

## Legal Considerations for Your Business during a Pandemic: Responding to COVID-19

In a matter of weeks, the COVID-19 pandemic has impacted the world and forced communities to reevaluate everything. Despite the unpredictability that has accompanied this global crisis, it is not too late to implement changes to protect you, your employees, and your business. Here are some tips and strategies to help you navigate these challenges and the ones to come.

- 1. Participate In and Promote Social Distancing Practices.** The Centers for Disease Control and Prevention has recommended that employers “explore establish[ing] policies and practices, such as flexible worksites (e.g., telecommuting) and flexible work hours (e.g., staggered shifts), to increase the physical distance among employees and between employees and others.”<sup>1</sup> At the time of this writing, the President has discouraged gatherings of more than ten individuals. As an employer, creating a safe and healthy environment is critical for your company’s success. Thus, employers must work toward complying with the guidance provided by local and federal leaders. Be sure to maintain the cleanliness and sanitization of any facilities where your business operates. Failure to maintain safe environments could result in loss of the goodwill you have already established within your community.
- 2. Review Contractual Obligations.** Given the widespread economic impact of this pandemic and the sweeping restrictions that many businesses and individuals face, it is quite likely that various contractual obligations will be in question. Consequently, you should review your various contracts to determine (1) the extent to which the spread of COVID-19 has impacted either party’s ability to complete tasks, (2) whether the contract has provisions that address potential delays, and (3) how a party may terminate or require performance of the contract. This may specifically involve reviewing the common force majeure provision. Upon review, you may find that you need to reach out to the other party to the contract to figure out how to best proceed. Please bear in mind that termination of the contract is likely not required or even the best step to take. The country and the world as a whole are facing similar challenges, which can open up opportunities for greater collaborative problem-solving. The contracts in question may need to be revised to reflect a new joint decision made by both parties given the extenuating circumstances.
- 3. Communicate Clear Plans and Expectations to Employees.** As a business owner, you must create policies that keep your employees aligned with your stated business objectives. As a result, when you implement COVID-19-related changes, it is critical to communicate these changes as quickly and clearly as possible. This may mean hosting virtual meetings to announce any new initiatives your company decides to take. It also includes documenting these initiatives and reviewing other procedures that are more relevant during this specific crisis. With this evolving outbreak, it is important to craft plans that attempt to consider all the possible steps

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<sup>1</sup>*Interim Guidance for Businesses and Employers*, Ctrs. for Disease Control and Prevention, <https://www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html> (last visited Mar. 17, 2020).

your business may need to take and to prepare your company for them, especially given the speed with which state and federal regulations are occurring.

- 4. Consider Applying for Coronavirus Small Business Loans and Similar Relief.** Due to the significant economic impact of COVID-19, the federal government has taken steps to make disaster relief loans more accessible to small business owners.<sup>2</sup> Small businesses that need financial assistance to meet obligations like utility payments and payroll may be eligible for small business loans with interest rates as low as 3.75 percent. If you are facing significant challenges in meeting certain business obligations, you should consider applying for one of these loans through the Small Business Administration. Additionally, federal and local governments are extending tax filing deadlines in response to the outbreak. Work with your team of advisors to identify the new dates and requirements.
  
- 5. Review and Revise Business Plans.** Finally, it is essential that you review your overall business plans. For almost everyone in the country, COVID-19 will likely impact the bottom line. As a result, you must consider innovative ways to increase income and decrease costs. You should explore other revenue streams to offset any potential losses incurred as a result of this outbreak. Additionally, this pandemic has highlighted the need for businesses to become more mobile and virtually accessible. Review your business plans to identify ways to further strengthen your digital market.

### **We Are Here for You**

Our attorneys are dedicated to helping our clients navigate challenges as seamlessly as possible. Do not hesitate to reach out to our office if you need guidance regarding how to comply with federal and local restrictions while moving your business through these difficult times. You are not alone. We are all in this together.

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<sup>2</sup> *SBA Updates Criteria on States for Requesting Disaster Assistance Loans for Small Businesses Impacted by Coronavirus (COVID-19)*, U.S. Small Bus. Admin. (Mar. 17, 2020), <https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-updates-criteria-states-requesting-disaster-assistance-loans-small-businesses-impacted>.