



VANDEBLOEMEN

CARES Act 2020

S.3548 “Coronavirus Aid, Relief,
and Economic Security Act”

Vanderbloemen

Disclaimer:

We are not attorneys, politicians or experts in this field. However, here is our opinion as of March 26, 2020.

Our focus will be on the
“Paycheck Protection
Program”



STEPS FOR APPROVAL

1

Senate Approval

3

Signature of President

2

House Approval

4

Instructions and details from
Small Business Administration to
Banks



Who can participate?

1

All organizations
under 500
employees

3

All 501c3
organizations

2

Other Small Business
restrictions do not
apply



Details of the Payroll Protection Program

- **Focus period of time from February 15, 2020 to June 30, 2020**
- **Non-profits, Churches, and any other 501c3 organization that does not receive Medicaid is eligible.**
- **This is separate from the Small Business Administration Disaster Relief Fund**
- **It will be administered by the Small Business Administration**
- **\$349B funded to support this program**
- **For organizations under 500 employee (note to multi-site)**



Details of the Payroll Protection Program

Loan funds can be used to cover the following expenses:

- **Payroll Costs**
- **Group health insurance benefits, paid sick leave, medical and insurance premiums.**
- **Mortgage or rent payments**
- **Utilities**
- **Interest on any other debt obligations that were incurred before the loan period**.**



Details of the Payroll Protection Program

Payroll costs to include:

- **Salary or wages, payments of a cash tip**
- **Vacation, parental, family, medical and sick leave**
- **Health benefits**
- **Retirement benefits**
- **State and local taxes**
- **Limited up to \$100k annual Salary/wage for each employee**
- **Please note: There is no clarification at this time on pastoral housing allowances**



Calculation of Loan Amount

Payroll Costs	3/2019	4/2019	5/2019	6/2019	7/2019	8/2019	9/2019	10/2019	11/2019	12/2019	1/2020	2/2020
Total Payroll	\$15,700	\$15,878	\$15,700	\$14,700	\$15,700	\$14,800	\$15,700	\$15,100	\$15,700	\$15,500	\$15,700	\$15,500
Average Payroll for the above:	\$15,473	Multiplied by 2.5	=	\$38,683								

Average Payroll from the above 12 months: \$15,473 X 2.5 = \$38,683

Maximum amount of allowable loan \$10M

This amount can be used by Churches, Non-Profits, all other 501c3s and small businesses for Payroll, Benefits, Utilities, and interest other debt obligations.



Forgiveness of Loan

Example #1

18 FTE in 2020	Divided by	19 FTE in 2019	=	94.70%
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94.70% of the total Loan Amount will be Forgiven.

5.3% of the total Loan Amount will be paid back over a 10 year period of time.



Forgiveness of Loan

Example #2

22 FTE in 2020	Divided by	20 FTE in 2019	=	110%
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100% of the total Loan Amount will be Forgiven.

0% of the total Loan Amount will be paid back over a 10 year period of time.



Details of the Payroll Protection Program

- **Lenders will most likely be your current banker.**
- **No loan payments under this program are due for 1 year. No fees are included in the loan.**
- **Good Faith Certification**
You will need to certify the loan will be used for the following:
 - **Support ongoing operations**
 - **Funds used to retain workers and maintain payroll or make mortgage, lease, and utility payments.**
- **No collateral or personal guarantees will be required**

Other Funds Available

Many other Funds available available for Small Business, but the Payroll Protection Program is the most needed by Churches, Nonprofits, and other 501c3s.

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Thank You
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