

Webinar Series: COVID-19 Relief Package

Part I – **Nonprofit Guide to the COVID-19 Relief Package**, presented by Courtney Curatolo, Director of the SBDC at JCC.

View a full recording on the webinar here:

https://us02web.zoom.us/rec/share/PnZt8b1r_4mg-9-4ptiPhrAH0Ttcz81Wi62fi_tKUZgZaqX-ca1Dqc-WI_5eLp3V.orgNAqOIB0k3U4gK?startTime=1610559972000

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Questions (from nonprofits)

Q. Can my organization apply for a “Second Draw PPP” loan if we have not completed the forgiveness process for the original PPP loan?

A. Yes, most have not applied for PPP Forgiveness yet. You can apply for a “Second Draw PPP” Loan before you get to the PPP Forgiveness process for the initial loan.

Q. Who can apply? Can churches apply? Can 501 (c)(4) organizations apply? (for example, local libraries supported by a municipality)

A. See the full list. This depends what category you fall into, right now 501c4 organizations are not listed in the guidelines as being able to apply. A library with a 501c3 status can apply, many religious organizations can apply it depends on your IRS code.

Q. Are there new eligibility criteria for the “Second Draw PPP” loan?

A. Yes, see the full list of eligibility criteria. The two biggest points for the “Second Draw” PPP Loan are you have to have under 300 employees and can prove at least a 25% reduction in at least one quarter of 2020 as compared to the same quarter of 2019.

Q. Will my organization need to resubmit paperwork for the “Second Draw” PPP, or can we use the paperwork that was submitted in the original PPP application?

A. If you are using the same bank you only need to submit the revised “Second Draw” PPP application, you can use the same paperwork you used before. Make sure you are filling out the correct application. Links will be shared.

Q. What are the new expanded qualifying expenses for PPP loans?

A. See the full list. Payroll (including benefits), mortgage interest, rent, utilities; new expanded expenses for operations, worker protection expenditures (PPE), covered property damage and supplier costs.

Q. We have heard dollars available through PPP could be used on debt payments. Can you please clarify and explain?

A. If you had debt payment prior to Feb 15, 2020 you can use to these funds to pay the interest on that debt. You CANNOT pay the debt principal.

Q. How quickly might the funds be depleted?

A. Unknown at this time. Government is focused on helping small businesses and nonprofits, looking at a range of staffing levels, rural and disadvantaged communities. SBA contacts do believe there will be more dollars allocated for PPP if the funds are depleted too quickly.

Q. What new changes could impact my existing PPP loan?

A. See above. Major changes include the expanded expenses and the simplified forgiveness process

Q. When can my organization apply for the shuttered venue operators grant?

A. Unknown at this time, assuming by the end of January 2021. The SBA is currently focused on the PPP program.

SBA is hosting a national call on the Shuttered Venue Operators grant program Thursday January 14 at 3pm. However, at this time the webinar is full. Check back for more information.

Q. What are the eligibility criteria for a shuttered venue operating grant?

A. Again, guidance is not out yet. However, it will be for the shuttered venue organizations not an organization that works with a shuttered venue.

Q. I have heard confusing reports stating eligibility is based on a loss of revenue from fiscal quarters, not total annual revenue. Can you please clarify?

A. Regarding PPP, you need to demonstrate a loss of at least 25% revenues within one quarter. Will depend on bank requirements.

Q. How should my organization go about deciding between a "Second Draw" PPP loan or an application for the Shuttered Venue Operators grant program?

A. Again, at this time it is unknown. At this point would recommend to get the PPP application ready but not submit. Wait until the Shuttered Venue Operators application is available with guidelines to see what you would qualify for.

Q. I assume charitable contributions are included when calculating quarterly income.

A. Yes

Q. Is the \$150K forgiveness level for PPP Round 1 or Round 2?

A. Both. Simplified process that you certify and do not need to provide documentation.

Q. Is the EIDL loan or advance forgiven?

A. The loan is not forgiven; if you accept it you have to pay it back. The advance can be forgiven. In the prior round the advance was about \$1,000 per employee, up to \$10,000.

Under new law you no longer have to

Q. Please explain the EIDL opportunity. Is this available for nonprofits? Can you apply for both 2nd round PPP and EIDL?

A. Yes, you can apply for a "Second Draw" PPP loan and EIDL.

For the EIDL you will apply through the SBA, do not apply yet the advances have not begun again yet (expected by the end of January). Here: <https://covid19relief.sba.gov/#/>

Q. Do you report the total number of employees or the FTE total?

A. FTE total. There is a formula to calculate FTE, reach out to SBDC at JCC for assistance.