

SMALL BUSINESS

LIFELINE

PAYCHECK PROTECTION PROGRAM

DISCLAIMER:
THIS IS NOT LEGAL OR FINANCIAL
ADVICE. TALK TO A PROFESSIONAL.

WHAT IS THE PAYCHECK PROTECTION PROGRAM?

- ▶ The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

THE LAST THING I NEED IS A

“LOAN”

FORGIVABLE = GRANT

- ▶ SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

WHO IS

ELIGIBLE?

ELIGIBILITY

- ▶ This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
- ▶ Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.
- ▶ Small businesses in the hospitality and food industry with more than one location could also be eligible if their individual locations employ less than 500 workers.

WHAT'S THE

CATCH?

FORGIVENESS DETAILS

- ▶ The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.
- ▶ Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.
- ▶ This loan has a maturity of 2 years and an interest rate of 1%.
- ▶ Payroll costs are capped at \$100,000

HOW DO YOU

APPLY?

APPLICATION DETAILS

- ▶ 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. You should consult with your local lender as to whether it is participating in the program.
- ▶ Lenders may begin processing loan applications as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020. (April 10th for independent contractors and sole proprietors (self-employed))

HOW TO APPLY

- ▶ Talk to your bank where you do your business banking
- ▶ Find an eligible lender on the sba.gov website
- ▶ Quickbooks
 - ▶ QuickBooks is working to simplify the Paycheck Protection Program for you
 - ▶ We're committed to providing the relief your business needs. We're working as quickly as possible to launch a simple application and funding process for the Paycheck Protection Program directly within QuickBooks. This program is unique—these loans may not have to be repaid if certain eligibility requirements are met.

DOWNLOAD THE FORM:

[BOXOUTMARKETING.COM/PPP](https://boxoutmarketing.com/ppp)

COMMON

QUESTIONS

QUESTIONS

- ▶ Where can I get more info?
 - ▶ [SBA.GOV](https://www.sba.gov) | [TREASURY.GOV](https://www.treasury.gov) | Your bank / lender
 - ▶ boxoutmarketing.com/ppp-facts - Treasury facts sheet
- ▶ What counts as “payroll costs”?
 - ▶ Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee); Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit; State and local taxes assessed on compensation; and For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.

QUESTIONS

- ▶ What are the stipulations for loan forgiveness?
 - ▶ The loan amounts will be forgiven as long as: The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and Employee and compensation levels are maintained.
 - ▶ Payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. Loan payments will be deferred for 6 months.

QUESTIONS

- ▶ What do I need to apply?
 - ▶ You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. You will need to provide your lender with payroll documentation.
- ▶ Does the PPP cover sick leave?
 - ▶ Yes, the PPP covers payroll costs, which include employee benefits such as costs for parental, family, medical, or sick leave. See facts sheet for rules.

QUESTIONS

- ▶ How much can I borrow?
 - ▶ Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap.
- ▶ How much is forgiven?
 - ▶ You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan.

QUESTIONS

- ▶ How do I request loan forgiveness?
 - ▶ You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you 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.

QUESTIONS

- ▶ What is the interest rate if I am not forgiven?
 - ▶ 1.00% fixed rate. (may have been changed to 0.5%)
- ▶ And the terms?
 - ▶ All payments are deferred for 6 months; however, interest will continue to accrue over this period. Loan is due in 2 years. There are no prepayment penalties or fees.

QUESTIONS

- ▶ What are all the eligible payroll costs?
 - ▶ Salaries
 - ▶ Wages
 - ▶ Commissions
 - ▶ Expenses
 - ▶ Vacation, sick, parental/family/medical pay
 - ▶ Retirement contributions
 - ▶ Group health coverage premiums
 - ▶ State and local taxes

QUESTIONS

- ▶ Does this include people I hire as contractors?
 - ▶ “Employees” includes full- and part-time workers. Independent contractors paid through 1099s are also included in the payroll calculation.

GO APPLY TODAY!!!