



PLATINUM GROUP  
CLOUD PAYROLL | HR | ACCOUNTING

# Webinar 8

*Employer Updates 05-15-2020*

# Platinum Group

Webinar-May 15, 2020

## WEBINAR LOGISTICS

- **All Participants are muted.**
- **We would love to hear from you! (questions bar).**
- **A note about questions.**
- **A recording of the webinar and presentation slides will be available this afternoon.**
- **Rapidly changing environment – What we know now.**

# Platinum Group

Webinar-May 15, 2020

## COVID-19 WEBINAR 08

Unemployment & Rehire Considerations | SBA Loan Updates

PPP Loan Forgiveness Provisions Update

5.15.20



The SBTDC is a business and technology extension program of the UNC System and is funded in part through a Cooperative Agreement with the U.S. Small Business Administration.



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# Platinum Group

Webinar May 15 2020

## AGENDA

- **New Unemployment Guidance & Reopening Implications.**
- **Paycheck Protection Program (PPP) – SBA Updates & Considerations.**
- **EIDL Update & NC Relief Fund & Tourism Jobs Relief Fund.**

# COVID-19 Employment Law Update

Platinum Group  
May 15, 2020

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LAW FIRM

# New Unemployment Guidance

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- DES issued new guidance regarding employees who refuse to return to work due to COVID-19
  - FAQ available here: <https://des.nc.gov/need-help/covid-19-information/returning-work>
- Guidance is in response to Phase 1 of the Governor's Executive Order and gradual reopenings
- Typically employee who refuses to return to work is ineligible for unemployment
- New guidance states that employees who refuse to return to work due to "good cause" may remain eligible for unemployment



# “Good Cause” to Refuse to Return

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- DES will consider employee to have “good cause” to refuse to work when:
  - Employee has been diagnosed with COVID-19 or is experiencing COVID-19 symptoms and medical professional has advised not to attend work
  - Member of employee’s household has been diagnosed with COVID-19 or employee is providing care for a family member or member of household who has been diagnosed with COVID-19
  - Employee is at high risk of severe illness due to COVID-19
    - 65 years of age or older
    - Person of any age who has serious underlying medical condition including being immunocompromised, or has chronic lung disease, moderate-to-severe asthma, serious heart conditions, severe obesity, diabetes, chronic kidney disease and undergoing dialysis, or liver disease



# “Good Cause” to Refuse to Return

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- Additional reasons constituting “good cause”:
  - Employee is the primary caregiver of a child or person in household who is unable to attend school or another facility that is closed as a direct result of COVID-19, and the school or facility is required for the employee to work
  - Employee is unable to reach place of employment because of a quarantine imposed as a direct result of COVID-19 or has been advised by a healthcare provider to quarantine due to COVID-19 concerns
  - Must refuse a recall or offer of suitable work to comply with any governmental order regarding travel, business operations, and mass gatherings
  - Employee reasonably believes there is a valid degree of risk to employee’s health and safety due to a significant risk of exposure or infection to COVID-19 at employer’s place of business due to a failure of the employer to comply with guidelines set by the CDC or other government or industry groups, or due to objective reasons that the employer’s facility is not safe for the employee to return to work





# Requirements for “Good Cause”

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- High risk of severe illness due to underlying medical condition
  - Note from doctor of medicine or osteopathy who is authorized to practice medicine in North Carolina considered proof of high-risk medical condition
- Reasonable concern that work environment is unsafe
  - Employee should talk to employer
  - If employer is following safety standards recommended by CDC or other government or industry groups, may be ineligible for benefits
  - If employer is not following recommending safety standards, may be eligible
- Employee should report that refused offer on Weekly Certification → will have opportunity to provide more information about reason for not returning



# Intersection Between FFCRA and New Unemployment Guidance

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- “Good cause” for refusal to return to work similar to qualifying reasons for emergency paid sick leave or expanded FMLA
- If employee refuses to return to work for a reason that is both “good cause” under unemployment guidance and a qualifying reason under FFCRA → may be eligible for unemployment, but not FFCRA leave
- If employee exhausts FFCRA leave and refuses to return to work → may be eligible for unemployment due to “good cause”
  - Example: advised to self-quarantine by medical provider due to underlying medical condition



# Questions?

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*Disclaimer: This presentation is intended and made available to provide information of general interest to the public, and for educational purposes only, and is not intended to offer legal advice about specific situations or problems. No representation is made about the accuracy of the information provided herein.*



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CARES ACT REVIEW

## PAYCHECK PROTECTION PROGRAM (PPP) – NEW GUIDANCE

**FAQ 46 Question:** How will SBA review borrowers' required good-faith certification concerning the necessity of their loan request?

**Answer:** When submitting a PPP application, all borrowers must certify in good faith that "[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant." SBA, in consultation with the Department of the Treasury, has determined that the following safe harbor will apply to SBA's review of PPP loans with respect to this issue: **Any borrower that, together with its affiliates, received PPP loans with an original principal amount of less than \$2 million will be deemed to have made the required certification concerning the necessity of the loan request in good faith.**

## Platinum Group

CARES ACT REVIEW

### PAYCHECK PROTECTION PROGRAM (PPP) – NEW GUIDANCE

**FAQ 46 Question:** How will SBA review borrowers' required good-faith certification concerning the necessity of their loan request?

**Answer (continued):** SBA has determined that this safe harbor is appropriate because borrowers with loans below this threshold are generally less likely to have had access to adequate sources of liquidity in the current economic environment than borrowers that obtained larger loans. This safe harbor will also promote economic certainty as PPP borrowers with more limited resources endeavor to retain and rehire employees. In addition, given the large volume of PPP loans, this approach will enable SBA to conserve its finite audit resources and focus its reviews on larger loans, where the compliance effort may yield higher returns.

[For additional guidance on loans greater than \\$2.0M click here](#)

## Platinum Group

CARES ACT REVIEW

### PAYCHECK PROTECTION PROGRAM (PPP) – NEW GUIDANCE

**FAQ 47 Question:** An SBA interim final rule posted on May 8, 2020 provided that any borrower who applied for a PPP loan and repays the loan in full by May 14, 2020 will be deemed by SBA to have made the required certification concerning the necessity of the loan request in good faith. Is it possible for a borrower to obtain an extension of the May 14, 2020 repayment date?

**Answer (continued): Yes, SBA is extending the repayment date for this safe harbor to May 18, 2020, to give borrowers an opportunity to review and consider FAQ #46.**

Borrowers do not need to apply for this extension. This extension will be promptly implemented through a revision to the SBA's interim final rule providing the safe harbor.

[For SBA PPP Forgiveness FAQ's click here](#)

# Platinum Group

CARES ACT REVIEW

## PAYCHECK PROTECTION PROGRAM (PPP) – NEW GUIDANCE

### **Partnerships and seasonal employers can go back for more money.**

There is a new [PPP interim final rule](#) (the tenth) on increasing PPP loan amounts for these businesses. Before this rule, small businesses that are structured as partnerships or classified as seasonal employers did not have any clear guidance on the PPP loan amounts they were eligible for. The language states “this interim final rule authorizes all PPP lenders to increase existing PPP loans to partnerships or seasonal employers to include appropriate amounts to cover partner compensation [...] or to permit the seasonal employer to calculate its maximum loan amount using the alternative criterion posted on April 28, 2020.



## Platinum Group

CARES ACT REVIEW

### PAYCHECK PROTECTION PROGRAM (PPP) – NEW GUIDANCE

#### **Partnerships and seasonal employers can go back for more money (Continued).**

That means if a partnership received a PPP loan “that did not include any compensation for its partners,” then “the lender may electronically submit a request through SBA’s E-Tran Servicing site to increase the PPP loan amount to include appropriate partner compensation.” The new and improved way to calculate your maximum loan amount that takes into consideration partner compensation can be found [here](#), with question four.

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CARES ACT REVIEW

### PAYCHECK PROTECTION PROGRAM (PPP) – NEW GUIDANCE

#### **Partnerships and seasonal employers can go back for more money (Continued).**

For seasonal employers, the new rule allows the calculation for a maximum PPP loan amount to be determined based on the employer's average total monthly payments for payroll, "the 12-week period beginning February 15, 2019, or at the election of the eligible [borrower], March 1, 2019, and ending June 30, 2019." Alternatively, an employer may "elect to determine its maximum loan amount as the average total monthly payments for payroll during any consecutive 12-week period between May 1, 2019 and September 15, 2019." More on that can be found [here](#), on page 2.

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## CARES ACT REVIEW

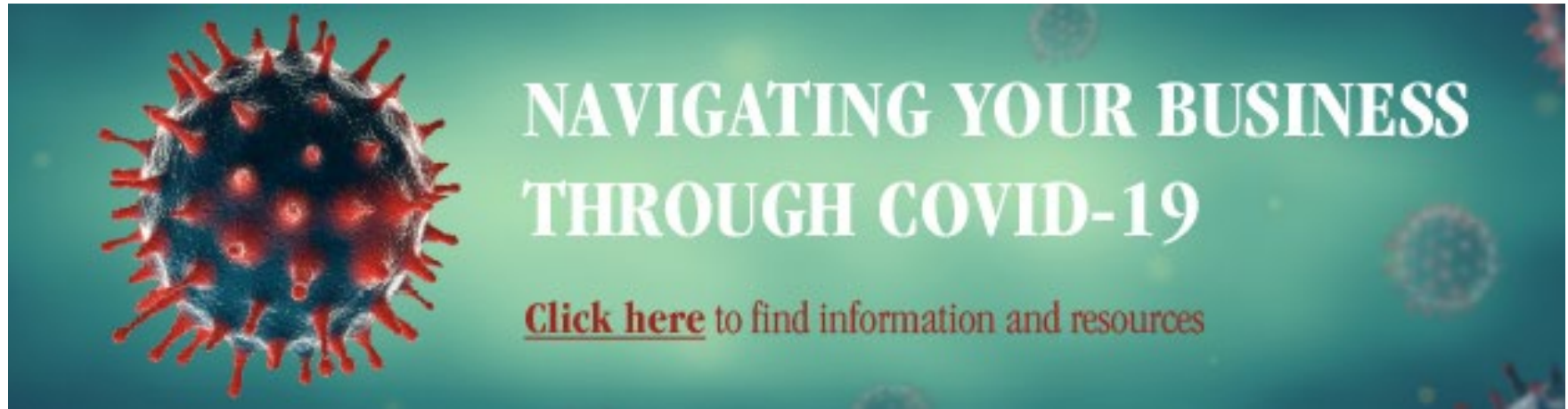
### PAYCHECK PROTECTION PROGRAM (PPP) LOAN FORGIVENESS

#### AICPA RECOMMENDATIONS TO SBA/TREASURY – (NOT GUIDANCE)

- **Recommendation 1: Align beginning of 8-week covered period with beginning of a pay period, rather than the date loan proceeds are received.**
- **Recommendation 2: Begin the 8-week covered period when operating restrictions are lifted, rather than the date loan proceeds are received.**
- **Recommendation 3: Defining Full-time Equivalents.**
- **Recommendation 4: Payroll reduction calculation should be done based on the average payroll per employee per week rather than the total compensation per employee in an 8-week period versus the prior quarter.**
- **AICPA Recommendations - PPP Application and Forgiveness Processes**
  - <https://www.aicpa.org/content/dam/aicpa/press/pressreleases/2020/aicpa-ppp-recommendations-letter>.

# Questions?

# SBTDC



*The SBTDC is a business and technology development extension service of the North Carolina University System operated in partnership with the US Small Business Administration.*

The SBTDC is a business and technology extension program of the UNC System and is funded in part through a Cooperative Agreement with the U.S. Small Business Administration.



# SBA ECONOMIC INJURY DISASTER LOANS (EIDL)-UPDATES

As of May 4th, 2020, SBA has resumed processing EIDL applications that were submitted before the portal stopped accepting new applications on April 15 and will be processing these applications on a first-come, first-served basis.

SBA will begin accepting new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications on a limited basis only to provide relief to U.S. agricultural businesses. (1st time in 30 Years).

Will EIDL Loans max at \$150,000 and not up to \$2million? SBA has not given information on this.

# SBA ECONOMIC INJURY DISASTER LOANS (EIDL)-UPDATES

## Agricultural Business EIDL- WHO QUALIFIES

- Agricultural businesses with 500 or less employees that are engaged in the production of;
  - food and fiber,
  - ranching, and raising of livestock,
  - aquaculture, and
  - all other farming and agricultural related industries
  - Includes Sole Proprietorships

Agricultural businesses who had previously submitted will not need to reapply, and applicants will be considered on a first-come, first-served basis until EIDL's new funding is exhausted.



# SBA ECONOMIC INJURY DISASTER LOANS (EIDL)-UPDATES

5/7/2020

- National EIDL Loans- NC
- Disbursed= 3,009,934(m) Disbursed=  
77,089
- Total Dollars= \$9,883,210,000(b) Dollars=  
\$263,253,000(m)

# Other Loan Options & Opportunities

- **SBA Debt Relief for Existing Loans- Section 1112 of CARE Act 7(a) and 504 Loan Program**
  - SBA will **pay the principal, interest, and fees of any current 7(a), 504, and and microloans for a period of six months.**
  - The 6 month payment relief is not a deferment, but actual *debt forgiveness*.
  - Generally, a loan in “regular servicing status” should not include any loan that is more than 120 days past due (as counted back from the first payment due date covered under section 1112).
  - The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.

# Other Loan Options & Opportunities

## NC COVID-19 Rapid Recovery Loan Program:

### Loan Details

Loans are available for up to \$50,000, based on the business's current revenue. Loan agreements are structured as follows:

- Loan sizes capped at approximately two months of current revenue.
- Six months of no interest and no payments, followed by 48 months of principal and interest payments at 5.5% interest.
- Interest will begin to accrue on any unpaid balance at the beginning of the seventh month.
- There are no prepayment penalties.
- Defaulted loans are subject to collections.

# Other Loan Options & Opportunities

## NC COVID-19 Rapid Recovery Loan Program:

### Who is eligible?

- Applicants must be a North Carolina small business affected by COVID-19 (all 100 NC counties are eligible).
- Applicants must have at least one (1) employee, who could be the self-employed owner.
- Start-up businesses that began operations before March 23, 2020 are eligible.

### Requirements:

- Any individual with greater than 20% ownership in the applying business must personally guarantee the loan.
- Proceeds from the loan may only be used for maintaining or restarting a business.
- The use of loan funds to pay off debts already incurred for qualifying business maintenance or restart purposes may be authorized on a case-by-case basis.
- Borrowers are required to assign the proceeds of future assistance programs, including SBA loans, to the repayment of their Rapid Recovery Loan.



# Other Loan Options & Opportunities

## NC COVID-19 Rapid Recovery Loan Program:

### Logistics & Timeline

- Businesses interested in applying should be prepared to complete an [online application](#) and provide tax returns, profit and loss statements, and bank statements.
- The partners in this program are committed to moving quick to assist businesses and they will be in touch with applicants as soon as possible. Thread Capital, Mtn Bizworks, Southwestern Commision
- Loans subject to availability of funds.

### Community Funds - Check with SBTDC or your Chamber of Commerce

# Other Loan Options & Opportunities

## Buncombe County Tourism Jobs Recovery Fund

May 15th-31st [Apply Here](#)

- How Much: Grant of up to \$50k
- For Who: Buncombe county Businesses and Non-profits that provide direct visitor experience. In business Prior to Jan. 1 2020
  - Employ 2-200 people
  - examples: restaurants, retail, studios & galleries, attractions, tours and activities, breweries, wineries, cideries, distilleries, entertainment and event venues etc...
  - Preference given to local and independently owned small businesses that are local and independently owned. Lodging properties are not eligible.
  - Must demonstrate at least 25% decline in revenue and a change in operations due to Covid-19

# Other Loan Options & Opportunities

## Buncombe County Tourism Jobs Recovery Fund

**May 15th-31st** [Apply Here](#)

- Administered By: Mtn. Bizworks: Coaching will be provided by partners such as the SBTDC
- What needed in application:
  - Most recent tax return
  - 2019 and 2020 year to date P&L's and Balance Sheet
  - Re-opening Budget (Projections)
  - A Reopening plan that includes a budget and a strategy to safely re-open and remain open 1 year after grant is awarded
  - Agree to report your financial conditions at 6 months and 1 year
  - Agree that funds will only be used for Re-opening the Business including; employee compensation, inventory, mortgage, rent utilities, and other





# Other Loan Options & Opportunities

**Not a “first come, first served” opportunity**

## How Applications Will Be Evaluated

### 1. Tourism Impact

- a. Level of impact in attracting tourism to Buncombe County
- b. Reliance on tourism for business revenue/customer base

### 2. Reopening Safely and Sustainably

- a. Realistic reopening plan, budget, and strategy for navigating 12 months
- b. Funds will be used for eligible re-opening costs, including cost of any necessary safety equipment or other safety-related changes
- c. Degree to which the requested grant will be joined by and/or help leverage additional funds

# Other Loan Options & Opportunities

**Not a “first come, first served” opportunity**

## How Applications Will Be Evaluated

3. Financial Losses from COVID-19
  - a. Level of financial loss caused by COVID-19
4. Job Recovery and Retention
  - a. Ability to retain employees and/or re-hire positions, and maintain these positions through June 30th, 2021
5. Locally Owned and Independent
  - a. The fund has a preference for supporting unique and diverse local business community and will prioritize businesses that are independently owned.

# Strategy and The “New Normal” for your business

**Contact the North Carolina SBTDC near you** for assistance in developing your overall COVID-19 Recovery plan. Our organization has been helping small and mid-size business in NC for 35 years. We have extensive experience working with businesses recovering from disasters. Our business counselors can help you:

- Assess the financial impact on your business
- Develop strategies for your business continuity and recovery
- Analyze your cash flow
- Evaluate options with creditors
- Prepare your SBA economic injury loan application (if appropriate)

# Disaster Recovery Contracting Assistance

The NC Procurement Technical Assistance Center (PTAC) is available to assist businesses with federal, state, and local contracting in response to COVID-19. View the “Working with FEMA and Disaster Recovery Operations” publication [Here](#) To contact a PTAC counselor, visit [nc-ptac.org](http://nc-ptac.org).

NC PTAC is offering weekly webinars each Wednesday at 2:00 pm EST (starting April 8) on **Working with FEMA and Disaster Recovery Operations**. It will include both a general overview of disaster relief government contracting and COVID-19-specific resources. Click [Here](#) to register.

# You are not alone

People across the country are rooting for the small business community, making this an opportunity for you to solidify existing customer relationships and welcome new customers.

[CDC Reopening Guide](#)

Keep yourself updated on Business Resources at our Covid-19 dedicated site:

<http://www.sbtdc.org/coronavirus/>



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The SBTDC is a business advisory service of The University of North Carolina System operated in partnership with the U.S. Small Business Administration.



## Platinum Group

Webinar-May 15, 2020



<https://leadershipasheville.unca.edu/>

# Platinum Group

Webinar-May 15, 2020

## Help us protect the Craggy/Big Ivy section of the Pisgah National Forest!

LA 38 Video Youtube Link: <https://www.youtube.com/watch?v=-dx6yx6kZ04>

[iheartcraggy.org](http://iheartcraggy.org) - Sign the petition to permanently protect Craggy.

[forestkeeper.org](http://forestkeeper.org) - learn more about the forest plan and other campaign efforts to protect our public lands

Pisgah-Nantahala Forest Plan

<https://www.fs.usda.gov/detail/nfsnc/home/?cid=stelprdb5397660>

Public Comment Direct Link

<https://cara.ecosystem-management.org/Public/CommentInput?Project=43545>

<https://leadershipasheville.unca.edu/>



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## COVID-19 WEBINAR 08

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Platinum Group

# Thank you!

We will be conducting another webinar Next Friday, May 22nd at 1:00.

Invitations to be sent next week

**Recordings and presentation slides will be sent out this afternoon.**

**Information in the presentation is based on information available on May 14, 2020 and is subject to change.**