

Guide to CARES Act for Nonprofits- Webinar 4/6/2020
Courtney Curatolo, Small Business Development Center at JCC

Make an appointment with Small Business Development Center #716-338-1024 or go online and fill out the form here: <http://nysbdc.org/selector/ReqForCons/formo.aspx>

More information on SBA Financial Assistance Programs visit: <http://www.nyssbdc.org/EIDL.html>

Overview of Two Key Programs:

Economic Injury Disaster Loan (EIDL)

- Apply through SBA online website
- 10 minutes to apply, no uploads required
- Up to \$2 million loan, at 2.75% interest rate for nonprofits
- 21 days to hear back on approval
- 3-5 days after approval can receive up to \$10K cash advance (some portions can be forgivable, costs associated with: payroll, increased costs due to supply chain disruption, mortgage, lease, rent or utilities)

Paycheck Protection Program (PPP)

- Apply through local bank
- Banks are requiring organizations to have a current relationship (SBDC is working on a list of local banks that are willing to work with those outside of existing relationship)
- Copy of the application is now available
- Banks also requiring backup information (varies by bank)
- Up to \$10 million loan for payroll, mortgage, rent, utilities costs to cover- 8-week period
- Fully forgivable if follow all of the guidelines; not all or nothing.
- Guidelines include: rehiring of all employees or hire same amount of employees had before February 15 at same wages/ salaries.

Nonprofits **can apply for both** programs or only one.

General Question: (submitted by nonprofits)

What is Paycheck Protection - when will applications be released?

Applications are being released now from banks. There are local banks administering this program; however, some banks are only working with current customers. SBDC will prepare a list once they confirm.

When and how will loan be paid?

- EIDL loans have been paid as checks in the mail.
- PPP will most likely be put into a new account that you open at your bank upon approval.

How big or small does your organization have to be?

Organizations with less than 500 employees qualify

Can churches apply?

Yes, churches can apply and they do not need to be 501c3 to do so. SBDC has a fact sheet for churches to share.

What about 501c4 nonprofits? For example, local libraries that are supported through municipalities?

Only 501c3 are eligible at this time. Organizations that are sponsored by municipalities or receive most of their funding from the government are not eligible.

Can you apply for both the PPP and the EIDL at the same time?

Yes, and it is encouraged to do both. EIDL funding may be coming through more quickly.

How quickly might the fund be depleted?

First come, first serve. Encouraged to apply by this week or next.

PPP Loans, is this for employees that are still working? Or employees that are not working, to keep them from claiming unemployment?

Program is to pay employees for an 8-week period. The purpose is to return employees to work by covering the cost of their compensation through their employer.

If you have already reduced staff salaries and the number of staff, do you have to reinstate them at their full salaries and rehire immediately, or can you wait until you receive confirmation of the loan?

You do not need to rehire employees immediately. You can await confirmation of the loan and the closing documentation completed. You can rehire employees once the money arrives.

Are part time employees' salaries included?

Yes, full time, part time employees and even those for whom a 1099 is issued.

Do organizations need to continue to pay part time staff at their regular rates, regardless of whether they are still working, in order to be considered for full loan forgiveness or do they only need to maintain full time employees' salaries?

Do need to maintain both full time and part time employees at their regular status and rate of pay. PPP is asking for overall payroll costs in a given month; forgiveness process will require more payroll documentation by individual employee.

Forgiveness on PPP all or nothing?

No, you will be forgiven for the level of staffing you were able to resume; the difference you will have to pay back as a loan.

For questions regarding unemployment contact Katie Geise, Chautauqua Works:

www.chautauquaworks.com or 716-661-9553