



Jewish Federation
OF ST. LOUIS

Paycheck Protection Program Overview
April 1, 2020

Disclaimer: The content provided in this webinar is for informational purposes only and should not be construed as legal, financial or accounting advice. Participants are advised to consult with their own bankers, attorneys, CPAs and consultants to determine whether CARES Act programs are suitable for your organization.

Panelists

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Partner



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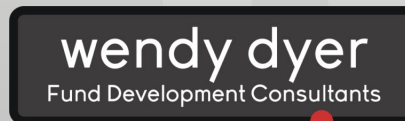
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CARES Act

- Congress passed the CARES Act allocating **\$350 billion in funding** to help keep workers employed amid the pandemic and economic downturn.
- The Paycheck Protection Program provides 100% federally guaranteed loans to small business & nonprofits.
- The Paycheck Protection Program provides a much needed funding opportunity for the organizations that are providing important services in the community.

Key Questions

- Can I get a loan?
- How much can I get?
- What can I use these funds for?
- How much of the loan can be forgiven?
- What can I do to get ready?
- How do I apply?

Can I Get a Loan?

- Most likely yes: All nonprofits registered as 501(c)3 with 500 or fewer employees are eligible.
- Includes all kinds of nonprofits: Human Service, Camps, Private Schools, Cultural Organizations, and more.
- Includes religious institutions (Synagogues, Churches) even if you don't have a 501(c)3 charter.

How Much Can I Get?

- 250% (2.5 times) your average monthly payroll costs over one-year.
- Payroll costs include salary, paid leave, severance, group health benefits, retirement, state and local payroll taxes.
- Up to \$100,000 per employee for those expenses.
- Excludes employees outside the U.S.

How Much Can I Get?

Example:

* If loan is made on 4/1/20, calculate the average monthly payroll costs between 4/1/19 and 4/1/20.

* "Payroll Costs" include salaries, wages; vacation, parental, family medical, and sick leave; allowance for dismissal or separation; payments for group health care benefits, including insurance premiums; retirement benefits, and state and local payroll taxes.

	Annual	Monthly
Monthly "Payroll Costs" (See definition above)	\$1,400,000	\$116,667
Less: Prorated portion of annual compensation above \$100,000 or any one person		
E.g., Three employees, total compensation	\$460,000	
Compensation above \$100,000 per individual is excluded	(\$160,000)	(\$13,333)
Less: Employee compensation for employees living outside the U.S.		
E.g., Compensation for one employee living outside the U.S.	(\$90,000)	(\$7,500)
Total Eligible Payroll Costs	\$1,150,000	\$95,833
Multiplied by 2.5		2.5
Amount of Loan		\$239,583

What Can I Use These Funds For?

- Payroll expenses
 - all expenses used to calculate how much you could borrow
- Operation expenses
 - mortgage interest, rent payments, and utilities

How Much of the Loan Can Be Forgiven?

- Depends on how many employees you retain or hire back by June 30, 2020.
- Forgiveness amount is reduced if an organization reduces salary of any employee under \$100,000 by more than 25%.
- See worksheet example.

How Much of the Loan Can Be Forgiven?

Example Continued:

Forgiveness Calculation:		
PPP loans can be forgiven to the extent that the loan proceeds have been used for the following costs during the eight week period after the loan is made:		
Payroll costs, excluding the prorated portion of compensation above \$100,000 per year for any person		
Group health care benefits costs and insurance premiums		
Mortgage interest (but not prepayments or principal payments) and rent payments on mortgages and leases in existence before 2/15/20		
Certain utilities, including electric, gas, water, transportation, phone, and internet access for service that began before 2/15/20		
Total Spent on these expenses		\$250,000
Maximum amount eligible for forgiveness		\$239,583

What Can I Do to Get Ready?

- Talk to your professional advisors (accountant, auditor, lawyer)
- Check with your bank
- Review covenants of any existing debt
- Review your governance process
 - Check your by-laws for restrictions and required approvals
- Determine monthly payroll cost now
 - Have that ready!

How Do I Apply?

- Contact your bank, if they are an SBA lender.
- US Bank is an SBA Preferred lender – go to the link below to get on their notification list.

<https://apply.usbank.com/applications/business/LeadForm>

Questions?

- Please use the Chat function to submit your questions.
- They will be read by the moderator.

Other resources?

- Jewish Community Organizations: Please send questions or support requests to CARES@JFedstl.org



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