



Paycheck Protection Program (PPP) Loans

March 31, 2020

The Paycheck Protection Program (“PPP”), implemented as part of the Coronavirus Aid, Relief and Economic Security (“CARES”) Act, is designed to provide cash-flow assistance through 100% federally guaranteed loans to employers who maintain their payrolls during the COVID-19 pandemic. If employers maintain their payrolls, the loans will be forgiven.

Requirements for Eligibility

1. Business, entity, non-profit, etc. with fewer than 500 employees.
2. Includes individuals who operate as sole proprietorships or independent contractors.
3. Must have been in operation on February 15, 2020.
4. Must have been harmed by COVID-19 between February 15, 2020, and June 30, 2020.

Benefits

1. Provides forgiveness of up to 8 weeks of payroll based on employee retention and salary levels.
2. In addition to covering payroll (which includes salaries; wages; commissions; payment for vacation, medical and sick leave; payment for group health benefits, including premiums; payment of retirement benefits; and payment of state and local taxes on employee compensation), the PPP also allows loan proceeds to be used for:
 - a. Payments of interest on mortgage obligations.
 - b. Rent (including rent under a lease agreement).
 - c. Utilities.
 - d. Interest on debt obligations incurred before the covered period.
3. The maximum loan is equal to 250% of your average monthly payroll costs during February 15, **2019**, and June 30, **2019**. If you had seasonal workers, you may opt to use March 1, **2019**, as your time period start date.
4. PPP is retroactive to February 15, 2020, in order to bring workers who may have already been laid off back onto payrolls.
5. There are no SBA fees.

Application

1. The employer must have been in business on February 15, 2020, must have been harmed by COVID-19 between February 15, 2020, and June 20, 2020, and must submit an application on or before June 20, 2020.
2. The application form to this program and other disaster assistance programs may be found at the top of the SBA homepage. It has recently been updated and streamlined and takes minimal time to complete.

For more information about the PPP Program or other disaster relief/assistance programs, please call us. We can help!