their property tax and energy costs.	Open (Possible extension?)	Apply here More information Resources Published by this Panel: 6 Benefits Announced in the 2021 Ontario Budget to Help You Emerge from the Pandemic

Ontario Government Programs to Help Businesses Go Online

Program Name	Resources & How to Apply
<p>ShopHERE: creates online stores for independent small businesses and artists at no cost. Here are some of the program benefits:</p> <ul style="list-style-type: none">• free 1:1 support with building and launching an online store• advertising credits for Facebook and Google• free .CA domain registration	<p>More information</p> <p>Resources Published by this Panel: LRK Tax - 6 Benefits Announced in the 2021 Ontario Budget to Help You Emerge from the Pandemic</p>
<p>Future Proof: Future Proof is a program that assists businesses with identifying new markets, pivoting their business model, and developing and implementing a deep digital transformation plan.</p>	<p>More information</p> <p>Resources Published by this Panel: LRK Tax - 6 Benefits Announced in the 2021 Ontario Budget to Help You Emerge from the Pandemic</p>
<p>Digital Transformation Grants are now closed for application, but the government may restart some of the grants with the additional injection.</p>	<p>More information</p> <p>Resources Published by this Panel: LRK Tax - 6 Benefits Announced in the 2021 Ontario Budget to Help You Emerge from the Pandemic</p>
<p>Free Resources and Online Courses on Digital Transformation and marketing.</p>	<p>More information</p> <p>Resources Published by this Panel: LRK Tax - 6 Benefits Announced in the 2021 Ontario Budget to Help You Emerge from the Pandemic</p>

IV. Case Study

Case Study: JM Café

JM Café

- Mary owns **JM Café Inc** a well-known Café in Scarborough, ON.
- JM Café was very successful before COVID-19, but because of the lock-downs, the business has been struggling.
- JM Café pays **\$10,000** monthly for **rent**.
- It is now March 2021, things are looking brighter but business is still down.
- In **March 2019**, revenues were **\$100,000**.
- In **March 2021**, revenues were **\$50,000** due to restrictions on indoor dining.
- The restaurant invested **\$5,000** to purchase masks, gloves, hand-sanitizers, and glass-dividers during the pandemic.

John

- John is Mary's husband.
- John works as a fitness instructor at a local gym. Because of COVID, his hours have been significantly reduced and only earns 30% of what he did prior to COVID.



Case Study: JM Café

Available Subsidies | Overview

Relief	Amount
Federal	\$
1. CEWS (April)*	\$3,680
2. CERS (April)*	\$6,500
3. CEBA Loan (\$20,000 forgivable)	\$60,000
4. CRB (10% withholding tax applies)	\$2,000
Total Support	\$72,180

Relief	Amount
Ontario	\$
5. Ontario Small Business Support Grant	\$40,000
6. Ontario's Main Street Relief Grant: PPE support	\$1,000
Total Support	\$41,000



Case Study

I. Federal Government Support for JM Café

1. Canada Emergency Wage (CEWS) Subsidy | 5 Steps

- Revenue decline for March 2021 (\$100,000) vs. March 2019 (\$50,000) was 50%
- Because JM Café's revenue declined compared to March 2019, it qualifies for the wage subsidy.
- Step 1:** Mary visits the [following website](#) to apply for the subsidy for the **March 14, 2021 to April 10, 2021 Period (Period 13)**.
- Step 2:** The **CEWS subsidy rate is 40%** (50% x 0.8 base factor)
- Step 3:** Using the [Online Calculator](#), Mary enters information about her employees' weekly salaries.

	Eligible Remuneration Paid (\$)				
	Week 1	Week 2	Week 3	Week 4	Total
List of eligible employees	March 14, 2021 to March 20, 2021	March 21, 2021 to March 27, 2021	March 28, 2021 to April 3, 2021	April 4, 2021 to April 10, 2021	
Mark	\$500.00	\$500.00	\$500.00	\$500.00	\$2,000.00
Michelle	\$800.00	\$800.00	\$800.00	\$800.00	\$3,200.00
Mary	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$4,000.00
Total	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00	\$9,200.00

- Step 4:** The [Online Calculator](#), computes that JM Café is eligible for a \$3,680 subsidy.
- Step 5:** Mary [applies](#) for the CEWS online, and a few days later the money was deposited into her bank account.

$$\text{CEWS Subsidy} = \$9,200 \times 40\% = \$3,680$$



Case Study

Federal Government Support (Cont'd)

2. Canada Emergency Rent (CERS) Subsidy | 5 Steps

- Revenue decline for March 2021 (\$100,000) vs. March 2019 (\$50,000) was 50%
- Because JM Café's revenue declined compared to March 2019, it qualifies for the rent subsidy.
- Step 1:** Mary visits the [following website](#) to apply for the subsidy.
- Step 2:** The **CERS subsidy rate is 40%** ($50\% \times 0.8$ base factor)
- Step 3:** Using the [Online Calculator](#), Mary enters information about her rent and lock-down dates. Toronto has been locked down since December 26, 2020.

CERS Subsidy = \$6,500

Period 7: Summary of CERS calculation	
Maximum expenses	\$10,000.00
Rent subsidy rate	x 40.00%
Base Canada Emergency Rent Subsidy	= \$4,000.00
Lockdown support (subsidy top-up) amount	+ \$2,500.00
Total Canada Emergency Rent Subsidy (65%)	\$6,500.00

- Step 4:** The [Online Calculator](#), computes that JM Café is eligible for a \$6,500 subsidy.
- Step 5:** Mary [applies](#) for the CEWS online, and a few days later the money was deposited into her bank account.



Case Study

Federal Government Support (Cont'd)

3. Canada Emergency Business Account (CEBA) Loan

- Mary applies for the CEBA under the **Payroll Stream** as JM Café had salaries of at least \$20,000 in 2019.
- Mary visits her Bank Website to apply for the CEBA.
- Mary receives an interest-free loan of **\$60,000**.
- \$20,000 would be forgiven if she repays the loan by December 31, 2022.

CEBA Loan = \$60,000



Case Study

Federal Government Support (Cont'd)

4. Canada Recovery Benefit (CRB)

- Since John had at least a 50% reduction in his average weekly income compared to the previous year due to COVID-19, he applies for the CRB.
- John applies for the CRB for periods:
 - March 14, 2021 to March 27, 2021 (\$1,000)
 - March 28, 2021 to April 10, 2021 (\$1,000)
- John receives \$1,000 per each application for a total of \$2,000.

CRB = \$2,000



Case Study

Ontario Government Support

1. Ontario Small Business Support Grant

- JE Café was subject to the Provincewide Shutdown effective 12:01 a.m. on December 26, 2020
- JE Café had a minimum of 20% revenue decline comparing April 2020 to April 2019 revenues
- **Application:** Mary visits the [following website](#) to apply for the subsidy.
 - \$20,000 Round 1
 - \$20,000 Round 2
- Total grant of **\$40,000** under this program.

Ontario Small Business Support Grant =
\$40,000



Case Study

Ontario Government Support (Cont'd)

2. Ontario's Main Street Relief Grant: PPE support

- JE Café purchased gloves, gowns, face shields, eye protection, masks, sanitizer, sanitizing wipes during the pandemic.
- Since JE Café was in the accommodation and food services and is a small business (2 to 19 employees), it qualifies for the grant.
- **Application:** Mary visit visits the [following website](#) to apply for the **\$1,000 grant** to help with PPE purchases

Ontario's Main Street Relief Grant:
PPE support
= \$1,000



Case Study

Total Support

Relief	Amount
CEWS (April)*	\$3,680
CERS (April)*	\$6,500
CEBA (\$20,000 forgivable)	\$60,000
CRB	\$2,000
Ontario Small Business Support Grant	\$40,000
Ontario's Main Street Relief Grant: PPE support	\$1,000
Total Support	\$113,180

- Can apply for previous months as well starting from **Period 8: September 27 to October 24, 2020**; the deadline to apply for Period 8 is **April 22, 2021**.

Future Consequences

- Repaying CEBA Loan
- Future CRA audits for programs like CEWS, CERS, and CEBA Loan
- Paying taxes on the government grants.
- Utilizing losses in future years to reduce future taxes
- Federal Government Budget Released **April 19, 2021, at approximately 4:00 p.m. ET**

Tax Deadline Relief Coming?

- So far, no extensions announced for 2021 Tax Deadlines.
- There is personal tax interest relief (until April 30, 2022) for individuals with taxable income of **\$75,000 or less in 2020** and have received income support in 2020 through one or more of the following COVID-19 measures:
 - Canada Emergency Response Benefit (CERB);
 - Canada Emergency Student Benefit (CESB);
 - Canada Recovery Benefit (CRB);
 - Canada Recovery Caregiving Benefit (CRCB);
 - Canada Recovery Sickness Benefit (CRSB);
 - Employment Insurance benefits; or
 - Similar provincial emergency benefits.
- CPA Canada continues to communicate with the CRA on the need for tax deadline relief with a focus on the April 30 deadline for personal tax returns.
- We also understand that many of you are concerned about the June 30 deadline for corporate tax returns for corporations that have a December 31 year end.

V. Lessons Learned

Lessons Learned

Businesses with Good Record Keeping Were Able to Weather the Storm Better

- Businesses that kept good record keeping were able to react fast and apply for subsidies to keep doors open.
- They were also able to come to good business decisions faster.

Businesses with GOOD record-keeping	Businesses with BAD record-keeping
Fast at applying for government programs b/c they had real-time data about: <ul style="list-style-type: none">• Revenues• Wage amounts• Cash flows• peak times of the week, month and year• Manage stock well to avoid waste	Late or missed applying for government programs b/c the bookkeeping process was too long and manual.
Better managed cash flows (collections and payables) <ul style="list-style-type: none">• Data on which products were selling better due to online/phone orders vs. dine-in	Were not able to manage cash flows properly (expenses) Busy dealing with COVID, no time for keeping books up to date.
Filed tax returns on time to get refunds back earlier and provide banks with financial statements for loans.	Filed tax returns late, resulting in cash tied up with CRA.
Audit-proof <ul style="list-style-type: none">• With so much government spending, accountants are predicting that the CRA will increase audit activity. It is important to bank up your documents so you can retrieve them in the event of CRA Audit.	Not Audit Proof <ul style="list-style-type: none">• With so much government spending, accountants are predicting that the CRA will increase audit activity. It is important to bank up your documents so you can retrieve them in the event of CRA Audit.

Tools to Modernize your Accounting Process

Now is the Time to Rethink Bookkeeping | Consider using Cloud Accounting Software

- Cloud accounting also helps you automate manual data entry saving you time to focus on your business.
- Xero for example ties in with your accounting software, providing you real-time data on a day-by-day basis.
- Apps like Xero and WagePoint.
- Access to business data anywhere!

Step 1: Subscribe for cloud accounting software (Xero)



Step 2: You connect your banking transactions to Xero.

Step 3: Store all your invoices and receipts online using Hubdoc.



Tools to Modernize your Payroll

Now is the Time to Rethink Bookkeeping | Consider using Cloud Accounting Software

- Keeping track of your employees' shifts and work hours is crucial to keeping your labor costs affordable.
- WagePoint and Rise offer cost effective automated solutions to Payroll.

Step 1: Set up your business on the Wagepoint or Rise.



Step 2: Set up your employees' details.



Step 3: Process payroll with one click.



Step 4: Relax!



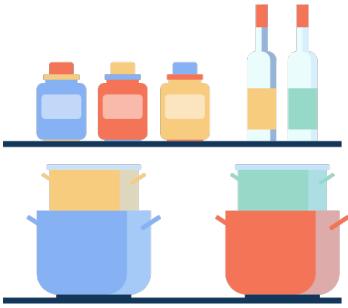
VI. Program FAQs

The following is a high-level overview of the various COVID Relief programs available to Ontario-based restaurants.

1. Canada Emergency Wage Subsidy (CEWS)



What is it?	<ul style="list-style-type: none">Subsidy to cover part of your employee wages.Maximum subsidy of 75% of wages based on weekly wages in the claim period (see next slide for claim periods)Refer to Impact CPAs COVID-19 Government Assistance Guide for a detailed discussion (pages 7 to 15)
Purpose?	<ul style="list-style-type: none">Enables you to re-hire workers, help prevent further job losses, and ease your business back to normal.
How do I qualify?	<ul style="list-style-type: none">Generally, if you have drop in revenues compared to pre-COVID times, your business should qualify.
Relevance to Restaurants	<ul style="list-style-type: none">Very relevant!Our experience is that most operating restaurants with employees (even owners who are drawing salaries from their restaurants) qualify for this subsidy.
Available to individuals and corporations?	<ul style="list-style-type: none">Available to sole proprietors, partnerships, and corporations.
Are the benefits taxable?	<ul style="list-style-type: none">Yes, the CEWS subsidy is taxable in the period that the subsidy relates to.
Supporting documents	<ul style="list-style-type: none">Revenue calculations to prove your revenue declined compared to pre-COVID monthsWeekly payroll details for your employeesDocuments to support revenue calculation (bank statements, deposits, sales reported in your POS terminal)



1. Canada Emergency Wage Subsidy (CEWS)

Application Deadlines

Claim period	Deadline to Apply
Period 8 – September 27 to October 24, 2020	Thursday, April 22, 2021
Period 9 – October 25 to November 21, 2020	Thursday, May 20, 2021
Period 10 – November 22 to December 19, 2020	Thursday, June 17, 2021
Period 11 – December 20, 2020 to January 16, 2021	Thursday, July 15, 2021
Period 12 – January 17 to February 13, 2021	Thursday, August 12, 2021
Period 13 – February 14 to March 13, 2021	Thursday, September 9, 2021
Period 14 – March 14 to April 10, 2021	Thursday, October 7, 2021
Period 15 – April 11 to May 8, 2021	Thursday, November 4, 2021
Period 16 – May 9 to June 5, 2021	Thursday, December 2, 2021



2. Canada Emergency Rent Subsidy (CERS)

What is it?	<ul style="list-style-type: none">Helps businesses pay for:<ul style="list-style-type: none">rent,property taxes,mortgage interest, andinsurance for premises used to operate their businessRent Subsidy: Maximum subsidy of 65%.Lock-Down Support: Businesses forced to lock-down can qualify for an additional 25% subsidy.Total subsidy could be up to 90% (65% + 25%).Refer to Impact CPAs COVID-19 Government Assistance Guide for a detailed discussion (pages 17 to 18)
How do I qualify?	<ul style="list-style-type: none">Generally, if you have drop in revenues compared to pre-COVID times, your business should qualify.Very relevant!
Relevance to Restaurants	<ul style="list-style-type: none">Our experience is that most restaurants and bars should qualify for this subsidy.
Available to individuals and corporations?	<ul style="list-style-type: none">Available to sole proprietors, partnerships, and corporations.
Are the benefits taxable?	<ul style="list-style-type: none">Yes, the CERS subsidy is taxable in the period that the subsidy relates to.



2. Canada Emergency Rent Subsidy (CERS)

Application Deadlines

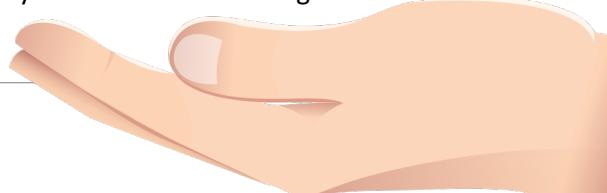
Claim period	Due date
Period 1 – September 27 to October 24, 2020	Thursday, April 22, 2021
Period 2 – October 25 to November 21, 2020	Thursday, May 20, 2021
Period 3 – November 22 to December 19, 2020	Thursday, June 17, 2021
Period 4 – December 20, 2020 to January 16, 2021	Thursday, July 15, 2021
Period 5 – January 17 to February 13, 2021	Thursday, August 12, 2021
Period 6 – February 14 to March 13, 2021	Thursday, September 9, 2021
Period 7 – March 14 to April 10, 2021	Thursday, October 7, 2021
Period 8 – April 11 to May 8, 2021	Thursday, November 4, 2021
Period 9 – May 9 to June 5, 2021	Thursday, December 2, 2021



3. Canada Emergency Business Account (CEBA) Loan



What is it?	<ul style="list-style-type: none">Partially forgivable, loans of up to \$60,000.
What is the interest?	<ul style="list-style-type: none">0% interest until December 31, 20225% interest starting on January 1, 2023
When is the principal due?	<ul style="list-style-type: none">No principal payments required before December 31, 2022If loan remains outstanding after December 31, 2022, only interest is requiredFull principal is due on December 31, 2025
How much is forgiven?	<ul style="list-style-type: none">25% of the loan balance is forgiven if repaid on or before December 31, 2022Maximum forgiven portion is \$20,000 on a loan of \$60,000.If you repay \$40K before Dec 31, 2022, the remaining \$20K is forgiven.
Are the benefits taxable?	<ul style="list-style-type: none">Taxed in the year that the loan is received instead of the year that the loan is forgiven.



4. Canada Emergency Business Account (CEBA) Loan

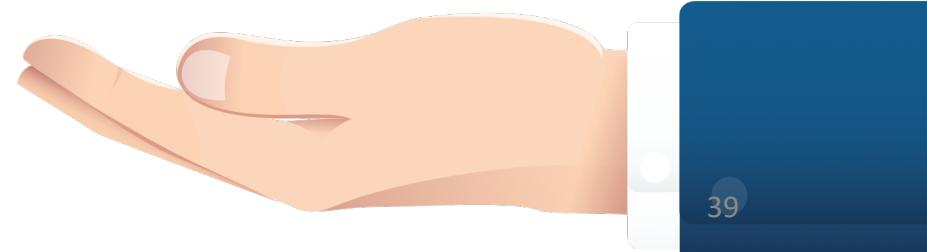


Who qualifies?

- An active operating business that is a **sole proprietorship, partnership or a Canadian-controlled private corporation (“CCPC”)**
- Operation in Canada on March 1, 2020.
- Has an active **CRA Business Number (BN)** on or before March 1, 2020.
- Has an **active business bank account** with a bank.
- Intends to **continue to operate its business or to resume operations**.

Eligibility?

- See next Slide



4. Canada Emergency Business Account (CEBA) Loan



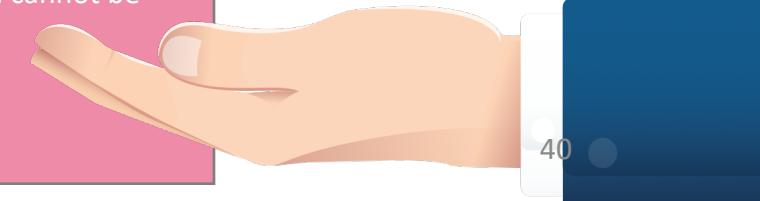
- CEBA applicants must apply through one of the two streams below:

I. Payroll Stream

- Employment expenses in the 2019 calendar year between **\$20,000** and **\$1,500,000**

II. Non-Deferrable Expense Stream

- non-deferrable expenses between **\$40,000** and **\$1,500,000**
 - rent
 - property taxes
 - utilities
 - Insurance
 - Payments for materials
 - Independent contractor fees
- Expenses are considered “**Eligible Non-Deferrable Expenses**” if already incurred in January and/or February 2020, or are due to a legal or contractual obligation as at March 1, 2020 and cannot be avoided or deferred beyond 2020.



5. The Highly Affected Sectors Credit Availability Program (HASCAP)

What is it?	<ul style="list-style-type: none">Provides businesses heavily impacted by COVID-19, access guaranteed, low-interest loans of \$25,000 to \$1 million to cover operational cash flow needs.
Do Restaurants Qualify?	<ul style="list-style-type: none">Yes, available to businesses that operate in sectors such as tourism and hospitality, restaurants and those that primarily rely on in-person services.
What are the terms?	<ul style="list-style-type: none">Benefit from a 4% interest rate and a repayment term of up to 10 years.Up to 12-month postponement on principal repayments at the start of the loan.
Deadline to apply?	<ul style="list-style-type: none">The HASCAP Guarantee is available until June 30, 2021.
How to Apply?	<ul style="list-style-type: none">Contact your primary financial institution.The Government has mandated Business Development Bank of Canada (BDC) to provide a guarantee to your financial institution for 100% of the value of a new term loan, to increase your company's ability to access new credit.

5. The Highly Affected Sectors Credit Availability Program (HASCAP)

Eligibility Requirements	<ul style="list-style-type: none">• Business must be Canadian based.• Business must have been financially stable and viable prior to the current economic situation.• Business must have received either the Canada Emergency Subsidy (CEWS) or the Canada Emergency Rent Subsidy (CERS) by having a minimum 50% revenue decline for at least 3 months (not necessarily consecutive) within the 8 month period prior to the date of the HASCAP Guarantee application.• If your business does not qualify for CEWS and CERS, but otherwise meets all HASCAP eligibility criteria, you must provide financial statements that reflect at least three months (not necessarily 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.• The loan will be used to continue or resume operations.• The loan cannot be used to pay or refinance existing debts.• Other conditions may also apply.
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6. Ontario Small Business Support Grant

What is it?	<ul style="list-style-type: none">• \$20,000 to \$40,000 grant meant to help small businesses that were required to close or significantly restrict services under the Provincewide Shutdown effective December 26, 2020.• Two Rounds (up to \$20,000 per round)• Businesses that received the grant in the 1st round should automatically qualify for the same grant as part of the 2nd grant.
Do Restaurants Qualify?	<ul style="list-style-type: none">• Yes
Who Qualifies?	To receive the grant, a small business must: <ul style="list-style-type: none">• be required to close or significantly restrict services due to the Provincewide Shutdown effective 12:01 a.m. on December 26, 2020• have less than 100 employees, and• have experienced a minimum of 20% revenue decline comparing April 2020 to April 2019 revenues.
Deadline to apply?	<ul style="list-style-type: none">• April 7, 2021 at 11:59 p.m. EST
How to Apply?	<ul style="list-style-type: none">• Online (click here to apply)

7. Ontario's Main Street Relief Grant: PPE support

What is it?	<ul style="list-style-type: none">Eligible small businesses will get one-time grants of up to \$1,000 to purchase PPE
Do Restaurants Qualify?	<ul style="list-style-type: none">Yes
Who Qualifies?	<p>To be eligible, your business must have 2 to 19 employees and be in one of the following sectors:</p> <ul style="list-style-type: none">retailaccommodation and food servicesrepair and maintenancepersonal and laundry servicesgyms and yoga studiosarts, entertainment and recreation
Deadline to apply?	<ul style="list-style-type: none">April 7, 2021 at 11:59 p.m. EST
How to Apply?	<ul style="list-style-type: none">Online (click here to apply)
Documentation	<ul style="list-style-type: none">You will need to submit receipts or proof of costs for PPE purchased since March 17, 2020.

Thanusan Raveendran

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Thanusan is one of the founders at [LRK Tax LLP](#), a CPA firm servicing small businesses across Ontario. LRK Tax has offices in Markham and Waterloo.

As a small business owner himself, Thanusan loves helping small businesses grow while making accounting and taxes pain-free for the owners. Thanusan is passionate about giving business owners and entrepreneurs timely data about all aspects of their business so they can make sound business decisions. Thanusan enjoys working with his team to create content and templates to share with the business community at [lrktax.ca/blog](#).

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**Thanks to local
restaurant owners
for feeding the
community during
these tough times.**