

Small Business Updates on COVID-19 Disaster Resources

Webinar 3/30/2020

Questions and Answers

| The information provided in the Q&A below and accompanying webinar are given with the best information we could gather at this time. We recommend you consult a qualified professional to understand your specific situation and to make decisions. | | |
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| # | Question | Answer(s) |
| 1 | What does a business have to do after applying for the EIDL loan to obtain the \$10,000 Emergency Economic Injury Grant? Any other information on this? | Click on the button on the 5th screen. You will have already self-certified on the first screen. |
| 2 | Can you apply for both the EIDL and the PPP? Or do you have to pick one? | Our understanding is there will be no duplicate payments, so the EIDL would be reduced by the amount(s) you receive from other sources, such as the PPP |
| 3 | One of my employees has decided not to come to work because his elderly mother lives with him and he doesn't want to risk her health. Is this covered under the employment grant? | If you are keeping them employed, yes, but if they are furloughed or laid off, this bill has relaxed requirements for unemployment insurance. If you don't hire them back, that portion of the PPP won't be forgiven. |
| 4 | are landlords eligible for EIDL | One of the checkboxes in the application is "Rental Properties only (Residential and Commercial): Lost rents due to disaster". It appears that landlords would be eligible for EIDL. |
| 5 | Can you just apply for the PPP and the \$10K emergency grant only since both are forgivable? | Our understanding is, yes. If you get an EIDL (the full loan), the amount will likely be reduced by the PPP. |
| 6 | How does this work if someone is self-employed? Are they still eligible for an EIDL? | You can be a sole proprietorship and apply for the EIDL. |
| 7 | If you already applied for the disaster loan, and there was not a "box" to check for the \$10K how do I modify such now? | We understand that the mechanism for this will be up on Wednesday. Use this link: https://www.sba.gov/disaster/apply-for-disaster-loan/index.html |
| 8 | On the PPP wages for the 250%, can owners income be included? | Our understanding is, if an owner was listed on the payroll (such as in a corporation), they would be included in the equation - with the exception noted that salaries are limited to under \$100K. Your bank may have additional insights - remember, you're going to your bank for this loan and the SBA is backing it 100% |
| 9 | Can you apply for both the EIDL loan as well as the paycheck loan, or can you just apply for one? | We recommend you apply for both. Apply for the EIDL loan so you can request the \$10,000 cash advance (within 3 days) whether you are approved or not. Apply for the Paycheck Protection Program loan to pay off the EIDL loan and potentially get some or all forgiven. |
| 10 | I applied for the EIDL last week... should I apply again? | The SBA has said it will have a mechanism up by Wednesday, for this situation. It shouldn't take more than 10 minutes for this step if you have your information at the ready. |
| 11 | When does the Family First Coronavirus Response Act take effect? What is the first day of wages covered? | April 1, 2020. Note that the Family First act requires the EMPLOYER to pay for leave, with credits to pay the employer back. This is a different program from the SBA funding options. Here's a link for more information: https://www.dol.gov/newsroom/releases/whd/whd20200324 |
| 12 | Is a business required to pay FMLA under the Family First Act if business is not subject to FMLA as written previously? (Business does not have more than 50 employees in 75 mile radius) | Even though a business is not subject to the "normal" FMLA rules, they will be required to follow the FMLA requirements per the Family First Act. Businesses under 50 employees can request a hardship exception, but with a reimbursement and other funding sources, such as the \$10,000 advance for the EIDL loan, it might be a good deal for employers and their employees. |
| 13 | Does this apply to non-profit organizations? | Re: EIDL: Yes. Non profits even get a better interest rates on EIDL loans. |
| 14 | Can you apply if you have a part-time business that is not your primary source of revenue but has been impacted? | Sole proprietors can apply. This includes 1099 contractors, gig workers, etc. The Paycheck Protection Program includes sole proprietors, independent contractors and "eligible" self-employed individuals. A more general answer: apply for the EIDL loan even if you don't think you will qualify for the loan. The process will inform you if you're eligible, and even if you don't qualify for the loan you can request the \$10,000 cash advance, which will be forgiven. |
| 15 | Does the work share program cover overtime if we have cut our employess to 40 hrs only? | Because unemployment insurance pays based on weekly wages, all weekly wages are included. Here's a link to more information about the Shared Work program: https://www.dol.ks.gov/employers/shared-work-program . |
| 16 | Does the Shared Work unemployment benefit get charged back to your business unemployment account? | Under normal times the Shared Work Program would effect your Experience Rating. However, I think the question is whether Unemployment Insurance will affect your Experience Rating during the COVID-19 crisis. No answer was found in the available information. |
| 17 | What if you have a new business, started this year & you have yet to file taxes and have no tax history? What relief do you have? | A business is eligible for the Paycheck Protection Program if they started on or before February 15, 2020. Businesses with little to no history that apply for the EIDL loan will be considered on a case-by-case basis. We encourage you to apply. |
| 18 | Will employer % rates go up for any unemployment claims related to COVID-19? | We could not find any information that states one way or another on whether the Unemployment Insurance experience during the COVID-19 crisis will affect the future cost of unemployment insurance. |
| 19 | On the KS Shared Work program if we file as a 30% reduction and it ends up being closer to 40% can we adjust or are we stuck with the initial filing? | Please direct this specific question to the Kansas Department of Labor. Here is a link to the Shared Work Program: https://www.dol.ks.gov/employers/shared-work-program . |
| 20 | Who completes a Personal Financial Statement? | Anyone with more than a 20% stake. |
| 21 | What's the difference between furloughing an employee versus laying them off? | According to SHRM (The Society for Human Resource Management), the terms layoff, furlough and reduction in force (RIF) are often used interchangeably. In the context of our presentation, we say furlough to mean a temporary situation where you reduce the hours that your employees can work, even to zero, with the anticipation that you will be able to bring them back to normal hours sometime in the future. This temporary action may allow you and the employees to be eligible for certain relief from the impact of the COVID-19 crisis. |

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| 22 | Where do you designate furlough or layoff? | These terms would be used when describing the action you took regarding your employees' work status. This may be in the form of a narrative provided when applying for relief, or may be a check box. |
| 23 | for the increase in unemployment increase is it UPTO \$600 or is it a total of an additional \$600 | The CARES Act increases the unemployment rate paid to workers by \$600 per week. If they would otherwise be eligible for \$488 per week, they would now be eligible for \$888 per week. This is effective for a four month period. |
| 24 | Can we obtain a copy of this presentation once complete? I am interested in copies of the slides. Thanks. | We will send out a link to the recording, slides and Q&A to all registered attendees. |
| 25 | can you pay employees that traditionally makes over \$100K some money out of the loan, just not over \$100k amounts? | Our interpretation of the law is that the annual compensation used to calculate annual payroll for any individual should be limited to \$100,000. In other words, if you have an employee making \$125,000, you should use \$100,000 when calculating your payroll. |
| 26 | If you have a KS business with an employee who works remotely from another state, can you still utilize the Shared Work Program? | The KS Dept. of Labor Employer Handbook states that the "state of jurisdiction" is the state where the employee does most of the work. Meaning, they will need to file in the state where they mostly work. Here's a link to the handbook: https://www.dol.ks.gov/docs/default-source/publications/2017-employer-handbook-(rev-7-17).pdf?sfvrsn=eb11b61f_4 |
| 27 | On the payroll protection CARE Act are all salaries over \$100,000 totally exempt or can you cover those salaries up to \$100,000 | See answer to question number 25. |
| 28 | How long does it take to get he funds once you fill the paperwork out | The SBA is currently advising 3 to 4 weeks after application before the full EIDL loan funds are available. This may change as the volume of applications grows. The \$10,000 cash advance is required by law to be disbursed 3 days after application. |
| 29 | Do I need to reapply on this new portal? I have heard nothing and the \$10,000 was not part of the original form. | See answer to question number 7. |
| 30 | Under the Payroll Protection Program it MAY be forgiven if employees remain employed. When will we know if it WILL or WILL NOT be forgiven? If employees are furloughed will that be acceptable or count against the business when determining if loan is forgiven? | The answer is complicated. There is a calculation for the amount that is forgiven, which is beyond the scope of this webinar. Because the Act is so new (signed 3/27), there isn't a lot of information explaining it yet. Here is a link to the text of the bill: https://www.congress.gov/bill/116th-congress/house-bill/748/text#toc-H4E695DBCAC3745CCAFE878227D0491F . The section regarding forgiveness is 1106. We recommend you consult a qualified accountant to assist you with the calculations. |
| 31 | I expect to keep them employed after this. | If you expect to keep your employees after the crisis subsides, then we recommend you consider them furloughed if you reduce their hours and seek relief through the loan programs. |
| 32 | Can this webinar we watched again? There is a lot of info, my head is spinning. | Yes, we will send an email containing a link to the recording, the slides and the Q&A. |
| 33 | If I uploaded my application for EIDL since the online was not available should I sign up again now that the online is available? | See answer to question number 7. |
| 34 | Does this apply to partnerships? | Partnerships are included in the relief packages. The unit of concern is the business. |
| 35 | What if employees quit between now and the forgiveness deadline? If we replace them I assume we are ok? | We haven't seen guidance on this, but it seems a safe assumption. You probably can't include the salary of the time between one employee quitting and their replacement. Only actual payroll costs are factored. |
| 36 | How does the PPP apply to partnerships since the refunds cannot come via payroll taxes? | The Payroll Protection Program is a loan program and funds don't come via payroll taxes. The CARES Act does include some reimbursement for payroll taxes, but those are only for taxes paid. You may be confusing this with the Family First Act, which reimburses employers through payroll tax credits if paying for sick pay or FMLA, which is not available to partnerships. |
| 37 | Can you apply if you are a sole proprietor and most of your expenses are your own salary? | You can apply for the EIDL loan if you are a sole proprietor. This enables you to receive the \$10,000 exemption. |
| 38 | The 10k emergency grant does not have to be repaid, correct? Is this same if you don't get the EIDL loan or accept the EIDL load? | That is our reading of the law. You are self-affirming, under penalty of law, that you are eligible. |
| 39 | What other questions are in the application for EIDL? | Please go to this link to see the application: https://covid19relief.sba.gov/#/ |
| 40 | Can you apply for two different loans through two different companies.... if one company is for your office space and other one is employees? | Each company is considered a separate entity and can apply for the loans independently. |
| 41 | What if we do not already have a relationship with one of the SBA approved lenders? For example, if my credit union is not on the list. | The Express Bridge Loan requires a relationship with an SBA Express Lender. The other relief loans don't require a current relationship, but you will need to apply for the EIDL loan with the SBA (see answer to question 39 above) and apply with an SBA lender for the Paycheck Protection Program. |
| 42 | I moved to an LLC on July 1, 2019. Basically I went from a sole proprietorship to an LLC, otherwise my business has remained the same. How would that impact my application? | You should be eligible either way. |
| 43 | Thank you so very much for your work in helping us! | Thanks for your feedback! The mission of the SBDC is to assist small businesses start, grow and (now) understand what relief is available to small business owners to help them deal with the COVID-19 crisis. Let us know how we can assist you. |