

Legal Considerations When Adapting Your Creative Business for COVID19 & Updates on Unemployment



Adapting for COVID19



Ways Businesses Are Adapting

- Moving to online sales
- Moving to online classes/instructional opportunities
- Online giveaways/flash sales
- Changing contracts and timelines
- Making products for essential needs/services

Online Stores and Services

- If you are selling products:
 - Have terms and privacy policy
 - Details terms of use, any limitation of warranties or liability, procedures, limiting resale, use of brand, cancellation policy, etc.
 - Privacy policy details what info you're collecting and what you're doing with it. Especially important if selling outside US (Europe has specific rules)
 - Privacy policy is important **EVEN IF USING THIRD PARTIES**
 - Include in terms or separately shipping and return policies
 - Important to detail what happens if you can't get materials or products due to supply chain issues.

Online Stores and Services

- If you're selling services (instructional videos, etc.)
 - Have terms and privacy policy
 - Details terms of use, any limitation of warranties or liability, procedures, limiting resale, use of brand, etc.
 - Privacy policy is important EVEN IF USING THIRD PARTIES
 - IP! Make sure you're protecting your content and ideas
 - Include in terms waiver of liability for online classes, instructions, etc.
 - If you would normally have someone sign a waiver in person, you will want to have it online as well
 - Cancellation policies are key. If you are doing a subscription what happens if a client wants to cancel mid-month?

Giveaways

- Giveaways can be a good way to raise awareness about your business right now as people are spending a lot of time on social media
- But you have to make sure you do them legally legit:
 - Be clear about how to enter: what do they have to do? Any eligibility requirements.
 - Are you offering a product of yours or someone else's? If someone else's make it clear whether or not you have a relationship with them.
 - Have set rules and timeline: when do they have to enter by? How are you making the decision? When are you announcing a winner? (And making sure to go back to old posts about it and state it's closed after it's done)
 - Rules-18 or older, you have to say “no purchase necessary” (requiring a purchase is illegal), check the social media platform rules on giveaways, do you want to include that you can post the name of the winner?, etc.

Flash Sales

- Flash sales are another great option just make sure you make it clear:
 - When the sale is starting and ending
 - What's included in the sale
 - Be Clear
 - Make sure you have inventory or make it clear of timeline

Providing Products for Essential Needs/Services

- Great way to adapt your business!
- Make sure you're doing it legally under the Shut down order or in accordance with best practices
 - Waiver from state
 - Operating from home
 - No contact
- Be careful about using the term “donate” for a for profit business
 - There is no such thing as a “donation” for a for-profit and the term could imply a non-profit and tax-deductibility
 - If you are asking people do just pay If they can or to cover costs use terms like “pay what you can” or “materials costs”
 - It's still income to your business

Unemployment Update



Unemployment Update

- App Update: still saying next two weeks. Check daily.
- FAQs-<https://www.uc.pa.gov/COVID-19/CARES-Act/Pages/PUA-FAQs.aspx>
 - The state released FAQs for small businesses/1099 and the key points are:
 - Don't apply under the current application, you have to wait for the new one (I know it's hard 😞)
 - The state is advising if you are an S-corp you should also wait for the new app
 - They detail who is eligible. You can't have reduced your hours or work through choice
 - The amount of PUA benefits you will receive is based on your previous income reported. PUA benefits may not be more than the state's maximum weekly benefit rate for regular UC, which is \$572 in Pennsylvania. PUA benefits may not be less than half of the state's average weekly benefit amount. In Pennsylvania, the minimum PUA payment is \$195.
 - All individuals collecting PUA will receive \$600 per week from [Federal Pandemic Unemployment Compensation \(FPUC\)](#), in addition to weekly benefits as calculated above. FPUC payments will begin the week ending April 4, 2020. The last week that FPUC is payable is the week ending July 25, 2020.
 - If you are found eligible for PUA, you will receive compensation retroactive to January 27, 2020, or to the date when you became unemployed, whichever is more recent.

Proving You're Self Employed

- Proof of employment and income:
 - copies of recent paycheck stubs;
 - bank receipts showing deposits;
 - 1099s;
 - billing notices provided to your customers;
 - recent advertisements for your business or services;
 - statements from recent customers;
 - current business licenses, ledgers, contracts, invoices; and/or
 - building leases.

How to Show Income

- Acceptable documentation of wages can include but is not limited to:
 - tax returns;
 - paycheck stubs;
 - bank receipts;
 - ledgers;
 - contracts;
 - invoices; and/or
 - billing statements.
- If you have reduced hours/still have part time work you could still be eligible
 - Aren't eligible if you are able to work remotely but reduced hours still likely ok

Our Motto:

**WHEN IN DOUBT, APPLY WHEN THE
APP IS OUT!**

Other resources

- Subscribe to our newsletter where we put out updates and resources. To do that go to our website (www.trellispgh.com)
- Follow our Instagram (@trellispgh) and facebook for more updates and videos explaining some key covid19 stimulus and unemployment provisions (www.facebook.com/trellispgh)

Happy to Answer Questions

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