

National Resources and Policy Updates for Small Businesses Impacted by COVID-19

I know this is a very difficult time. I hope to be able to provide you with some resources. The latest we know from the current programs brought up by Congress as well as other solutions to survive the next couple of months. Small-business majority is a small business advocacy administration founded in 2005. We have offices in several states and provide direct outreach and education. Typically we focus on issues of topics small businesses. Right now we know this crisis is of the top of the mine for the nation's entrepreneurs. We work in a number of different ways. We conduct research through focus groups and opinion polling's. We provide education resources and advocate for you in Congress as well as state capital. I will provide some updates on what we know about the current policy environment for the relief packages. I will cover the legislation that has been passed and what is happening right now. We know that the funding for both the payroll protection program and the disaster program have been exhausted as of today. But to provide context and framework for what has happened, in the first couple of phases of bills passed allocated initial funding to expand the disaster loan program. In phase 2 it added family leave and medical and paid sick leave for personal businesses and employees impacted by the virus. Phase 3 we call the care Zach which is the main package for small businesses included the \$349 billion allocated to the paycheck protection program. 10 billion for advances through the economic injury disaster loan program. There is a component that provides forbearance for existing SBA loans. If you had any existing loans to the SBA. We know as of today that the money for both the payroll protection program and economic injury disaster program has been exhausted. We have been monitoring how the money has been going out. We had concerns from the beginning that there was not enough money allocated to the program and that it could potentially not get to all small businesses who need it. Especially small micro businesses with fewer employees. We are actively advocating on Capitol Hill for both additional funding for economic injury disaster loans and the payroll protection program as well as safeguards to ensure that the money gets to the businesses in other priority that Congress considers for what comes next outside of the immediate funding allocation PPP and Idol things like extending unemployment insurance and more stimulus money for taxpayers and more small business assistance. Right now we are advocating for funding programs, and proving programs, and we recognize that it is not enough and have been advocating for direct grant assistance to all small businesses affected I this. Briefly for those who are unaware were going to cover this briefly. Funding for these programs have been exhausted I will let you know what I know right now. Also some strategies for thinking about how to take advantage of the programs if and when they are reallocated. To start with the payroll protection program 349 billion was allocated loans of up to \$10 million per business are allowed. All of that can be forgiven if the money is used for certain expenses. If it is not the rate is 1% and fixed for two years and is six-month the firm it. It is available to most small businesses as well as the self employed. The Small Business Administration released guidance on Tuesday because it was a little fuzzy in the first wave of rules released. I will talk about that more detail in a moment. As far as the key features it is for up to eight weeks of payroll per employee and of two \$100,000 per employee. 75% of the loan must go to the payroll costs. I will go of exactly what the costs are. An additional 25% are for other expenses. For those who maybe have not applied for PPP as we are awaiting reallocation for programs, I would start by contacting your local bank to get the ball rolling. You should at least start the conversation. If you have not been able to identify a local bank SBA has a website to find approved lenders participating in the program. The law also expanded the types of institutions that can provide loans. And certain financial technology companies and other institutions have been given the green light to provide these loans. On our website we are working to compile a list of traditional institutions as well as other organizations accepting PPP applications from nonexistent customers. One thing we saw is that businesses would only work with customers that they had a relationship with. We are working to identify other institutions who can help. The link is on the slide and I will talk about it in more detail later. The loan is calculated based on your payroll. If you were in business in 2019 take your average monthly payroll cost and divided by 12 and multiply that by 2.5. That is the amount you can qualify for. If you are a seasonal company you can take a snapshot from February 15 through June 30 to get your average payrolls to calculate your amount. You can take your average monthly payroll from when you started your business. You had to be in business by February 15, 2022 qualify. You can take your monthly average payroll. The idle program,

Idol used the idle events for payroll amount which would be deductible from the forgivable in mount of your payroll. And before I move on to the next slide the guidance I mentioned basically the SBA is looking at net profit under Schedule C from 2019 and the average monthly payroll is divided by eight weeks for self-employed entrepreneurs. You will need to do Schedule C. But they will be looking at net profit and taking the average monthly from that and multiplying it by eight weeks to determine the amount that self-employed entrepreneurs are eligible for. That was issued by the FDA on Tuesday. There may be for the clarification coming out but that is our understanding of the guidance at the moment. As far as the eligible uses I talked about how 75% to payroll calls. These are also how you determine the amount you are eligible for. That includes compensation salary wage commission and cash tip etc. Any family medical or sick leave or allowances you had over the covered period for dismissal of separation or premiums you paid for your employees health benefits and retirement benefits as well as state or local tax assessment. Use all those expenses and form 941 from your tax returns. For determining the loan amount and the 75% of expenses that you need to extend the loan on to be forgiven. The .5% can go to additional cost including interest on mortgages, rent and utility. The whole purpose behind the law was to get people employed. Businesses have been asking us. I have had to close due to government orders for nonessential businesses. I had to furlough my employees. The idea is that you bring employees back and have them work at home and train or do something while the businesses closed for a week and you can pay them to do it to keep them off unemployment. That is the main driving purpose behind the loan. Briefly here are the pros and cons of the program. Applications are currently being accepted before we found out today that the money was running out. Loan payments are deferred for six months. There is no collateral or personal guarantee is required. There should be no fees for applying for this program. If any company or broker or person is approaching you and offering to complete and to get you these loans for a fee, that is forbidden in the law. The banks are paid by the government and the brokers are paid by the the banks. You should not pay anyone to help you complete these applications outside of hiring an accountant figure out your payroll. For anyone offering these loans for a fee be very cautious. You do have to maintain payroll. The cost starts moving S&E as you receive the loan and over the next eight weeks. All of the eligible expenses must be extended over the next eight weeks. It is a matter of bringing employees back on and maybe not having enough business to keep them busy but the idea is to get people off unemployment. The SBA has not given guidance exactly how the process will work. It will probably vary by bank but generally you will have to prove you spent the money on business expenses. It has been proven challenging when you do not have a banking relationship. That is one thing we're trying to sell for with the advocacy program. I will discuss economic injury disaster loans next. These are in existing program from the SBA. You apply directly to the SBA. As part of the cares act \$10 billion was allocated for grants where if you apply for a disaster loan you will be advanced in the amount of up to \$10,000 and you do not necessarily have to repay that money. SBA issued further guidance that the amount was limited to \$1000 per employee and up to 10,000 and up to 10,004 [Indiscernible] my. The total loan amount is up to \$2 million although we have seen because of oversubscription and high interest that the SBA was starting to limit the amount of funding available to businesses. Two months of working capital opposed to what was traditional six months. Others were getting loans of the advance amount plus \$15,000. It is clear that the money allocated for the programs is gone. There is still high interest in high demand. We will see exactly how it shakes out in the next waiver authorization. To apply you go to the website on the screen. That application is down and may indicate because of lack of available funding. The loans are fixed for of 230 years. I am seeing a couple of questions that talk about how they calculate the amount because they do not put in the amount you ask for. You put in your cost of goods sold and revenues and SBA will make the calculation for you based on what you would need for six months of working capital. They revamp the application back in late March. It was pretty quick to apply. A lot of people are still waiting on a decision from SBA. SBA has set up a call center as well as a email address. You can search to contact them to check on the status of the loan. It is being served on a first-come first-served basis. I know these programs are highly impacted. We are advocating for additional funding for them. Here we have key takeaways of the paycheck protection program and economic injury disaster loan. Again, 10 million for PPP and 2 million for idle. Most of the PPP can be forgiven you just have to maintain payroll and grant program through the economic injury disaster loan that was initially supposed to be distributed within three days. From the SBA perspective their programs maybe a 10th of the demand they are seeing and they were not prepared for the influx as well as the legislation for these programs. They are definitely doing what they can

to get the money out the door but there is clearly a lot of demand. Some additional resources. Our website and a tool we have called Lindner match. You can put information about your business and you connected to an approved lender. I talked briefly about the other component of the act which included forgiveness FDA loans as well as non-new non-PPP. It is called a micro loan. In which the government will pay the first six months of on the line. We work with a number of community financial institutions. Many participate in the micro loan program. That could be more striking out with PPP and idle.

Those are cat at a certain percentage plus prime. So they are a more affordable option as far as financing is concerned about a few additional resources in tools. The main emphasis is on reauthorizing programs and providing additional direct grant relief. I will talk more about how you can get involved. On the main website we have a COVID-19 banner . We have done more than 20 webinars of the past few weeks. The information is changing by the day. We work with the different partners to provide those resources. We also include our list of policy priorities. As well as sign-on campaigns to put your name on a list to send to folks on Capitol Hill to let them know how important these programs are we also have a survey collecting about how businesses have been impacted by four on I wanted to put out a survey in the audience to understand if you have a fight for the payroll protection program. And or the economic disaster loan program and if so, whether you have been approved. Our mains website is small business majority. I have also mentioned the [Indiscernible] a separate website that houses all the educational materials. Historically we focus on educating entrepreneurs about access to capital healthcare retirement and other things to help employees. It is a free online resource for a number of different uses. We offer a tool primarily for business owners in California working with CFI which is a nonprofit mission driven small business Lindner who can offer historically lower late and maybe alternative online options. You can put in information about your business and be connected. We also offer a tool to select your state and ZIP Code. We have a map of a variety of different resources for small business owners including small business development centers. We have a link to finding a mentor in your area. Other organizations on the ground in your community who could potentially help you access these government programs and figure out where to turn next and how to pivot your business or surviving the next couple of months. Definitely check it out. I will mention a couple of other partners. Community ventures offers free remote business assistance on any topic of business. And other partner community reinvestment fund is the connect to capital tool in which they partner with a number of cities outside of California that you may potentially be able to be connected to to find an alternative CapitalSource.

As I mentioned right now the priority is on getting Congress to him approved the relief available to small businesses. Our concern is that many were left out of the initial wave of the relief. There is more that can be done. We're dedicating to ensuring that lawmakers hear from real small business owners about how they are being impacted by this crisis. We have form available on the slides that will be going out about how to share your story about how you have been impacted. You can also find that on the small business majority.org. When renting a little mention if you go to venture.work there is a red button for COVID-19 resources. On that page we provide a breakdown on much of what we cover here. The organizations we believe our offering PPP or were before the money ran out were two nonexisting clients. There are calculators and tools and one of the most crucial pieces which is many state and local governments are propping up additional funds for small businesses outside of the PPP and economic injury disaster loans. There are some national elicited out there. Many of them are impacted heavily just as these programs are but we are working to compile resources keep them updated and understand when the application has been closed. Definitely go check out our page. You can search by state for some of the other local state and emergency relief programs. Back to getting involved. The best thing you can do right now is contact your member of Congress to let them know if you are still waiting on decisions or if you were not able to access them anymore money or need a direct grant the best thing is to contact your representative and Sen. to let them know. They are actively discussing both the national emergency funding for programs as well as what comes next from a broader relief initiative. With that, I will put up some information. These are our website and social media such a. I am happy to pause and take questions.

Take you, Brian. We will go ahead and start addressing audience questions that have been coming in throughout the presentation. We will spend the next hour addressing questions. We are definitely receiving more questions than time will allow us to address. So, if we are unable to get to your question on this webinar we would like to recommend that you connect with your SCORE mentor after this session. They

can help you with these questions and help you through this process. If you are not already working with a mentor you can get information about requesting one online on our website. Go to find a mentor. You can request when there. I also want to remind everyone that we will be sending out an email after the webinar that will contain the slide deck. This has the small business majority contact information where you can reach out to get questions answered. We will also send a link to the recording. So, anything that has been mentioned before that you want to refresh on we will get you that link. With that, Brian let's jump into these questions here. The first one comes from Alyssa. She is a LLC. I take money when I need it. Can I use the loan to pay myself even though I am not on payroll?

Yes. As I mentioned, the [Silence] will be looking at net profit for a S corporation member LLC from your Schedule C that will be the amount you are eligible for for a PPP loan. For forgiveness as well.

Next question is from Tim. If a company does not have any employees, how would they figure the amount of the loan?

Again, according to the guidance you will have to file your 2019 Schedule C. It will be the net profit from your Schedule C that will be used in the calculation. For self-employed businesses that were not in operation in 2019 they will addition issue additional guidance. For those that started their business at the start of this year. More information will come.

Next question from Sherry. I am doing the PPP as a freelancer. No 1099. She said I do not have a 940 or 941 filed or a pay stub also, no bylaws but I do have a VIN. Will that work? Can you talk about what to do since I'm not a 1099?

I think this falls in the same guidance for self employed entrepreneurs. You essentially are that as a freelancer even though you do not receive a 1099 from your client it will be based on a Schedule C net profit. Some folks have asked in other webinars about can I use PPP to pay the rent on my house for my home office or other expenses that self-employed entrepreneurs incur working from home and because the amounts are deducted from your gross earnings on your Schedule C to arrive at your net profit the SBA has determined that they will look at the underlined net profit amount to base it off of sole proprietor self employment ensures.

The next question is from Christine. She says she has seven employees. Can she apply for PPP even if my business is not experiencing hardships?

You do have to certify in the application that the loan amount is necessary due to presumed economic injury to your business. The economic conditions make it so that this loan is required if you are anticipating that revenues are declining or expected to decline after the second I believe he would be eligible but you do have to certify that there is significant [Indiscernible] to your business.

If your bank informs you that you were approved a couple of days ago will you for sure get the payment? Do we know or is there a chance the money ran out in between acceptance and payout?

If they are telling you your loan was accepted that tells me that they probably had it approved through the system and in which case I would expect them to receive the funding. The timing depends on your bank and how they process loans and the information they need back from the SBA to finish the underwriting. My guess would be that you will get the money sooner or later. Next question is from Sarah.'s single-member LLC and purchases her own health insurance. Do we know if the funds can pay the premium? I believe that I will look closer at the guidance on self-employed entrepreneurs but I believe that would be a forgivable use. Although there is a little distinction in the guidance that came out about net profit calculation in the forgiveness portion but I believe things like health insurance premiums are allowed under the general PP would be a forgivable expense. Your total loan amount will be based on the net profit from Schedule C. Mitchell wants to know if the rent includes equipment leases?

I do not believe it does. For that you want to look at the economic injury disaster loan which primary use is paying Accounts Receivable and working capital things like equipment leases.

If you know whether you can get a PPP if you only pay salary annually? Typically in December. She is a C Corp. and the only employee with compensation is about 25 pay annually.

I believe that she would qualify. You take that 20 5K and divided by 12 to get your average monthly payroll. Even if you're only paying it in a lump sum. Multiply that by 2.5 to get your loan amount. Now, and pardon the stipulation but you have to pay over the next eight weeks. I'm not exactly sure how that will work. In that case I would discuss the individual's situation in the bank all with the thinker. As I mentioned they are still

waiting on other guidance on exactly how the process will work. I would definitely talk to your banker about that particular situation as well as connect with a mentor or others to double check.

Do you have to file your 2019 tax return to qualify for the PPP?

For self-employed you will need your Schedule C. I do not know if you necessarily have to file it but you do need to provide it for the bank you end up working with. For employer-based businesses I do not believe you necessarily need to. Some banks we heard might be asking. Others might accept it. It will probably vary by the bank you work with. Right now it is not necessarily a requirement that it be filed.

We had several folks ask how to check status of the application she filed? Is that on the website? How do they go about that?

I can provide the phone number and email address for the economic injury disaster loan. Their call number is one 806 59 Their call number is 1-800-659-2955. Their email address is disaster customer service at SBA.gov. Disaster customer service at SBA.gov. The phone number is one 806 59 The phone number is 1-800-659-2955. I would anticipate long call times. That is specifically for injury disaster loans. PPP will be to your bank. And the level of customer service response I know some are only taking online applications some say do not contact us we have it. It will really depend on the bank on how you check on the status of your application. I think we have seen anecdotally more success for customers who work with their smaller community banks. But some have been funded by the larger institutions as well. It just depends on the bank. If you can give me that phone number again to post in the mass message board.? One 800 One 806 59 1-800-659-2955. In the upper left-hand corner of your screen you can see how to access that.

I had more expenses than income over the last year. Well I qualify for idle?

Yes I believe so. I am not 100% sure. They do look at your cost of goods sold, revenues, I saw another question about the mistreating the ability to repair. Under a certain amount you do not have to provide collateral. I believe it is 250,000 you start have to provide R&D and collateral. So it will depend on the size of the loan you qualify for. If you show a loss in 2019 believe you can still qualify. I am not 100% sure. I would not let it stop you from applying the.

On the PPP will you have to show he and of the eight week period to have the loan convert to a grant? It is headcount and salary that there will be looking at. The exact guidance for how to prove that in the documentation you will need to provide is still to be determined. Some banks may have ideas on how to do that but the idea is to maintain your full payroll and full amount of whatever portion you do not need converts to the 1% to your loan.

What options are available to those who cannot pursue other options like microloans or debt? Any suggestions?

I would definitely check out our website. You can click on the red COVID-19 button. It also includes grants and other programs that have popped up by state and local governments as well as national nonprofits and other corporate funders. Is definitely options to pursue.

My business has a credit line with a much higher rate. Do I have to exhaust the credit line before I qualify for these loans?

No. They waived typical requirements. Historically the loans programs have been for businesses who have exhausted other funding options. Those requirements will be waived as part of the care Zach.

For those who did not get an approved PVP in this round will we need to reapply?

We are in uncharted territory in terms of the next wave of stimulus relief will be. It would be my hope that your bank we keep your application and try to run into the system once the program is reauthorized. I imagine SBA will provide guidance to banks on that. I would attempt to contact your bank. Both right now and when the programs are reauthorized.

Since the PPP has run out of money as of today, do you think it is safe to say if you have not heard back today you more than likely do not make the cut for the loan?

It is hard to tell. It will probably vary by bank. Maybe some banks pushed the applications through or attempted to. Maybe they were processed through the system and received initial word back that it was a period that it is likely that they were not as well. It is too hard to say.

Once the application is complete do we know how long it will take to get a response or get the loan?

For the economic disaster loans we have seen and heard anecdotally that the folks who applied when they revamped the application they have started to receive some of the advance amounts and loan funding amounts. That is what I have seen but there is no way of verifying that. That puts us at a two-week window.

We do not have a sense yet as to how many people applied for the program where SBA is processing the queue and what amounts have been exhausted. It is hard to say at this point when a decision might be made. If you applied in the early window I would be hopeful that you might hear something soon. If you only apply within the last week I have no guidance. As far as PPP is concerned the same type of thing. 4000 banks and once they opened the door to another lender is over 5000 banks processing applications. All at the same tier frame and window to try to push it through the system. How they prioritize them or how the queue works or how the process is going down I cannot really say

What happens if employees filed for unemployment benefits? Can an employer still get PPP? If and when employees are brought back would they keep the unemployment benefits? If you start paying them with the PPP money they would not qualify for unemployment. That is the whole driving force behind the program. Keeping people off in employment and getting them back on payroll. The short answer is no. You cannot double dip with any of the programs. Same if you apply for the economic injury disaster loan and PPP loan. Cannot use that money for the same purpose and double dip. The purpose of PPP is to get the employees back on the payroll and often employment.

There is a follow-up. If it matters if you rehire the same people or staff or is it just having the same amount or numbers of staff??

It is just a total number. The amount of people. It made sense that if you laid off some people maybe they found of their employment writer well or wanted to stay on employment. Who knows. It is a total headcount as well as salary level. I think you would be in the clear.

If the PPP loan has to be paid out A? From the loan can I write a check from our general account to employees for payroll bonus or does it have to be run through the payroll account by that date? If so, would we lose a week?

I'm not sure I entirely understand the question. If the idea is you want to backdate payroll not planning to bring them back right away I would advise against that. As far as the mechanisms for how you pay people because we do not have guidance about how the forgiveness process works whether they will look back at your 941 to prove the forgiveness amount I would advise you pay them how you traditionally pay payroll.

For PPP business owners and they are the only employees should we consider revenue as income or profit as income?

It will be the net profit from Schedule C

I do not take all employees back in a pay the 1% interest on the difference can I still get the forgiveness for rent and utilities using the 25%?

I believe so. Up to 25% of the loan proceeds. I believe so. But without clear guidance from SBA on the actual forgiveness process [Indiscernible] pick the 7525 split was not in the original legislation. It was a rule the SBA put out around the program. Still lacking better guidance on that but my understanding is if you do not use 75% on payroll I do not believe the whole thing turns into a loan that do not quote me on that yet. Definitely talk to your bank about your specific situation and what you intend to use the money for.

Barber is confused whether the federal and fight go withholding is covered by the PPP.

State and local taxes are factored into the payroll but federal taxes are not.

Someone has been granted on employment so can they still work for us?

They would need to report to unemployment that they are employed and they would lose benefits but yes. This question from Tamra is similar. If you applied for the PPP and your employee employer refused employee reviews because they get more money from an employment?

Try to find someone else to hire and whatever amount you do not use can convert into the loan. If you apply but have not received loan documentation yet or signed a deal and lower the amount to only cover the payroll costs that you know about that would be another thing to pursue.

Self-employed due to mandate. She applied for unemployment. Which he still be able to apply for the loans if funds become available?

The idea that you cannot double dip comes into play. The first wave did make folks self-employed available for unemployment. [Indiscernible - low volume] [Indiscernible - static]

Employees making over 100,000 a year do you average their wage? [Indiscernible - static] when paying wages?

I'm not entirely sure I understand the question. You would be eligible for 100,000;12 for their specific piece of payroll. You could pay them more than that but only the amount up to whatever that number is. I'm not sure I am answering that clearly.

How do you calculate executive business owner salaries if the business owners are not compensated due to a prior economic disaster?

I'm not sure I understand the last piece but the same is owner draws. They are not calculated into the PPP calculation. It is only folks officially on payroll taking a salary from the business. If it is a self-employed entrepreneur it would be the net profit from Schedule C. From economic injury disaster loans they look at cost of goods sold and revenue to determine loan eligibility amounts.

Are you aware of any banks locally that are taking PPP loans? If you do not have an account with them?

I do not know where locally is for those person but we are compiling a list on our website. If you click on COVID-19 there is a list of banks in regions and states as well as providers accepting nationally. A word of caution about some of the financial technology companies. We are a founding member of the responsible business lending coalition in which we have been advocating for transparency in small business lending for years. Not all financial technology companies play those roles which are easy and straightforward and meant to protect small businesses. Just be wary. There will be lots of companies offering to get you PPP the. Be wary of once asking for a fee and be wary of any you cannot prove that they have been approved by the SBA to become a lender. It is murky right now. One we recommend is funding circle. They are active in 49 states. They are a signatory of the borrowers to live right. One of the largest small business financial technology lending companies in the state. Will industry.com is a national seek FI. They do lending and a handful of states. Some other companies have been approved for it but we are not necessarily recommending does at this moment.

[Indiscernible - static] how does the payroll protection program work for companies who do not have W-2 employees but I nine employees?

It has to be W-2 employees because the PPP is open to self-employed and 1099s in which they can apply themselves. You cannot count what you pay them for your PPP calculations. Only folks officially on your payroll.

Regarding the PPP and loan forgiveness, can it be partial for a few employees or all or nothing? You must bring back all employees?

Again I might devise asking your bank for a smaller PPP amount and only paying employees you plan On keeping on. I am not 100% sure.

Laura is asking as a startup sole proprietorship my last year's net earnings were in the negative. Am I eligible for PPP or other programs?

If you do not have net profit from 2019 it seems to me that you would not be eligible for forgiveness under PPP. You could potentially be eligible for a economic injury disaster line. The can I use the PPP to find that my IRA? She is a LLC?

Now. That is not a eligible use of the PPP. I would now device that.

If the idol is forgivable?

The grant amount approved in the latest round is in the \$1000 per employee up to 10 employees. That amount is for "and does not have to be paid back. You can even qualify for that if you do not accept the actual loan. They will just deposit that money into your account. As we have seen, the money has run out with only 10 billion allocated.

Can you elaborate more on the available on three days and up to 10,000?

The carriers act the actual legislation stipulated that up to \$10,000 advancement would be distributed to anyone who apply for the loan within three days. Clearly the SBA was not equipped to handle the influx of applications they received. As we're seeing today with the funding running out they recognize that the amount of being money being requested is more than what was allocated. I do not know how they are triaging. They say it was a first come first serve basis but the carries active dances up to \$10,000 for applying and add that advance amount would be distributed within three days. The advances are starting to go out. 1000 per employee up to 10 employees. That just depends on when you applied and whether you are at the front of the line and how much money they have left to distribute. Hopefully, more will be allocated.

Joseph has applied for three assistance programs PPP, Idol and PD bridge loan. Waiting for approval on all. Regarding the mandatory [Indiscernible] does it matter whether he pays the wages before or after what will

become his 60 day window? I am not as up to speed on the specifics of the paid family leave provisions and how those payments apply to the PPP. Or other program calculations for I really do not have a good answer unfortunately. I would check with the government that has the program.

If our nonprofit work does not have employees can we qualified for the idol 10-K events for rent utilities etc.?

Yes. It is open to most nonprofits and open to nonprofits without employees. Just a question of how impacted it is and when the application will open back up and how much funding will be allocated.

If I applied through the SBA do I need to apply somewhere else or wait? Just wait. Idol is only to the SBA. Anyone offering you a eidolon from any other source is probably trying to commit fraud.

Can you hire additional employees and they get paid out of the PPP funds? We have for employees but now can we have five?

I believe your total loan amount will be calculated based on your 2019 average monthly payroll. You will be able to get in spend but will be limited by what your payroll was previously. As long as you maintain the same amount of FTN salaries and bring someone on that should all be forgiven.

If you make the cut for funds for idol but do not receive the full amount, do you know if they will offer you money on the next round? Should the money become available? I don't think the SBA knows how they will handle folks if they offer a lesser amount and to what the process will be for increasing the amount after two months. There is still a lot of unknowns around that. It probably depends on how much additional funding is allocated for the program and demand. A lot of factors are in play. This next question is asking about a escort. Are they eligible if they only have one employee?

They should be. It is open to those types of organizations.

If I hire an employee while plant funding is printing pending and not approved will that payroll expense be forgiven?

Is should be. If you bring them on after paying payroll. How the amount was calculated would be based on previous years payroll but it should be an allowable expense.

Julie is asking if now that the funding is gone should I pursue the application process and where can I find the actual forms? They seem to be unavailable.

If you talking about economic injury disaster loans that application has been taken down. The website is COVID-19 relief.SBA.gov. There is nothing to say when it will be back up. Pending further allocation. You can definitely go to small business majority.work & note for the business letter. The communication to when the program is being updated and the latest information so you can sign up for the email list to make sure you know when it goes back life.

Regarding the application requirements, is it a total of 2019 payroll or is it the last 12 month? Can you clarify?

I have seen thanks excepting both. Summer only looking at 2019 and some are looking by the month. It varies by the bank. I would have your payroll. The SBA guidance says the last 12 months but I have seen banks looking at 2019 payroll.

Can you have partial forgiveness on a PPP?

I think I answered this earlier. We assume so. If you only spend 50% of funds on payroll maybe 25% on the other approved expenses rent mortgage interest utilities, 25% would convert into the 1% to your loan. I am not on hundred percent sure pending guidance on the process from the SBA.

If we hire our employees back are they able to reapply for full unemployment state and federal when or if we run out of money to operate the business?

Yes. They would be eligible again for benefits if that happens. That has been part of our concern with the program and why we are advocating for more direct grant assistance and longer timeframe. We know it is not enough. Especially given the uncertainties around when the economy will restart and what it looks like. Fill out the forms and let Congress know that more Congress more needs to be done.

If I just started my business in 2019 with no employees in my eligible to apply?

Yes. Based on your schedule C net profit from 2019. Whatever that is for self-employed income.

When the bank finds your PPP for 2020 Willoughby taxable income for 2021? Good question. Not entirely sure. I believe so but I'm not 100% I would check with your SCORE mentor .

How do some financial lenders offer SBA programs and determine the interest and requirements? How does that work?

The CARES Act opened the PPP program to non-SBA lenders. They put out some forms last week. That lending institutions can use to apply the forms. There is a section for lenders that outlines how they. And several lending institutions have [Indiscernible] I do not know if the question.

I applied for the PPP advance on the SBA website. Was the application for the full PPP loan or is very different form I should have filled out?

The SBA revamped on or around March 30. Before that it was a long form. I have not received a clear answer from SBA for folks who applied via the long form but I heard that you would have had to go back and fill out the short form. You would not have lost your place in line for applying early but they need that short form. I'm not 100% sure. I would definitely try to contact at the SBA. Check on the status and or reapply when they do reopen the application.

Are there any special programs for women or women's businesses?

Yes. We are working to identify a couple that we know about on the website. Click on the COVID-19 relief button on our website. There are nonprofit entities popping up.

If the first step is applying for the loans, to terminate my employees than to become eligible for unemployment. As a business owner am I eligible for unemployment?

I do not believe so. States are started in to implement that but I do not believe that you yourself are eligible for unemployment.

The first step would be for to apply for the loans and then need to terminate employees to be eligible for unemployment? Back [Indiscernible - static]

You should apply for all the programs. If you need to lay people off or for low people while you wait for the money that is understandable. When you get the loans you can bring them back on payroll and they can get off an employment but you yourself I don't believe would be eligible for unemployment.

In that case without employees doesn't make her eligible to apply for the PPP and PPP?

Yes. She can still prove that she was an employer business and has payroll records from 2019. She had revenue and cost of goods sold so she should apply for those programs. Even if she leaves people off.

Should we still file taxes or should we wait?

I do not know about that. I would consult with your CPA. I am not good at taxes.

I am a small business owner who had a part-time job.

If she has a part-time job in her own self-employed business I think she could theoretically be eligible for PPP using the net profit from the business. I do not know if that was the question but I will throw out there.

I am a veteran owned and run restaurant in the middle of a hiring process while finishing up the last of the construction. I am a subcontractor as of January 1. This is a tricky situation and I am confused on how to move forward. Now unemployed and restaurants will not be able to open. Am I available for these programs?

I would definitely advise filing for unemployment. As far as the guidance we got from SBA on Tuesday around self-employed there is still no guidance about self-employed individuals who were not in business in 2019 and do not have a schedule C available. Unfortunately I cannot provide guidance other than file for unemployment and consider a economic injury disaster loan when the application resumes.

What relief is available for business owners who work at their businesses but do not collect a salary? Business owners that have had to close businesses is not making any money what immediate relief is available?

Your best course of action would be to apply for economic injury disaster loan but the PPP calculation will be based off of official payroll which is why we think these programs were never really quite adequate to solve the problems that small business owners are facing right now and why we are advocating for more robust assistance.

Deanna so she is a family childcare provider of 20 years. My question is about the PPP forgiveness stipulations. She is planning to maintain a separate account and will write herself a check each week as if she was getting paid from her parents. Is this a good practice and what utilities can I pay besides gas electric and water Internet and cable?

Did you say home-based childcare provider?

I'm not sure. A family childcare provider.

It sounds like she is self-employed. It would probably net profit of 2019. As far as writing yourself a check I'm not sure that would fly with the bank. In this case I would talk to the King. If you are able to talk about your specific situation and what you would use of four to see what they say. I think it is a unique situation in that regard.

If I have a sole proprietor and did not renew the registration will I still qualify and if I open a new LLC now will I be able to qualify for this?

The second question, no. You have to have been in business by March 1 and February 15 the new LLC would not qualify for either. If you let the sole proprietorship lab you could probably make a claim for self-employed but the guidance is relatively new I don't even think SBA full or how it is being implemented at the bank level. There is also no money available so I cannot provide good guidance.

If I on a retail store can I use idol to pay off my suppliers from January 1 of this year?

Yes. That is exactly what the idol program is towards.

If contractors like a landscaper qualifies as payroll do they qualify as payroll under PPP?

It depends on how the landscaper is treated within the business structure. Was it a contractor? Or are they on payroll? If they are on payroll they will qualify for PPP, if not, they do not.

Next question from JoAnn. If I have a escort.'s core business owners can a file for unemployment? If you have an employee can she hire her daughter to work in her place?

I do not know about the first piece. I do not think that they are. It sounds like she had one employee. I do not think that she would be eligible for unemployment. I would be wary to advise anything about her payroll question.

This comes to us that his account says because he does not have a W-2 or 1099 and his wife works in the business that does not have one either. We have been closed for over a month. His account says we have to pay payroll tax for three quarters to be qualified for the unemployment insurance. Can you clarify?

I do not know any specifics about the unemployment piece and how eligibility is determined for that. I would just advise that his wife tried to file for unemployment and see where the chips fall.

Brian this comes to us from Agnes. Regarding the requirement for the PPP program that businesses need to declare a positive net profit on Schedule C to qualify for the loan.

This is specifically for self-employed individuals. It is according to the ladies and gentlemen guidance issued which is an interim final rule from the SBA issued on Tuesday. Maybe Monday. You can read the rule on the website click on the COVID-19 resources and there is a link on the front page. This links to the role for the self-employed that is how the SBA it is so relatively new. Our interpretation may be wrong. We have not received further guidance about it I do not think the bank staff. I think as the program is refunded that there will be more clarity coming out around the self-employed piece. I think a lot of them were left out of this wave. A lot of them have specific needs. Hopefully will get more clarity gained guidance around it. That is our reading of the will put out on Tuesday. More info to come. One last question.

Mary heard that a portion of the PPP is taken out of the idol if you get both. Can you elaborate or explain?

If you receive both idol and PPP and you get in advance of up to \$10,000 then you use your idol for payroll along with PPP, then you would deduct the advanced portion. Because it is a forgivable amount you would deduct that from the PPP forgivable portion. There's a question on the application if you have applied for a loan. Let your banker know if you did receive that and the advance amount and what you will use it for to determine how it in a plays with the PPP.

We are out of time for questions for the session. If we did not have a chance to address your question we recommend that you connect with a mentor after the session today who can assist you further with questions and is this need to moving forward. We will be providing a link to the recording of the session as well as the slide deck that contains Brian's contact information. I would like to take a moment to share and remind you that SCORE has a wide variety of resources available. We're here to support you through the crisis situation. SCORE has one-on-one mentoring services and workshops virtually. If you are not already working with a SCORE mentor you can request to work with on by going to our website. You can access the COVID-19 resources by going to the SCORE website. We have ongoing national webinars being held to answer your specific questions, provide the detailed information about policy updates and provide marketing advice. Working remotely and navigating long-term uncertainty. You can get further information by going to the SCORE website. SCORE is here for you and your business so do not hesitate to reach out for assistance and utilize the available resources. I would like to thank you for attending. A special thank you to Brian Pifer

for being here with us today. Thank you to Suzanne McGrath who has been addressing questions. Pinky both so much.

[Event Concluded]