Minimizing the Effects of the Coronavirus on Business Operations

A Guide for U.S.-Based Small and Medium-Sized Companies

By the team at **suitless**

Table of Contents

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Chapter 1: Introduction

We have put this eBook together for our clients, as well as for other small to medium-sized business here in the United States that are concerned about the potential effects of the Coronavirus on their business.

While we still do not know what the medium and long-term effects of the spread of this disease will have on companies, we do know that companies may experience acute issues or have specific questions related to the current outbreak.

We've tried to provide some basic information that business leaders can use to help them navigate some possible issues that the Coronavirus outbreak could have on their business. We are not going to focus on the specific epidemiological factors related to this Coronavirus outbreak (e.g. where instances of this disease have turned up, the infectiousness or virulence of the disease itself, current mortality or survival rates, etc.). Instead, we will try to provide some practical business applications on how to address the resulting issues that may come from the presence of this new and novel disease.

We tend to get a lot of questions about whether businesses should follow specific laws, whether they should go above and beyond those laws, whether they should be creative, and how they address their workplace scenarios.

The specific factors related to this disease are changing quickly, and we would advise you to discuss any decisions that you make with a trusted advisor, whether that is an attorney, an accountant, a consultant, or someone who helps you make business decisions. Please read the disclaimer below prior to reading the rest of this book.

Background

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Back when we started Suitless almost five years ago, we did so with the idea that small to medium-sized businesses should be able to avail themselves of consulting and support services without having to pay for overhead items like your consultant's fancy suits (aka how we became Suitless).

Suitless has evolved over the years to embrace our non-fancy roots and become a tech-enabled consulting and outsourcing firm, with employees working remotely throughout the country.

Over the past five years, we've advised many small to medium-sized businesses and learned a number of important lessons about remote work, including what works and what doesn't work in a virtual company.

We've helped companies break free from the traditional in-person consulting model and used technology, systems, and resources to put best practices in place for small to medium-sized businesses.

We continue to advise companies on how they can operate better by embracing remote work, while also handing specific functions for these companies in the areas of Human Resources, Finance, and Internal Operations.

Chapter 2: Employee Benefits

Many small businesses provide their employees with company-sponsored benefits. If you provide your employees with benefits, it's a good idea to make sure that they are familiar with what those benefits are.

One way of doing this during a situation such as this is by staying in close contact with both your benefits broker and your insurance carriers. Because these entities have obligations to their clients, they often have compliance departments that stay on top of what is being communicated by the Centers for Disease Control and Prevention as well as State and Local Health Agencies.

Group Medical, Dental, and Vision Coverage

During this time, companies may look to their corporate insurance policies to see what they might have coverage for. It is generally recommended that, if companies provide medical coverage to their employees, they make various types of paperwork and information regarding the plans available.

This may include summary plan documents for the insurance plans, benefit summaries, benefits overviews, temporary insurance cards, and contact information for the insurance carrier.

Companies should also be mindful of their responsibility to participate in COBRA, depending on their size, as well as any requirements to offer federal or state COBRA if an employee terminates employment with the company.

Companies should consider providing their employees with additional support during any time of illness in terms of liaising with insurance companies or helping employees navigate the complex employer-provided insurance landscape.

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Disability Insurance

Companies that have disability insurance coverage should check with their providers to see if a positive test for COVID-19 (Coronavirus) would qualify for coverage. Many times, if an employee files a claim and has been diagnosed with the disease, or has been quarantined and is unable to work, they may be considered disabled and eligible for disability coverage.

However, if an employee is diagnosed with COVID-19 and is still able to perform their work duties from home or while in quarantine, they may not be considered for disability. It's important to note that some insurance companies require employees to satisfy a waiting period. This is something that employers should check with their insurance companies about.

In addition to determining what company provides disability insurance to employees, you should also check to see if an employee assistance program is available through that coverage. Employee assistance programs may be able to provide employees with counseling or general care regarding some of the mental health concerns that may come with a worldwide pandemic.

Retirement Plans

During a time such as this, companies should make retirement plan information available to their employees.

Not only could the global market (as well as the US equity and fixed-income market) see massive fluctuations, but employees may take that stress on as they see volatility in their own portfolios.

Expect to see more notices and updates from financial advisors telling their clients to stay the course and continue to invest throughout this scenario. It is the employer's responsibility to make sure that their employees are educated about how they may access their retirement funds in the event of an emergency scenario, or at a time when employees may need additional funds to supplement their wages.

Education focused on things such as hardship withdrawals, loans from retirement plans, and early distributions may become important training topics that employers will have to educate their staff on.

Furthermore, employers must remember to re-educate themselves of their fiduciary duties when it comes to group pension plans. Money contained in a company-sponsored retirement account belongs to your employees, not to the company.

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Chapter 3:
Company Insurance and Finances

Most companies have corporate insurance policies that cover them in the event that they experience any sort of risk or adverse event.

Given that the Coronavirus has the potential to disrupt the operations of small to medium-sized businesses, it's important to determine whether you need to take out new policies or examine/review your current policies.

📋 Risk Review

Companies are encouraged to take some time to look at every angle of their business, and where they may face elements of risk as a result of transitioning to a remote workforce – either temporarily or permanently.

Each type of risk will often correspond with a certain type of insurance policy or coverage that may protect against this risk.

Companies are advised to review their corporate insurance policies to make sure that they have a General Liability policy. A good GL policy will cover company equipment (like laptops, monitors, TV's, furniture), even if that equipment is not located at the company office.

An Employment Practices Liability policy is also important to have, as these types of policies tend to protect companies from claims of wrongful termination, harassment, and other common workplace claims.

If a company is going to encourage their employees to work remotely, they should also consider purchasing an Errors and Omissions policy, as may take some time for teams to fully understand how to work remotely, and you'd want to make sure that any potentially expensive errors that could occur during that time would be covered.

There may be some supplemental insurance policies, such as Event Cancellation Insurance and Trip/Travel Cancellation Insurance that companies could either purchase themselves or purchase on behalf of their employees.

💵 Finances

Companies may want to consider creating alternative business models or plans that take into account a new business environment. There may be opportunities to temporarily or permanently transition resources in order to meet demands of your specific product or service.

Companies should also consider automating and digitizing their Accounts Payable and Accounts Receivable processes, as applicable. Some banks are now able to accept photos of checks in order to deposit them, and most banks can initiate ACH or Wires directly to other banks or accounts (which should limit the amount of check-writing needed).

Companies may also want to consider applying for loans or lines of credit in order to property prepare for a fluctuation of cash flow. Existing credit cards or cash may be used for a short period of time, in order to gain excess liquidity.

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Chapter 4: Facilities and Office Space

🔒 Safety and Security

As a small to medium-sized business, it's important to keep the safety and security of your employees at the top of your mind. Not only does safety and security include the physical, mental, and emotional aspects, but also overall health and well-being.

Having Safety and Security protocols documented somewhere will go a long way with making employees feel as though they are concerns and needs are being taken care of, or at least being considered.

🏢 Office Closures

Businesses will need to make a decision as to whether you want to keep the office open, or if you deem it necessary to close the office and ask employees to work from home. There may also be a middle ground where you keep the office open but allow employees to work from home as they deem necessary.

If your organization does decide to keep your office open and accessible, consider providing hygiene supplies to your employees. This may include hand sanitizer for each employee, disinfectant wipes that employees can use to wipe down their desk and personal space, sanitizing solution (such as Lysol or various disinfectant sprays), and making soap and water readily available for employees to wash their hands.

Many states are producing infographics or diagrams on how individuals can reduce their risk of contracting Coronavirus. Consider distributing or posting these notices in areas that are frequently trafficked by employees.

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Office Communication

Companies may want to designate one person – such as the organization's CEO, operations/office manager, HR manager, or accountant/bookkeeper to be the initial point of contact for employees regarding whether the office is open or closed.

This individual should maintain an easily accessible list of all employees, as well as ways to get in contact with employees should the company need to make announcements.

It may also make sense to make this person the official internal point of contact when it comes to how the company communicates information related to the Coronavirus.

It's important that the company attempt to dispel myths related to the virus and address any internal office gossip related to employees and/or the Coronavirus outbreak.

Cleaning the Office

If you have your own office space, consider hiring a professional cleaning service to wipe down surface areas, empty the trash, etc. If you already have a cleaning service, you may want to increase your usage of them by having them come in on a more frequent basis, add to the services they're currently performing, or use more robust industrial cleaning solutions.

You may want to talk to your contact at the cleaning company to determine what they are doing specifically (if anything) to address the Coronavirus outbreak. Some companies may be implementing new protocols, using new or different cleaning solutions, or adopting new cleaning standards or processes in order to address the Coronavirus outbreak. If you decide to clean the office with certain solutions that are regarded as being hazardous to employees' health, you may need to report this as part of OSHA requirements.

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☹ Encountering Sick Employees

If you are keeping your office open during the outbreak of the Coronavirus, you or your team members may encounter other employees who appear sick or ill. It's important that you treat these employees with respect, as you may not know their specific health situation or status.

Company management and HR should exercise great care and maturity whenever they engage with someone who displays symptoms of illness, disease, or disability. The ADA does allow for employers to take action if they believe that an employee is a direct threat to the health and safety of other employees – and that that threat cannot be eliminated or reduced by a reasonable accommodation.

Companies should show concern for their employees' wellbeing and safety, but always avoid playing doctor or disease detective in the office. If an employee comes to work and is visibly ill, first determine if the employee needs immediate medical attention. If not, talk to the employee privately to determine if he or she would be better suited returning to their home to either rest or work from their home.

Please follow WHO, CDC and state/local health agency guidelines if any of your employees test positive for the Coronavirus or the COVID-19 disease.

❓ "What If" Scenarios

It's impossible to predict the types of scenarios that could arise as a result of this virus and the need for companies and employees to maintain operations. There are plenty of "what if" or "one off" scenarios that could arise as companies and employees continue to work while there is a risk of contracting Coronavirus and/or COVID-19.

Can employees wear gloves and masks when interacting with co-workers or customers? What happens if I need to terminate an employee who has tested positive for COVID-19? What happens if an employee ceases coming to work and claims he or she has contracted the Coronavirus (but we don't believe them)?

Fortunately, many of these scenarios have already been addressed by various other laws and regulations – and while the virulence of COVID-19 is concerning – there is plenty of precedent on how to deal with illness and injury in the workplace. Companies and their employees are urged to stay calm throughout this outbreak, and always make decisions based on what would improve and enhance their business.

During this time of heightened awareness and concern, companies should avoid making snap or emotional employment decisions that could come back to haunt them in the future.

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Chapter 5: HR for Remote Companies

👪 Workplace Immigration

Companies that employ individuals who are here in the US on a work visa need to be particularly sensitive to those employees. It's very possible that you will have employees who work for you but whose entire network of friends and family are located overseas. Companies must be cognizant of and sensitive to both employer-mandated travel bans as well as government-mandated travel bans. US-based employees who are from abroad may experience a significant uptick in anxiety and depression due to the fact that they are not able to care for loved ones in person who may be ill abroad. There also may be instances where international employees may be required to return to their home country in order to satisfy visa requirements.

It's important that companies stay on top of these requirements, but also to determine whether the government has temporarily waived any of these requirements. The best way to stay on top of this is to have a conversation with your employee to determine when they are required to return to their home country or a consulate outside of the United States, and then plan accordingly.

Companies should pay special attention to employees who are from countries that are experiencing significant outbreaks related to the pandemic. This may involve checking in with them, determining if they need anything, determining if they are in contact with their friends or family, and seeing how the company can provide support to them. It has not yet been determined how the US will respond to new visa applications, both from a view of standardized applications like the H-1B season, or ad hoc other applications like Js, Fs, Os, etc.

Companies should also have a plan in place to determine how to work with employees who are returning from abroad and have been turned away at the US border. One could imagine a scenario where a Canadian or Mexican employee returned home to visit their family, only to be stopped at the border and turned back to their home country. Planning and remote work becomes incredibly important in scenarios such as these.

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Handbooks, Policies and Procedures

Employers are encouraged to maintain a central repository of policies and procedures that they can use to direct their employees to follow for various situations that they may encounter. One way that this can be done is by developing an employee handbook that can be issued electronically to all employees.

It is important that companies are able to update their handbook proactively, as the Coronavirus outbreak has the potential to change or fluctuate depending on how global and national resources are being utilized.

We always encourage employee handbooks to be developed by someone on the company side (Human Resources, Finance, Management, Operations, the Executive Team), and then be reviewed by an employment attorney in each of the states or countries in which you have employees.

Providing employees with an electronic (PDF or DOC) version of the handbook will allow them to access it anywhere and at any time. This cuts down on the need for a hard copy to be maintained for viewing/access purposes.

Travel and Expense Policy

Companies may want to take some time to review or amend their T&E policies.

Now would also be a good time to note how the company handles travel to countries for which a travel ban has been established.

It is the company's job to monitor these countries and make sure that employees are not purchasing travel tickets or making arrangements within those countries.

Also, employees who travel internationally for work should be made aware of the potential limited access to healthcare, food, and basic supplies while abroad.

Sick Leave

Note that some states may have their own sick leave requirements. If your company does not have a sick leave policy in place, state or city-mandated requirements (if any) would become the floor as far as what you would be required to provide.

It's also incredibly important to note that some companies may be subject to family medical leave and/or leave for the care of others. It is entirely possible that employees may need to care for the health and well-being of their family members, but aren't sick themselves.

Employers will need to pay special attention to mandatory, statutory leave policies that your employees should be taking advantage of (in addition to any employer-provided policies).

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Remote Work Policy

Companies that wish to implement a remote work policy can do so by looking at what other organizations have done in the past.

This type of policy may include information related to how employees should contact one another, when they should be available, and what to do if you're not able to reach another remote colleague.

These types of policies also outline whether employees must only work from home, or if they can work from other locations outside of the office (school, library, church/synagogue, coffee shop, etc.).

Remote work policies may also highlight how, when, and which devices they can use for company work, and they can also reinforce what may be considered confidential to the company.

Equipment

Care for company equipment and avoiding damage, theft, or loss. Employees must understand that there are similar requirements imposed upon them when working from home, as there are when they work in the office.

Employees should be expected to care for their equipment, ensure that their equipment does not experience any damage, and that it is secured so that it does not experience theft.

Companies may want to put backup plans in place, in the event that any of these things happen. For example, if an employee's laptop dies, or if their phone is stolen, we don't want them to be out of work for a significant period of time.

While insurance may cover the financial losses associated with this, breaks in the supply chain may leave an employee without equipment for a significant period of time. The company may want to consider putting redundancies in place, including backup systems and software, that can handle secondary support if primary equipment is not available.

One example may be to require employees to use their cell phones to talk on the phone to each other, but if phones are not available, to use Voice over IP instead. It then becomes important for employees to make sure that they have a VoIP account and know how to operate it before they get to a point where they need to use it.

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Chapter 6: Managing Remote Employees

Companies that are not familiar with allowing their employees to work remotely may need some additional structure around how their supervisors manage remote workers, and what expectations are for employees to work remotely.

Given that laptops and cell phones are so ubiquitous these days, almost anything that a knowledgeable worker can do in the office, he or she can do remotely from home.

Key considerations for employers should be to figure out how to replicate office culture while employees work virtually. There may even be opportunities to enhance company culture while employees work remotely.

However, there are many jobs that simply cannot be undertaken remotely. Many service jobs, professional jobs, and customer-facing jobs require in-person communication and interaction.

These are the jobs and employees that will require diligence and vigilance when it comes to contracting infectious diseases or spreading infectious diseases to others.

Managing Others Remotely

Managing remote employees can be challenging for even the strongest supervisors. There is much that gets lost when two individuals are not located in the same place.

Supervisors and their employees are unable to share non-verbal communication such as body language; and tone can sometimes be missing or misinterpreted when something arrives via text or chat.

The best managers of remote employees are able to have multiple ways of conversing or discussing with their remote employees. Some conversations can take place using text or chat software, some conversations can take place via phone, and some conversations should be had via video teleconferencing.

Managers must not only be able to manage various types of employees, but they must also manage using various communication systems (and sometimes even use various management styles). Senior-level company employees may want to consider conducting trainings for their managers on best practices, with respect to managing remote employees.

Staff Engagement

One of the more important elements of engaging with staff during a time of crisis is making sure that you are treating everyone fairly. Because this current Coronavirus outbreak originated in Wuhan, China, Chinese and Asian workers may fear xenophobia and reprisals. Companies may want to put out internal communications urging their employees to treat all of their co-workers and colleagues with respect.

We would also encourage companies to make sure that all employees feel as though they are being treated fairly and not being discriminated against and/or that they are not the recipient of any racist or xenophobic actions. It is critical that you abide by EEOC guidelines related to fair treatment of employees. Companies should also know that many states also have human rights laws that mirror the laws and regulations that the EEOC enforces. It's never okay to allow anyone to harass your employees based on their race or national origin.

Furthermore, companies need to understand how to interact with employees who are sick or who fear becoming sick in the workplace. There are specific laws at the federal level (OSHA) that try to provide guidance around workplace safety. While much of this guidance is tailored towards accidents in the workplace, there are significant resources dedicated to how companies must deal with illness in the workplace. Companies also have to be cognizant of employee rights related to the sharing of protected health information.

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