Available Resources for State Affiliate Associations Under the Federal CARES Act, the Federal Families First Coronavirus Response Act, and the Federal Reserve

Please consult your own tax professional and/or legal counsel to determine eligibility under any of these programs.

As of April 10, 2020

1. Employee Retention Payroll Refundable Tax Credit

   a. Eligibility: Available to small businesses and nonprofit organizations (including Section 501(c)(3), (c)(6) and (c)(4) organizations, among others).

   b. Credit Amount: Refundable payroll tax credit for up to $5000 per employee: 50% of the qualifying wages (including employer’s health plan expenses) paid by the employer between March 22 and December 31, 2020, up to $10,000 in wages per employee.

   c. Credit Provisions:

      i. Employers fully or partially shut down by government order or with 50% drop in gross receipts in a quarter compared to prior year (until return to 80%).

      ii. Employers can be immediately reimbursed for the credit by reducing their required deposits of payroll taxes that have been withheld from employees’ wages by the amount of the credit. Qualified wages are reported on the quarterly Form 941 and credit is reconciled to tax deposits made.

      iii. Eligible employers can also request an advance of the Employee Retention Credit by submitting Form 7200.

      iv. Employers are not eligible if they received a Paycheck Protection Program loan.

2. Paid Sick Leave Refundable Credit

   a. Eligibility: Available to small and mid-size businesses and nonprofit organizations (including Section 501(c)(3), (c)(6) and (c)(4) organizations, among others) that have fewer than 500 employees and who provide employees with paid sick leave if the employee is unable to work due to a COVID-19 circumstance.

   b. Credit Amount: Refundable payroll tax credit equal to the required sick leave paid for leave during the period beginning April 1 and ending December 31, 2020. This tax credit also includes the employer’s share of Medicare tax imposed on those wages and its allocable cost of maintaining health insurance coverage for the employee during the sick leave period. In addition, the employer is not subject to the employer portion of social security tax imposed on those wages.

   c. Required Sick Leave under the Emergency Paid Sick Leave Act
i. At regular rate of pay up to a maximum of $511 per day or $5,111 total over the entire sick pay period for instances of the employee’s COVID-19 related illness.

ii. At 2/3 of regular rate of pay subject to a maximum of $200 per day or $2,000 over the entire period for instances of employee caring for someone else, including a child whose school has closed.

d. Credit Provisions:
   i. The credits covers 100 percent of up to ten days of the qualified sick leave wages (and any qualified health plan expenses allocable to those wages) that an employer paid during a calendar quarter, plus the amount of the employer’s share of Medicare taxes imposed on those wages.
   
   ii. Employers can be immediately reimbursed for the credit by reducing their required deposits of payroll taxes that have been withheld from employees' wages by the amount of the credit. Qualified wages are reported on the quarterly Form 941 and credit is reconciled to tax deposits made.
   
   iii. Eligible employers can also request an advance of the Paid Sick Leave Refundable Credit by submitting Form 7200

3. Paid Family Leave Refundable Credit

   a. Eligibility: Available to small and mid-size businesses and nonprofit organizations (including Section 501(c)(3), (c)(6) and (c)(4) organizations, among others) that have fewer than 500 employees and who provide employees with paid family leave because of a need to care for a child whose school or place of care is closed or whose child care provider is unavailable due to COVID-19 circumstance.

   b. Credit Amounts Refundable payroll tax credit equal to required family leave paid for leave during the period beginning April 1 and ending December 31, 2020. This tax credit also includes the employer's share of Medicare tax imposed on those wages and its allocable cost of maintaining health insurance coverage for the employee during the sick leave period. In addition, the employer is not subject to the employer portion of social security tax imposed on those wages.

   c. Required Family Leave under the Emergency FMLA
      i. At 2/3 the employee’s regular rate of pay up to $200 per day and $10,000 in the aggregate.

   d. Credit Provisions:
      iv. The credits covers 100 percent of up to ten weeks of the qualified family leave wages (and any qualified health plan expenses allocable to those wages) that an employer paid during a calendar quarter, plus the amount of the employer’s share of Medicare taxes imposed on those wages.
v. Employers can be immediately reimbursed for the credit by reducing their required deposits of payroll taxes that have been withheld from employees' wages by the amount of the credit. Qualified wages are reported on the quarterly Form 941 and credit is reconciled to tax deposits made.

vi. Eligible employers can also request an advance of the Paid Family Leave Refundable Credit by submitting Form 7200.

4. Delay of Payroll Tax Remittance

   a. Delays the payment of the employer portion of Social Security (but not Medicare) payroll taxes between March 27 and December 31, 2020.
   b. 50% due 12/31/2021 and 50% due 12/31/2022.
   c. Does not apply to employers which have loans forgiven under the Paycheck Protection Program.

5. Paycheck Protection Program Loan Guarantee

   a. **Eligibility:** Small businesses with fewer than 500 employees, select types of businesses with fewer than 1,500 employees, 501(c)(3) nonprofits with fewer than 500 workers, and some 501(c)(19) veterans’ organizations. Applicant must be in operation as of February 15, 2020 and, as of that date, had employees for whom it paid salaries and payroll taxes.
   b. **Maximum Loan Amount:** Loans are given up to the maximum of the lesser of $10 million, or 2.5 times the average monthly payroll costs during the one-year period before the date on which the loan was made. Payroll costs include wages for employees making under $100,000, as well as expenses for paid sick leave, healthcare, some taxes and other benefits.
   c. **Repayment Terms:** Two-year term and payments are deferred up to six to twelve months. There are no prepayment penalties or fees.
   d. **Interest Rate:** Fixed rate of 1%. No personal guarantee or collateral is required.
   e. **Loan Forgiveness:** Part of the loan may be forgiven and not counted as income to the borrower if it is spent during the first eight weeks on operating expenses. Loans are forgiven when proceeds are used for any of these costs:
      i. Payroll costs, excluding prorated amounts for individuals with compensation greater than $100,000.
      ii. Rent pursuant to a lease in force before February 15, 2020.
      iii. Electricity, gas, water, transportation, telephone, or internet access expenses for services which began before February 15, 2020.
      v. Group health insurance premiums, retirement benefits, and state and local taxes on compensation.
   f. **Restrictions on Loan Forgiveness:**
      i. In order for the amounts to be forgiven, the borrower must maintain the same average number of employees for the first eight-week period.
beginning on the origination date of the loan as it did from February 15, 2019 – June 30, 2019 or from January 1, 2020 – February 15, 2020.

ii. Loan forgiveness is reduced proportionally if the employer reduces the number of FTEs.

iii. Loan forgiveness also will be reduced if the borrower decreases salaries and wages by more than 25% for any employee that made less than $100,000 annualized in 2019.

iv. The borrower has until June 30, 2020 to restore full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

v. No more than 25% of the forgiven amount may be for non-payroll costs.

g. Requesting Loan Forgiveness: The borrower must submit a request to the lender servicing the loan. The request must include documents that verify the number of fulltime-equivalent employees and pay rates, as well as the payments on eligible mortgage interest, lease and utility obligations. The borrower must certify that the documents are true and accurate and that the borrower used the forgiveness amount to keep employees and make eligible mortgage interest, rent and utility payments. The lender must make a decision on the forgiveness within 60 days.

h. Application: Borrower must apply through local banks that already offer Small Business Administration loans. You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. The application period for small businesses opens on April 3, 2020. While the loan program is open until June 30, 2020, it is recommended that you apply as soon as possible because there is a funding cap and lenders need time to process your loan.

6. Economic Injury Disaster Loan

a. Eligibility: Open to small business owners, including private nonprofit organizations that are NGOs or entities that currently have an effective ruling letter from the IRS recognizing federal tax exemption under sections 501(c),(d), or (e) of the IRS Code (including 501(c)(6) and (c)(4) organizations), or satisfactory evidence from the State that the non-revenue producing organization or entity is a nonprofit organized or doing business under State law, or a faith-based organization.

b. Maximum Loan Amount: Loans up to $2 million to cover temporary loss of revenue.

c. Repayment Terms: Up to a maximum of 30-year term. First month’s payments are deferred for a full year from the date of the promissory note. Very favorable terms but not a forgivable loan like the Payment Protection Program.

d. Interest Rate: 3.75% for small businesses, and 2.75% for nonprofits.
e. **Restrictions on Loan Use:** Not intended to replace lost sales or profits nor for expansions, refinancings or repayment of other debts.
f. **Application:** Loan applications processed through SBA: [https://covid19relief.sba.gov/#/](https://covid19relief.sba.gov/#/)

7. **Economic Injury Disaster Loan Emergency Advance**

   a. **Eligibility:** Open to small business owners, including private nonprofit organizations that are NGOs or entities that currently have an effective ruling letter from the IRS recognizing federal tax exemption under sections 501(c),(d), or (e) of the IRS Code (including 501(c)(6) and (c)(4) organizations), or satisfactory evidence from the State that the non-revenue producing organization or entity is a nonprofit organized or doing business under State law, or a faith-based organization.
   
   b. **Maximum Loan Amount:** Up to $10,000.
   
   c. **Repayment Terms:** Does not have to be repaid if spent on paid leave, maintaining payroll, increased costs due to supply chain disruption, mortgage or lease payments, or repaying obligations that cannot be met due to revenue loss.
   
   d. **Application:** Loan applications processed through SBA: [https://covid19relief.sba.gov/#/](https://covid19relief.sba.gov/#/)

8. **Federal Reserve Main Street Lending Program**

   a. **Eligibility:** Companies up to 10,000 employees and $2.5 billion in income.
      
      i. Certain restrictions on compensation, stock repurchases, and distribution apply.
      
      ii. Borrower attestation required on certain items (reasonable efforts will be made to maintain payroll and staff, restrictions above will be followed, and funds will not be sued to pay off other loan balances).
   
   b. **Maximum Loan Amount:** Up to $25 million (or $150 million with expanded loan sizes)
   
   c. **Minimum Loan Amount:** $1 million
   
   d. **Repayment Terms:** 4-year loans at adjustable rate of SOFR plus 250-400 basis points. Principal and interest payments can be deferred for up to a year. No prepayment penalties.
   
   e. **Application:** Loan applications processed through borrower’s bank.

9. **General FAQs re CARES and FFCRA**

   a. Where can I go to find out more information about these and other loan programs?
      
      
iii. IRS

iv. U.S. Chamber of Commerce Foundation:

v. American Society of Association Executives:
https://www.thepowerofa.org/coronavirusadvocacy/FFCRA:

vi. Federal Reserve:
https://www.federalreserve.gov/newsevents/pressreleases/monetary20200409a.htm

vii. U.S. Department of Labor:
https://www.dol.gov/agencies/whd/pandemic/ffcra-questions

a. Can I apply for more than one type of assistance?
   i. Yes, but only for the Paycheck Protection Program and an Economic Injury Disaster Loan – so long as the funds are used for different purposes; no double-dipping.
   ii. You may also apply for the FFCRA tax credits but may not apply for both the retention credit and a leave credit for the same wage payments.
   iii. You may receive tax credits for qualified leave wages under the FFCRA and a Paycheck Protection Program loan, but the wages for which the tax credits are received are not considered wages for purposes of receiving loan forgiveness.
   iv. Federal Reserve Main Street Lending program is available to borrowers that have also received SBA PPP funds.

b. Can I apply for these programs by myself or do I need assistance?
   i. Applications for the Economic Injury Disaster Loan programs are completed online through the SBA website. Consult with your tax professional or legal counsel for additional assistance.
   ii. Applications for the Paycheck Protection Program must be done through an SBA-approved lender. Contact your tax professional or legal counsel for additional assistance.
   iii. Applications for the Federal Reserve Main Street Lending Program must be done through the borrower’s bank. Contact your tax professional or legal counsel for additional assistance.