



**To:** Board Members

**From:** Charles H. Greenthal Management Corp.

**Re:** Coronavirus Loan Programs

As you may be aware, the federal government has launched a number of financial relief programs for businesses, to assist those suffering financial setbacks, as a result of the Coronavirus pandemic. We understand reading through the complex legislation and criteria can be confusing and overwhelming. While we can not advise you with respect to which program/s you may be specifically eligible for, we wanted to share the following with you (compiled by our payroll provider - Paychex), to make certain you have the information you need to ask informed questions, **when working with your CPA or tax attorneys.**

**What is the best program for you?**

	FFCRA Credit	Paycheck Protection Program (PPP) Loan	Expansion of the SBA's Economic Injury Disaster Loan (EIDL)	Employee Retention Credit	Payroll Tax Deferral
<b>Criteria/Eligibility</b>	ERs with less than 500 EEs	<ul style="list-style-type: none"> <li>Business with not more than 500 EEs</li> <li>Sole proprietors</li> <li>Independent contractors</li> <li>Other self-employed</li> <li>Non-profits (501 (c)(3) and 501(c)(19))</li> </ul>	<ul style="list-style-type: none"> <li>Business with not more than 500 EEs</li> <li>Sole proprietor (<i>with or w/o EEs</i>)</li> <li>Independent contractors</li> <li>Private non-profits</li> <li>Must meet disaster criteria</li> </ul>	Government-ordered shutdown or a significant reduction in gross receipts; does not take advantage of PPP loan.	Any employer
<b>Requirements</b>	Track and report COVID-19-eligible sick time and family leave wages paid	<ul style="list-style-type: none"> <li>Must provide good faith certification</li> <li>Document covered expenses/EEs</li> <li>Apply for loan forgiveness</li> </ul>	TBA	<ul style="list-style-type: none"> <li>Impacted by forced closures or quarantines</li> <li>Seen 50% drop or more in revenues in the quarter* Effective until gross receipts greater than 80% of gross receipts compared to the same quarter of the previous year</li> <li>Can't take credit and apply for a PPP loan</li> </ul>	ERs not eligible if they plan to seek forgiveness of a PPP loan
<b>Maximum Amount</b>	80 hours/EE for sick leave; up to \$10K/EE for family leave	250% of average monthly defined payroll costs, not to exceed \$10M	Up to \$2M	Up to \$10K/EE, not to exceed the ER tax	Only applied to employer Social Security
<b>Speed to Get Money</b>	ERs can apply the credit to payroll tax liability, seek immediate refund for excess or request a refund on their quarterly employment tax return	Program began April 3	Advanced funds, up to \$10,000, will be received within three days of SBA receiving application	Immediate, if elected	Immediate, if elected
<b>Repayment</b>	N/A	Loan forgiveness available for up to 8 weeks of payroll and operating costs. Rules apply	Not required of advanced funds	N/A	Repaid in 2021 and 2022
<b>Covered Period</b>	FFCRA Credit April 1, 2020 to Dec. 31, 2020	Feb. 15, 2020 to June 30, 2020	Jan. 31, 2020 to Dec. 31, 2020	Wages paid after March 12, 2020 and before Jan. 1, 2021	Deposits due for the period beginning March 27, 2020 to Dec. 31, 2020
<b>Big Benefit</b>	COVID-19-related sick pay and family leave reimbursable	<ul style="list-style-type: none"> <li>Loan 100% government guaranteed</li> <li>Forgives up to 8 weeks of covered expenses++</li> <li>Remainder becomes loan (<i>w/low interest rates capped at 1 %</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Up to \$10K Advance money does not require repayment</li> </ul>	Significant or complete reduction of payroll tax for period	Manage cash flow by postponing employer payroll tax

	FFCRA Credit	Paycheck Protection Program (PPP) Loan	Expansion of the SBA's Economic Injury Disaster Loan (EIDL)	Employee Retention Credit	Payroll Tax Deferral
<b>Combine with Others</b>	N/A, except PPP loan proceeds cannot be used/forgiven for FF wages covered by credit	Under PPP <ul style="list-style-type: none"> <li>• Tax deferrals and loans cannot be combined in most circumstances</li> <li>• EE retention credits and loans cannot be combined</li> </ul>	Business can apply for and receive a PPP and an EIDL, they cannot be used for same purpose	Employee retention credits and loans made under PPP cannot be combined	Tax deferrals and loans made under PPP cannot be combined in most circumstances
<b>What Can It Be Used For</b>	To pay COVID-19-related sick and family leave pay	<ul style="list-style-type: none"> <li>• Payroll</li> <li>• Benefits</li> <li>• Mortgage interest</li> <li>• Rent</li> <li>• Utilities</li> <li>• Interest on other debt obligations<sup>+</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Paid sick leave</li> <li>• Payroll</li> <li>• Materials</li> <li>• Rent/Mortgage</li> <li>• Repay obligations that cannot be met due to revenue losses</li> </ul>	Offset payroll taxes	Defer tax payments

*\*Compared to the same quarter of the previous year*

*+ Incurred before the covered period. Note: Interest on other debt obligations not eligible for forgiveness*

*++Not to exceed the principal loan amount; loan forgiveness eligibility is reduced if employer has reduced number of employees or wages.*



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