

SURVIVING THE COVID CRISIS

VOICES FROM THE PRIVATE SECTOR

PRESENTED BY

Misty Lown

OF

More Than Just Great Dancing![®]

Affiliated Dance Studios

UNDERSTANDING US FEDERAL PROGRAMS

US Stimulus: Phase 1

The “Coronavirus Supplemental” (H.R. 6074) was an immediate public health and disaster response to the crisis.

US Stimulus: Phase 2

The Families First Coronavirus Response Act (H.R. 6201) provided immediate relief to individuals out of work due to the epidemic.

US Stimulus: Phase #3

The Coronavirus Aid, Relief and Economic Security Act (H.R. 748) focuses on the economy at-large and was signed into law on March 27, 2020.



The US “Stimulus Package”

Brought back
the EIDL
program



Phase 1

The Coronavirus
Supplemental
\$8B

Phase 2

Families First Act
\$3.5B



Phase 3
CARES Act
\$2.2T

The US “Stimulus Package”

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Paid sick leave
programs

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Phase 1

The Coronavirus
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Phase 2

Families First Act
\$3.5B



PPP, EIDL
expansion &
unemployment
expansion, tax
rebates, tax
credits &
student loan
assistance



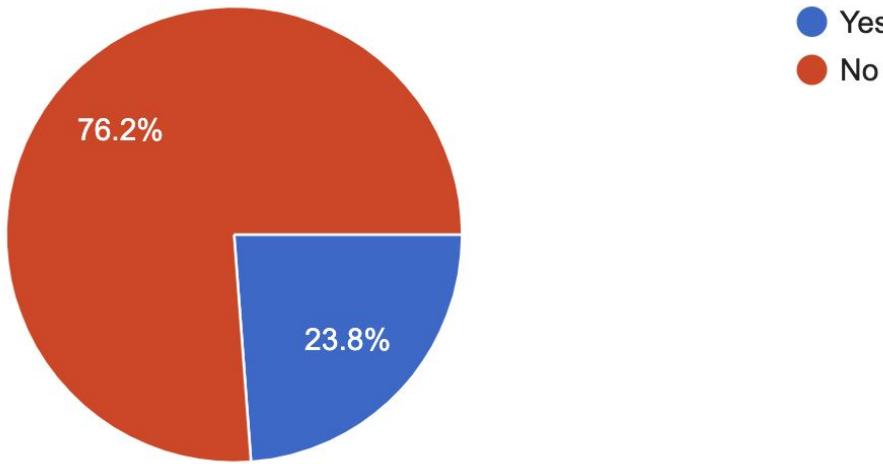
Phase 3
CARES Act
\$2.2T

Paycheck Protection Program (PPP)

A woman with short, curly hair is smiling broadly, showing her teeth. She is wearing a light blue button-down shirt. The background is a solid blue color with a subtle gradient effect.

PPP Acceptance Snapshot

Have you been able to successfully apply for the PPP - Paycheck Protection Program? Success means that your application has been accepted. It doesn't necessarily mean that the funding has shown up in your account yet.



PPP - Who is Eligible?

- Employers with fewer than 500 employees including:
 - Nonprofits
 - Veterans organizations
 - Self-employed individuals
 - Sole proprietorships
 - Independent contractors
 - Tribal concerns
- Some employers in certain industries are also eligible



How Much can be Borrowed?

Monthly payroll costs (averaged over 12 month period)

Multiplied by 2.5

Plus any other debt approved for refinancing up to \$10 million

Loan cannot exceed \$10 million



PPP - What is included in Payroll Costs?

Wages, salary
commission,
bonuses

- Up to \$100,000

Employer's cost
of health
insurance

Employee's cost
of retirement
benefits

Plus state and
local payroll taxes



PPP - What can it be used for and when?

- Loan amounts are to be used to pay for payroll costs, payroll taxes, utilities, rents, mortgage interest (plus “other” approved expenses).
- 8-week period is used to determine if amounts were spent appropriately.
- This period is selected by YOU during the timeframe from when you get the loan through June 30, 2020



PPP - What are the Loan Terms?



Two-year
Term



Interest Rate
listed at 1%,
Banks are looking
at .5%



No personal
guarantee



No Collateral



PPP - What does my banker need from me?

- Loan application (most current version)
- Signed Appointment of Agent under PPP (most current version)
- CARES ACT – PPP Loan Calculation spreadsheet (most current version)
- Payroll summary by employee for:
 - 1/1/2019 – 12/31/2019
 - 4/1/2019 – 3/31/2020
 - 02/15/2020-03/31/2020
- Payroll tax reports:
 - Form 941 Q1-Q4 2019 and Q12020 if applicable.
 - Form 940 Q4 2019 and Q12020 if applicable.
 - State income and unemployment tax filing reports Q1-Q4 2019 and Q12020 if applicable.
 - Form 940 and Form W-3 for Q42019
- Health insurance expense documentation
- Retirement expense documentation



PPP - Listing my employees on my application

- List full time employees on the application
- On your addendum, list total employees (part time and full time)



PPP - How do I get Loan Forgiveness??

- Use at least 75% of the loan for payroll costs and payroll taxes.
- Keep your employees wages at least 75% of where they were in your comparison period.
- The other 25% can be used for utilities, rents, mortgage interest (plus “other” approved expenses).
- If you rehire laid-off employees by June 30, 2020, these employees are not considered in reducing loan forgiveness.
- It is recommended to keep PPP funds in a separate bank account for easy tracking.



PPP - What's the deal with Full Time Employment?

- Full time employment = 30 hours per week or more
- Full time employment is the measure to compare your selected 8 week time frame (from when you get the loan monies until June 30, 2020) to the smaller of the two time frames below:

#1

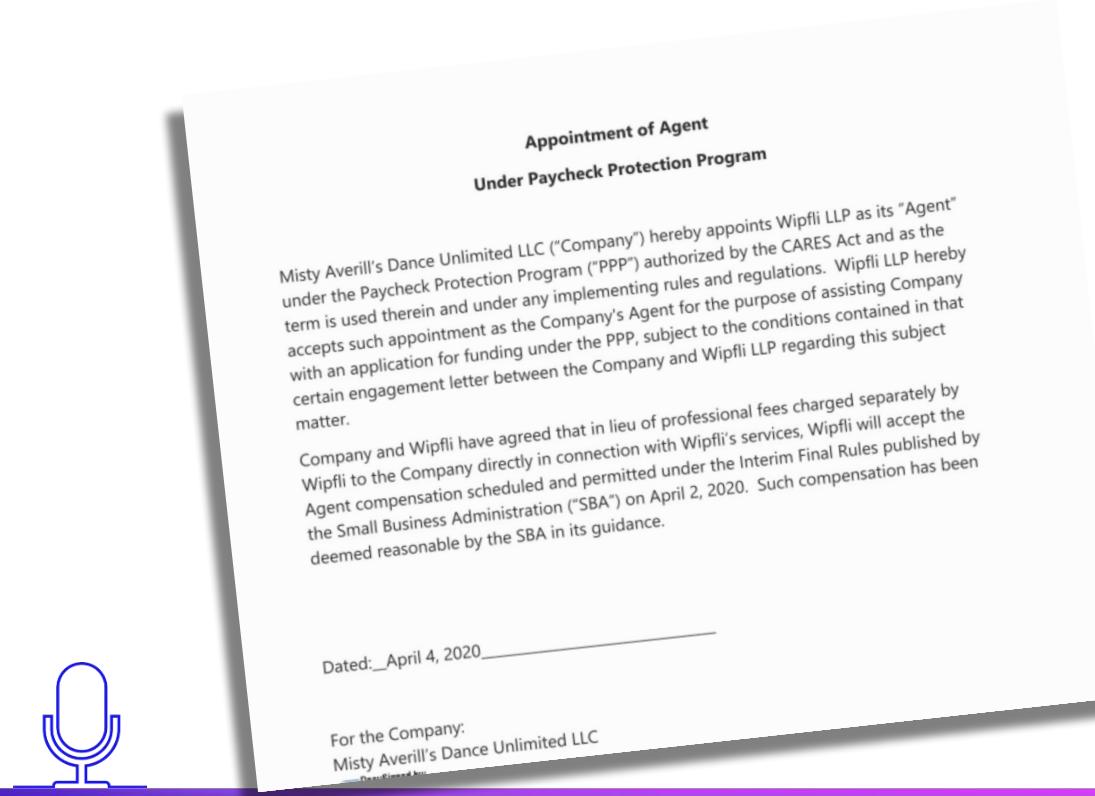
Jan. 1, 2020-
Feb. 29, 2020

#2

Feb. 15, 2019 -
June 30, 2019

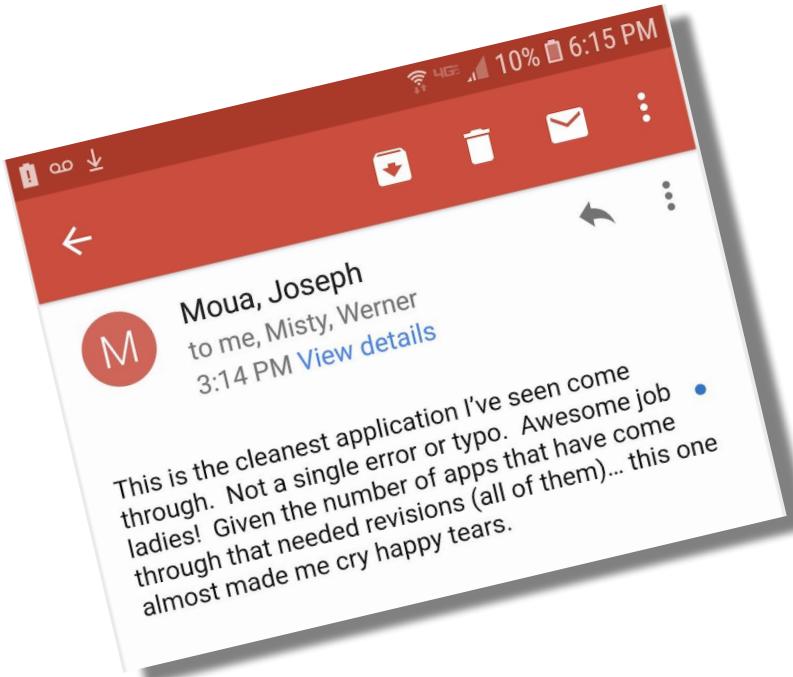


PPP - What is a Registered Agent?



Ensure there is a signed
Engagement Letter and
Appointment of Agent
under PPP

PPP - Why a Registered Agent?



Because it is reimbursed by the SBA->bank->agent.

AND, because of emails like this!

