

## CARES ACT FINANCIAL ASSISTANCE - A

	PAYROLL PROTECTION PROGRAM (PPP)	ECONOMIC INJURY DISASTER LOAN (EIDL) PROGRAM	U.S. SBA Express Bridge Loan	SBA Debt Relief	EMPLOYEE RETENTION CREDIT PROGRAM
<b>Summary</b>	Critical payroll tax relief: 100% forgivable loan of up to \$10M to cover up to 8 weeks of payroll if used for qualifying expenses and <b>if all employees are kept on payroll</b>	For small businesses and nonprofits comprised of 500 or fewer employees with almost \$350 billion in partially forgivable loans. An important component of the EIDL program, is the Economic Injury Disaster Grant program that provides a \$10,000 cash advance within three days of EIDL application. Eligible uses of the grant includes: <ul style="list-style-type: none"> <li>• Provide paid sick leave to employees unable to work due to COVID-19</li> <li>• Maintain payroll during business disruptions;</li> <li>• Meet increased costs due to supply chain interruption;</li> <li>• Make rent or mortgage loan payments; and,</li> <li>• Repay debt that cannot be paid due to lost revenues</li> </ul>	Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.	The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic. The SBA will automatically pay the principal, interest, and fees of <b>current 7(a), 504, and microloans</b> for a period of six months. The SBA will also automatically pay the principal, interest, and fees of <b>new 7(a), 504, and microloans</b> issued prior to September 27, 2020	Eligible employers are allowed refundable credits against an employer social security tax liability equal to 50% of the first \$10,000 in wages per employee (including the value of health plan benefits).
<b>Who Is Eligible?</b>	<ul style="list-style-type: none"> <li>• A small business with fewer than 500 employees</li> <li>• A small business that otherwise meets the SBA's size standard</li> <li>• A 501(c)(3) with fewer than 500 employees</li> <li>• An individual who operates as a sole proprietor</li> <li>• An individual who operates as an independent contractor</li> <li>• An individual who is self-employed who regularly carries on any trade or business</li> <li>• A Tribal business concern that meets the SBA size standard</li> <li>• A 501(c)(19) Veterans Organization that meets the SBA size standard</li> </ul>	Entities that have suffered substantial economic injury caused by disaster, provided they were in existence on January 31, 2020. Includes: <ul style="list-style-type: none"> <li>• Companies with less than 500 employees,</li> <li>• Sole proprietors,</li> <li>• Independent contractors,</li> <li>• Most private non-profits</li> </ul>	Any U.S.-based small business that can prove to be adversely affected by COVID-19	<p>For current SBA Serviced Disaster (Home and Business) Loans: If your disaster loan was in "regular servicing" status on March 1, 2020, the SBA is providing automatic deferments through Dec. 31, 2020.</p> <p><b>What does an "automatic deferral" mean to borrowers? The SBA says:</b></p> <ul style="list-style-type: none"> <li>• Interest will continue to accrue on the loan.</li> <li>• Monthly payment notices will continue to be mailed out which will reflect the loan is deferred and no payment is due.</li> <li>• The deferment will NOT cancel any established Preauthorized Debit (PAD) or recurring payments on your loan.</li> <li>• Borrowers preferring to continue making regular payments during the deferment period may continue remitting payments during the deferment period. SBA will apply those payments normally as if there was no deferment.</li> <li>• After this automatic deferment period, borrowers will be required to resume making regular principal and interest payments. Borrowers that canceled recurring payments will need to reestablish the recurring payment</li> </ul>	Eligible employers including tax-exempt 501 c (3) non-profit organizations which are carrying a trade or business calendar year 2020 and: <ul style="list-style-type: none"> <li>• Such operation is fully or partially suspended during any calendar quarter due to government directed closure limiting commerce, travel, or group meetings due to the COVID-19; or</li> <li>• Such operation experiences a significant decline in gross receipts during a specified period.</li> </ul> <p>For employers with more than 100 full-time employees, only employees who are currently not providing services for the employer due to COVID-19 causes are eligible for the credit.</p>

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What documents do I need to apply?	<ul style="list-style-type: none"> <li>Complete PPP Application</li> <li>Gather financial &amp; Legal documents. Check your bank's specific requirements for additional information. Some or most of the following will apply:               <ul style="list-style-type: none"> <li>Provide Business License</li> <li>Business Articles/Bylaws</li> <li>Provide payroll support documents:                   <ul style="list-style-type: none"> <li>IRS Form 941 Employers Quarterly Tax Returns for 2019;</li> <li>IRS Form 1099 MISC: 2019;</li> <li>Other Payroll Documentation including payroll schedule or reports</li> </ul> </li> <li>SWICA or certification of employee state residence</li> <li>Documentation verifying payments of interest on mortgage, rent, and utility payments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Complete PPP Application</li> <li>Compile all financial records for the past 3 years including personal financial statements, schedules of liabilities, profit &amp; loss statements, monthly sales forecast, etc.</li> <li>Scan and save each file in a .pdf format and reduce the size of the file. Large files would slow down the uploading process.</li> <li>Once completed, either submit the application on-line or mail complete application to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155. (Return receipt would be advisable)</li> </ul>			
What are the loan parameters?	Applicants must have acceptable credit history, ability to repay loan, substantial economic injury	<ul style="list-style-type: none"> <li>The maximum EIDL is a \$2 million working capital loan at a rate of 3.75% for businesses and 2.75% for non-profits with up to a 30-year term</li> <li>Payments on Coronavirus EIDL loans are deferred for one year</li> <li>Up to \$200,000 can be approved without a personal guarantee</li> <li>Approval can be based on a credit score and no first-year tax returns are required</li> <li>Borrowers do not have to prove they could not get credit elsewhere</li> <li>No collateral is required for loans of \$25,000 or less. For loans of more than \$25,000, general security interest in business assets will be used for collateral instead of real estate</li> <li>The borrowers must allow the SBA to review its tax records</li> </ul>	<ul style="list-style-type: none"> <li>Up to \$25,000</li> <li>Fast turnaround</li> <li>Will be repaid in full or in part by proceeds from the EIDL loan</li> </ul>	For current SBA Serviced Disaster (Home and Business) Loans: If your disaster loan was in "regular servicing" status on March 1, 2020, the SBA is providing automatic deferments through <b>December 31, 2020</b> .	Employers that received a PPP loan are not eligible for the Employee Retention Credit <u>Effective Date:</u> Effective for wages paid after March 12, 2020 and before January 1, 2021

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<b>Are there other associated opportunities?</b>	Special rules may make you eligible: If you are in the accommodation and food services sector (NAICS 72), the 500-employee rule is applied on a per physical location basis. If you are operating as a franchise or receive financial assistance from an approved Small Business Investment Company the normal affiliation rules do not apply	<ul style="list-style-type: none"> <li>Eligible applicants for an EIDL can receive a \$10,000 emergency grant within three days of application (through Dec. 31, 2020)</li> <li>There is no obligation to repay the grant. To receive the \$10,000 emergency grant, it is not necessary to have an approved EIDL loan. <i>However</i>, if you are able to secure a PPP loan, the \$10,000 grant will be subtracted from the forgiveness amount</li> </ul>			
<b>How do I apply?</b>	<p>Contact any approved SBA 7(a) lender or through any federally insured depository institution, federally insured credit union. The program is open until June 30, 2020</p> <ul style="list-style-type: none"> <li><b>ANZ Guam, Inc.:</b> Peter Valdez, Head of Commercial: 479-9065</li> <li><b>Bank of Guam:</b> Janine Eustaquio, Credit Officer: 472-5349</li> <li><b>Bank of Hawaii:</b> Mark Tokito SVP, Guam Commercial Banking Center: 479-3643</li> <li><b>Coast360 Federal Credit Union:</b> Cathy Champaco, Chief Lending Officer: 479-8206</li> <li><b>Community First Guam FCU:</b> Rick Scroggs, VP/Business Development Officer: 472-8210</li> <li><b>First Hawaiian Bank:</b> Kieron “Pip” Ward, VP/Team Leader: 475-7857</li> </ul>	<p>Apply online at <a href="https://www.sba.gov/disaster">SBA.gov/disaster</a></p> <p>Once application is submitted, SBA will provide you with an application number and SBA will contact you.</p>	Contact any approved SBA lender	Contact your Loan Servicing Office directly	Seek advice from your tax advisor

## CARES ACT FINANCIAL ASSISTANCE - B

	DELAY OF PAYMENT: EMPLOYER PAYROLL TAXES	DIRECT PAYMENTS TO INDIVIDUALS (STIMULUS CHECKS)	FAMILY FIRST CORONAVIRUS RESPONSE ACT (FFCRA)	PANDEMIC UNEMPLOYMENT INSURANCE
<b>Summary</b>	<p>The CARES Act postpones the due date for depositing 100% of employer and the 50% of self-employment Social Security payroll taxes attributable to wages paid during 2020. Deferred amounts are payable over the next two calendar years; 50% by December 31, 2021 and 50% by December 31, 2022.</p>	<p>Dept of Revenue &amp; Taxation still waiting on guidelines from the Federal Government.</p> <ul style="list-style-type: none"> <li>Couples earning up to \$150,000 will receive \$2,400, plus an additional \$500 for each child.</li> <li>Individuals earning up to \$75,000 will receive \$1,200, plus an additional \$500 for each child.</li> <li>These payments will phase out for those earning over \$75,000, \$112,500 for head of household filers, and \$150,000 for married couples filing joint tax returns.</li> </ul>	<p>The Families First Coronavirus Response Act created new temporary paid sick leave and paid Family and Medical Leave Act (FMLA) programs that are 100% reimbursable by the federal government. The effective date of both programs is April 1 and they expire on December 31, 2020.</p> <ul style="list-style-type: none"> <li>If you have <b><i>fewer than 500 employees</i></b>, your business is required to provide paid leave under both programs</li> <li>If you have <b><i>under 50 employees</i></b>, though, you may be exempted from the requirement to provide leave under both programs</li> </ul>	<p>Update as of April 11, 2020 (per Governor Lou Leon Guerrero): Guam is now qualified for two (2) unemployment compensation programs</p> <ol style="list-style-type: none"> <li><b>Federal Pandemic Unemployment Compensation (FPUC)</b> <ul style="list-style-type: none"> <li>Up to roughly \$600/week to unemployed personnel (ends July 31, 2020)</li> <li>Open to individuals that have also been furloughed, reduced hours</li> </ul> </li> <li><b>Pandemic Unemployment Assistance</b> 39 week benefit</li> </ol> <p>Guam DOL is lead on this program. The Department of Labor is requiring all businesses that have displaced workers to register on the department's virtual one-stop system, <a href="http://HireGuam.com">HireGuam.com</a> (Authorized by EO 2020-07) Application process will be available online. Details and guidelines are forthcoming.</p>

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Who Is Eligible?			<p><b>For Paid Sick Leave Program:</b> Eighty hours of paid sick leave are available to any employee without regard to duration of employment if they are unable to work or telework because they:</p> <ul style="list-style-type: none"> <li>• are subject to a government quarantine or isolation order;</li> <li>• have been advised to self-quarantine;</li> <li>• are seeking a medical diagnosis, or</li> <li>• are caring for someone with one of those three conditions.</li> </ul> <p>Leave can also be taken if an individual cannot work or telework because of a need to care for a child whose school has closed or whose regular caregiver is unavailable because of Coronavirus.</p> <p><b>How much will employees receive?</b> While taking paid sick leave, employees will receive their regular rate of pay up to a maximum of \$511 per week or \$5,110 in the aggregate. This is reduced to 2/3 their regular rate of pay if they are caring for a family member or child whose school is closed or caregiver is unavailable with a maximum of \$200 per day (or \$2,000 in aggregate)</p> <p><b>For Family and Medical Leave Act Program</b> To be eligible for paid FMLA leave, an employee must have been on your payroll for 30 days prior to taking leave. In addition, paid FMLA leave is only available if an employee is unable to work or telework because of a need to take care of a child because of a school closure or their regular child care provider is unavailable due to Coronavirus.</p> <p><b>How much will employees receive?</b> Eligible employees may take up to 12 weeks of leave.</p> <ul style="list-style-type: none"> <li>• The first two weeks of that can be unpaid (presumably the employee would be covered under paid sick-leave for those two weeks).</li> <li>• After that, the employee is eligible for 10 weeks of paid FMLA.</li> </ul> <p>While taking paid FMLA leave, the employee will receive 2/3 of his/her regular rate of pay up to a maximum of \$200 per day (or \$10,000 in aggregate).</p> <p>Restoration to Previous Position: For businesses with fewer than 25 employees, it is not necessary to restore the employee to his/her previous position after paid FMLA leave is taken if the position no longer exists because of the public health emergency and the employer makes reasonable efforts to restore the employee to a similar position</p>	
What documents do I need to apply?				
What are the loan parameters?	<p><u>Exception:</u> The option to delay payment of employer payroll taxes does not apply to any taxpayer if such taxpayer has had indebtedness forgiven under the PPP Loan Program.</p> <p><u>Guidance:</u> The Secretary of the Treasury is required to issue guidance as necessary to carry out the purposes of this program.</p>		For more guidance, please click here to visit the IRS website.	

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Are there other associated opportunities?			<b>EXEMPTIONS:</b>  <b>I have fewer than 50 employees - Am I exempt?</b> Under current Department of Labor guidance, you can be exempt only if leave is being requested because of a school closure or because the child's regular caregiver is unavailable due to Coronavirus and if this leave would jeopardize the viability of the small business as a going concern. This exemption is available if an authorized officer of the business certifies that at least one of the following is true: <ul style="list-style-type: none"> <li>• Providing leave would result in expenses and financial obligations exceeding existing revenues and cause the business to cease operating,</li> <li>• The absence of the employee would entail a substantial risk to the operation of the business because of their specialized skills, knowledge of the business, or responsibilities,</li> <li>• You cannot find other workers to perform the work of the employee, and that work is required for the business to operate at a minimal capacity</li> </ul>	
How do I apply?	Consult your tax consultant.		<b>REIMBURSEMENT:</b>  Costs associated with the paid sick and paid family leave programs are 100% reimbursable by the federal government through a refundable tax credit up to the maximum wages allowed (e.g. \$511 or \$200 per day), which is also applicable to the self-employed. <ul style="list-style-type: none"> <li>• The Treasury Secretary is provided with regulatory authority to help with cash flow issues, for example by waiving penalties for failing to deposit payroll taxes in anticipation of the credit and by providing advances to employers</li> </ul>	