



PLATINUM GROUP
CLOUD PAYROLL | HR | ACCOUNTING

Webinar 6

Employer Updates 04-24-2020

Platinum Group

Webinar-April 24, 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.**

WEBINAR 05

Platinum Group

Webinar-April 24, 2020

COVID-19 WEBINAR 06

Employment Law Updates | Retirement Plan Updates-Cares Act | Loan updates
4.24.20



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LAW FIRM

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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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MATTHEW L. GROOME
Colton Groome & Company

Platinum Group

Webinar 04-April 24, 2020

AGENDA

- **Unemployment Updates & Rehire Considerations**
- **Retirement Plan - Cares Act Provisions**
- **Paycheck Protection Program (PPP) – Brief review of Forgiveness Provisions & Practical Considerations**
- **SBA Update & Other Loan Options**

COVID-19 Employment Law Update

Platinum Group
April 24, 2020

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McGUIRE WOOD & BISSETTE
LAW FIRM

Employer Notice Regarding Unemployment

- Emergency regulation effective April 14, 2020
- Employer must provide notice of availability of unemployment at time of separation
- Notice must contain:
 - Unemployment benefits are available to workers who are unemployed and who meet the State's eligibility requirements
 - Employee may file claim in first week that employment stops, or work hours are reduced
 - Employee may file claim online at des.nc.gov or by telephone at (888) 737-0259
 - Employee must provide DES with the following information for DES to process the claim:
 - Full legal name;
 - Social security number; and
 - Authorization to work (if not a U.S. citizen or resident)
 - Employees may contact DES at (888) 737-0259 and select the appropriate menu option for assistance

Practical Tips: Rehiring Decisions

- Decisions regarding who to bring back first are actionable employment decisions
- Consider what promises were made in the beginning
- Have objective measures regarding return to work
- Consider protected activity/protection class risk



Practical Tips: Rehiring Documentation

- Do not require new Form I-9 if rehired within 3 years of execution
 - Will need to document rehire date on Form I-9 (Section 3)
 - If work authorization expired, must reverify work authorization document
- Not required to e-verify unless did not previously e-verify
- IRS redesigned Form W-4 beginning in 2020
 - Employees that are rehired in 2020 must complete the newly designed Form W-4
 - If they do not: will be treated as a single filer with no adjustments
- If changes to the employee's position, duties, pay, or benefits, should provide a new offer letter to the employee

Practical Tips: Rehiring Considerations

- Know the rules for your benefits
 - Retirement Plan
 - Insurance
- OSHA Safe Workplace Requirements
 - So far, few requirements/limited guidance
- Leaves Required through 12/31/2020
- Accommodations/FMLA
- New protected activities
- Are there policies you want to change? (PTO Payout)



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Questions?

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TRUSTED FINANCIAL STRATEGIES
FOR GENERATIONS

CARES Act Qualified Retirement Plan Implications

Presented By:
Matthew Groome, CPA, CFP®, QPFC
April 24, 2020

CARES ACT PROVISIONS



1. Up to \$100,000 distribution from Qualified Plans to a Qualified Individual through 12/31/2020.
2. Maximum Loan Amounts expanded:
 - From 50% of vested account balance / \$50,000 max
 - To 100% of vested account balance / \$100,000 max
3. Required Minimum Distributions suspended for 2020

WHO QUALIFIES?



1. Participant / Spouse / Dependent who has been diagnosed with the COVID-19 or SARS-CoV-2 virus by a test approved by the Centers for Disease Control and Prevention.
2. Participant who experiences adverse financial consequences (quarantined, furlough, reduced hours, lack of child care or other factors as determined by Treasury)

WHO APPROVES?



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The Retirement Plan
Sponsor can allow the
Participant to self-certify
they meet guidelines as
outlined in the CARES Act

CARES Act COVID-19 Distributions

TYPICAL DISTRIBUTION QUESTIONS



Up to \$100,000 distribution from Qualified Plans to a Qualified Individual through 12/31/2020.

1. How much can I take?

- As much as you qualify for, up to \$100,000.....you are self-certifying your own financial need.

2. Is this a one-time distribution?

- No, you can take multiple distributions from multiple accounts up to an aggregate amount of \$100,000.

TAXES – WHAT?



Am I taxed on the Distribution?

1. Federal Taxes = Yes
2. State Taxes = Yes
3. 10 % Penalty (Pre-age 59.5) = No
4. Qualified Plan 20% withholding required = NO...
 - but 10% IS.....however you can elect out of the 10%.....
 - Should notify participant of voluntary withholding rules
 - IRS has not released a sample notice.

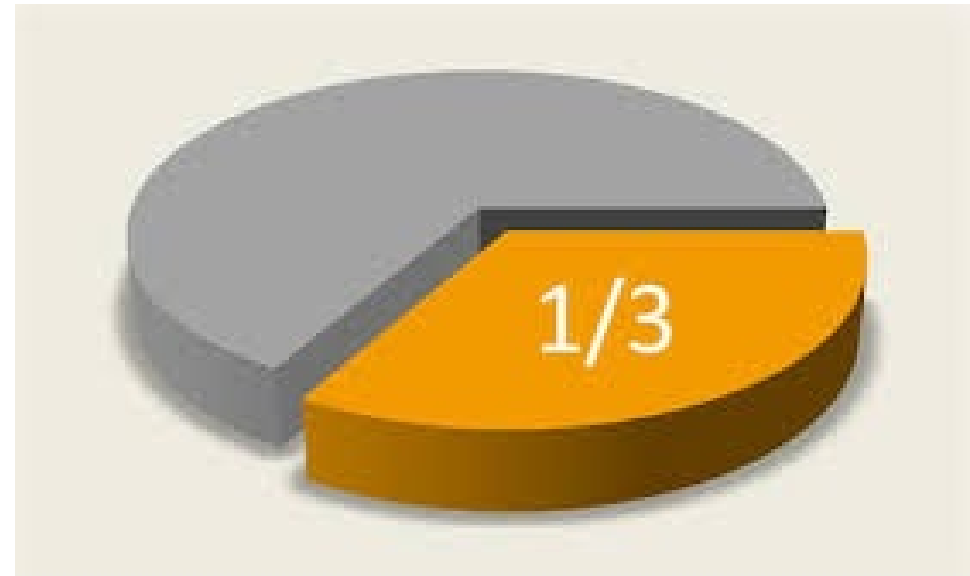
TAXES – WHEN?

Tax Year 2020



OR

Tax Year 2020, 2021 & 2022



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REPAYMENT



1. During 3-year period beginning day after distribution
2. Can make multiple repayments. Can repay to a diff. account

REPAYMENT - EXAMPLE



2020: Qualifying Individual and take \$30,000 distribution.
Spread taxes over three years

2020 = \$10,000 * 20% assumed tax rate = \$2,000

2021 = \$10,000 * 25% assumed tax rate = \$2,500

2022 = \$10,000

2022: Repay \$30,000 into 401(k) / IRA. How do you receive the prior \$4,500 of taxes paid back?

- Waiting for IRS to release guidance.

REPAYMENT - EXAMPLE



Form 8915A Department of the Treasury Internal Revenue Service	Qualified 2016 Disaster Retirement Plan Distributions and Repayments	OMB No. 1545-0074
	▶ Go to www.irs.gov/Form8915A for instructions and the latest information. ▶ Attach to 2018 Form 1040 or 2018 Form 1040NR.	2018 Attachment Sequence No. 915

Name. If married, file a separate form for each spouse required to file 2018 Form 8915A. See instructions.		Your social security number	
Fill in Your Address Only if You Are Filing This Form by Itself and Not With Your Tax Return	Home address (number and street, or P.O. box if mail is not delivered to your home)		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, also complete the spaces below (see instructions).		If this is an amended return, check here ▶ <input type="checkbox"/>
	Foreign country name	Foreign province/state/county	Foreign postal code

Part I Qualified 2016 Disaster Distributions From Retirement Plans (Other Than IRAs)

1	Enter the amount, if any, from your 2016 Form 8915A, line 9. If you checked the box on that line, enter -0-	1		
2	Enter the amount, if any, from your 2017 Form 8915A, line 11. If you checked the box on that line, enter -0-	2		
3	Add lines 1 and 2	3		

REPAYMENT – OTHER THOUGHTS



1. Will you need to prove you took a COVID-19 Distribution to repay within 3 years into your Plan / IRA?
2. An employee is already terminated and took a distribution before 3/27/2020, could that distribution qualify for CARES Act COVID-19 distribution rules?
3. How will the 1099 codes work?
 - Short answer – we need IRS Guidance.
4. Mandatory Force Out Provisions – may want to consider suspending / amending.

CARES Act COVID-19 Loans

WHO QUALIFIES?



1. Participant / Spouse / Dependent who has been diagnosed with the COVID-19 or SARS-CoV-2 virus by a test approved by the Centers for Disease Control and Prevention.
2. Participant who experiences adverse financial consequences (quarantined, furlough, reduced hours, lack of child care or other factors as determined by Treasury)

WHO APPROVES?



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The Retirement Plan
Sponsor can allow the
Participant to self-certify
they meet guidelines as
outlined in the CARES Act

LOANS – INCREASED LIMITS



Generally - loans are limited to lesser of:

- \$50,000 OR
- 50% of Participant's vested account balance

Loan to a qualified individual made before Sept. 23, 2020

Increased to the lesser of:

- \$100,000 OR
- 100% of Participant's vested account balance

LOANS – GENERAL



- If your Plan already allows for loans, this is an **OPTIONAL** additional loan benefit you can allow.
- Other loan policy provisions still apply
 - Maximum number of loans (1 or 2 is most common)
 - Limit on sources of money to be used for the loan
- Plan Amendment will be needed by end of 2022 for increased loan amounts
- If your plan does **NOT** allow for loans, you do **NOT** have to add loans.

LOANS – OPTIONAL ADOPTION



My Plan doesn't have loans, but I want to offer them...

- Forever or just for the next 180 days (9/23/2020)?
- You will still need to establish parameters of the other aspects of the loan policy (interest rates, number of loans, residence loans, default rules, etc.)
- Have until December 31, 2022 to amend the plan, but realistically, you need to figure out your loan policy parameters ASAP.

LOANS – DELAYED REPAYMENTS



- Qualified Participants may delay loan repayments
- Loan payments from March 27, 2020 through December 31, 2020 may be delayed for 1 year.
 - Interest still accrues during this time
 - The loan is re-amortized when payments resume (good luck 😊)



LOANS – DELAYED REPAYMENTS



- I laid off my employees before 3/27 and they had outstanding loans, what should I do?
- My employees may come back to work, how does this apply?
- What if my employee applies for a loan, signs documents for 100% of their account value and the market drops?
- Some recordkeepers are waiving fees.....do I need to send out new fee disclosures?

CARES Act Required Minimum Distributions

RMD WAIVERS



- Any required minimum distribution required to be paid in 2020 can be waived.
- Applies to inherited IRA's as well
- Remember – the SECURE Act passed in December 2019 changed the required minimum distribution age from 70.5 to 72 for 2020.
- If an RMD has already been received during 2020, then the participant may rollover those funds back into a Plan / IRA within 60 days.
- IRS Notice 2020-23 provides additional relief for those between 2/1/2020 and 5/15/2020 if rolled over by 7/15/2020

QUESTIONS??

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PAYCHECK PROTECTION PROGRAM (PPP) - FORGIVENESS PROVISIONS

QUESTION: When does the loan forgiveness clock start & what costs apply?

- **To assess eligibility, the lender will evaluate the borrower's use of proceeds during the eight-week period following the loan origination. This eight-week period is also known as the "covered period".**
- **A borrower is eligible for loan forgiveness if it has used at least 75% of the loan proceeds for payroll costs, with any balance going towards covered mortgage interest payments, covered lease payments or covered utilities.**

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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM (PPP)- FORGIVENESS PROVISIONS

QUESTION: How could the forgiveness be reduced?

The forgiveness analysis of a PPP loan requires a three-step analysis based on the following three metrics: (i) Reduction in Headcount, (ii) Reduction in Wages, and (iii) Rehires, all of which are discussed in more detail below.

1. Reduction in Headcount

Multiply the amount of the loan which qualifies for forgiveness by the following fraction:

- Numerator: average number of full time equivalent employees (FTEES) per month employed by the company during the eight-week period (**starting on the loan date**); divided by:
- Denominator:
 - the **lower** of
 - i. the average number of FTEES per month employed by the company during the period from **February 15, 2019 through June 30, 2019, OR**
 - ii. the average number of FTEES per month employed by the company during the period from **January 1, 2020 through February 29, 2020.**

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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM (PPP) - FORGIVENESS PROVISIONS

QUESTION: How could the forgiveness be reduced? (continued)

2. Reduction in Wages

Subtract a dollar amount computed as follows:

- identify all employees earning less than \$100,000 (Applicable Employee(s)) who are still employed during the eight-week period;
- for each Applicable Employee, take that employee's wages/salary rate during the eight-week period and compare it to that employee's wages/salary rate for Q1 2020;
- for any Applicable Employee whose current wages/salary rate did drop by more than 25%: compute (x) the amount of wages/salary the employee would have received for the eight-week period at 75% of the Q1 rate and subtract (y) the amount the employee actually received for the eight-week period;
- add up all of the >25% reduction amounts for all of the Applicable Employees still employed during the eight-week period.

That aggregate dollar amount further decreases the amount of the loan that is forgivable. The Applicable Employees are only those employees whose wages/salary rates were not greater than \$100,000 annually during 2019.

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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM (PPP) - FORGIVENESS PROVISIONS

EXAMPLE: Reduction Based on FTE Headcount.

The amount of the reduction based on FTE headcount is equal to the percent reduction in FTE headcount, as follows:

- Assume a \$400,000 loan is received; \$300,000 used for Payroll Costs (75% of loan) and \$100,000 used for a combination of other Covered Expenses.
- 100% of the loan is used for Covered Expenses, and should be forgivable.
- FTE Headcount during January 1 through February 29, 2020 = 100 FTE.
- FTE Headcount during Covered Period = 95 FTE.
- Ratio of Covered Period FTE to Historic FTE = 95/100 (95%).
- Forgiveness Calculation: \$400,000 Loan, multiplied by 95% = \$380,000 (a 5% reduction in forgiveness).

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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM (PPP) - FORGIVENESS PROVISIONS

EXAMPLE: Reduction Based on Wage/Salary Decline (25% Rule).

- Assume a \$400,000 loan is received; \$300,000 used for Payroll Costs (75% of loan) and \$100,000 for other Covered Expenses.
- Again, 100% of the loan is used for Covered Expenses, and should be forgivable.
- FTE Headcount during January 1 through February 29, 2020 = 40 FTE, each paid \$20,000 during the most recent full quarter prior to the Covered Period (\$800,000 total salary and wages).
- During the Covered Period, all 40 FTE remain employed, but pay is reduced to \$15,000 for each (\$600,000 total salary and wages paid). ***No reduction in this case because the total salary and wages did not decrease by more than 25%.***
- Alternately, during the Covered Period, all 40 FTE remain employed, but pay is instead reduced to \$12,500 for each (\$500,000 total salary and wages paid). ***Forgiveness is reduced by \$100,000.*** (\$800,000 x .75 = \$600,000; \$600,000 less \$500,000 = \$100,000).

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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM (PPP) - FORGIVENESS PROVISIONS

QUESTION: How could the forgiveness be reduced? (continued)

3. Rehires

Correct decreases from either of the first or second step, respectively, as follows:

- The Reduction in Headcount can be avoided if by June 30, 2020 the reduction in your total FTEES headcount for the period between February 15, 2020 and April 26, 2020 has been restored; and/or
- Reduction in Wages can be avoided if by June 30, 2020 you have restored to the Applicable Employees the same wages/salary they were earning as of February 15, 2020.

The Rehire step is meant to motivate companies to use loan proceeds to restore headcount **AND** wage levels. **If you do both, then the full loan amount can be forgiven.** If you do one or the other, then one reduction, or the other, can be ignored but there is no proportional relief for restoring part of one or part of the other.

There is no requirement that the borrower rehire the same employees; hiring full-time equivalent employees is sufficient.

The logo for Platinum Group, featuring the company name in a bold, sans-serif font. The background of the slide includes a vertical orange bar on the left with the text 'CARES ACT REVIEW' and a faint image of people in the background.

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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM (PPP) - FORGIVENESS PROVISIONS

QUESTION: Should I set up a separate bank account for PPP Funds?

Practical Considerations:

- Federal Employer Taxes excluded from forgiveness provisions. (Example to follow)
- Employers Portion of Medical Plans
- State Unemployment Taxes
- Other applicable expenses

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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM FAQ (As of 04-15-20)

Question: How should a borrower account for federal taxes when determining its payroll costs for purposes of the maximum loan amount, allowable uses of a PPP loan, and the amount of a loan that may be forgiven?

Answer: Under the Act, payroll costs are calculated on a gross basis without regard to (i.e., not including subtractions or additions based on) federal taxes imposed or withheld, such as the employee's and employer's share of Federal Insurance Contributions Act (FICA) and income taxes required to be withheld from employees. As a result, payroll costs are not reduced by taxes imposed on an employee and required to be withheld by the employer, but payroll costs do not include the employer's share of payroll tax.

For example, an employee who earned \$4,000 per month in gross wages, from which \$500 in federal taxes was withheld, would count as \$4,000 in payroll costs. The employee would receive \$3,500, and \$500 would be paid to the federal government. **However, the employer-side federal payroll taxes imposed on the \$4,000 in wages are excluded from payroll costs under the statute.**

PAYROLL SUMMARY

Demo Inc.

*** PAYROLL FUNDING ***

Debit Type	Bank Name	Transit Routing #	Bank Account #	Counts	Amount	ACH Debit
Checks	WELLS FARGO BANK, N.A.	*****0219	*****9875	61	\$106,423.96	\$0.00
Direct Deposits	WELLS FARGO BANK, N.A.	*****0219	*****9875	2	\$0.00	\$3,352.77
Totals:				63	\$106,423.96	\$3,352.77
Tax Liabilities	WELLS FARGO BANK, N.A.	*****0219	*****9875		\$0.00	\$43,280.89
Third Party Checks	WELLS FARGO BANK, N.A.	*****0219	*****9875		\$0.00	\$0.00
Third Party Electronic Payment	WELLS FARGO BANK, N.A.	*****0219	*****9875		\$0.00	\$0.00
Payroll Billing	WELLS FARGO BANK, N.A.	*****0219	*****9875		\$0.00	\$496.00
Totals:					\$0.00	\$43,776.89
Total ACH Debit:				Impound Date: 6/11/2020		\$47,129.66
Total Payroll Funding (all items):				\$153,553.62		

*** PAYROLL TAXES ***

	CURRENT YTD		MTD		QTD			
Federal Deposits	Wages	Taxes	Wages	Taxes	Wages	Taxes	Wages	Taxes
FEDERAL WH	141,533.60	15,047.40	282,938.67	30,085.82	825,856.98	88,964.79	1,665,252.76	176,815.14
MED EE (1.450000%)	142,584.25	2,067.44	285,039.97	4,133.08	831,828.83	12,061.50	1,673,326.96	24,263.27
MED ER (1.450000%)	142,584.25	2,067.44	285,039.97	4,133.08	831,828.83	12,061.50	1,673,326.96	24,263.27
SOC SEC EE (6.200000%)	142,584.25	8,840.21	285,039.97	17,672.47	831,828.83	51,573.37	1,673,326.96	103,746.27
SOC SEC ER (6.200000%)	142,584.25	8,840.21	285,039.97	17,672.47	827,328.83	51,294.37	1,668,826.96	103,467.27
Total Federal Deposits		36,862.70		73,696.92		215,955.53		432,555.22
State/Local Employee Tax	Wages	Taxes	Wages	Taxes	Wages	Taxes	Wages	Taxes
NORTH CAROLINA WH	141,533.60	5,732.00	282,938.67	11,460.00	825,856.98	33,871.00	1,665,252.76	67,987.00
SOUTH CAROLINA WH	1,230.77	69.82	2,461.54	139.64	2,461.54	139.64	2,461.54	139.64
Total State/Local Employee Tax		5,801.82		11,599.64		34,010.64		68,126.64
Employer Tax	Wages	Taxes	Wages	Taxes	Wages	Taxes	Wages	Taxes
FUTA ER (0.600000%)	1,026.00	6.15	1,986.00	11.91	8,061.28	48.36	432,514.62	2,595.09
NORTH CAROLINA SUI ER (1.000000%)	60,565.97	605.66	146,353.25	1,463.53	502,539.85	5,025.40	1,277,080.64	12,770.81
SC SUI ER ADMIN CONT ASSMNT (0.060000%)	828.61	0.50	2,059.38	1.24	2,059.38	1.24	2,059.38	1.24
SOUTH CAROLINA SUI ER (0.490000%)	828.61	4.06	2,059.38	10.09	2,059.38	10.09	2,059.38	10.09
Total Employer Tax		616.37		1,486.77		5,085.09		15,377.23
Total Taxes		43,280.89		86,783.33		255,051.26		516,059.09

PAYROLL SUMMARY

Demo Inc.

*** EMPLOYER TAX EXPENSE ***

Employer Tax	CURRENT YTD		MTD		QTD			
	Wages	Taxes	Wages	Taxes	Wages	Taxes	Wages	Taxes
FUTA ER (0.600000%)	1,026.00	6.15	1,986.00	11.91	8,061.28	48.36	432,514.62	2,595.09
MED ER (1.450000%)	142,584.25	2,067.44	285,039.97	4,133.08	831,828.83	12,061.50	1,673,326.96	24,263.27
SOC SEC ER (6.200000%)	142,584.25	8,840.21	285,039.97	17,672.47	827,328.83	51,294.37	1,668,826.96	103,467.27
NORTH CAROLINA SUI ER (1.000000%)	60,565.97	605.66	146,353.25	1,463.53	502,539.85	5,025.40	1,277,080.64	12,770.81
SC SUI ER ADMIN CONT ASSMNT (0.060000%)	828.61	0.50	2,059.38	1.24	2,059.38	1.24	2,059.38	1.24
SOUTH CAROLINA SUI ER (0.490000%)	828.61	4.06	2,059.38	10.09	2,059.38	10.09	2,059.38	10.09
Total Employer Tax		11,524.02		23,292.32		68,440.96		143,107.77

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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM (PPP)

Word on the street from SBA:

- You may have up to 10 days to sign your Lenders promissory note if Approved. I would not count on this.
- The 8 week period may begin upon loan origination (signing the Lender promissory note) rather than the funding date. This is contrary to the interim rule as of 4-8-20.
- Additional Forgiveness guidance forthcoming from SBA. When?

Forgiveness Reporting:

- Lenders have 60 days after the 8 week period ends to reconcile forgiveness.
- Because of the ability to "cure" by June 30th things may change.
- Why June 30th?



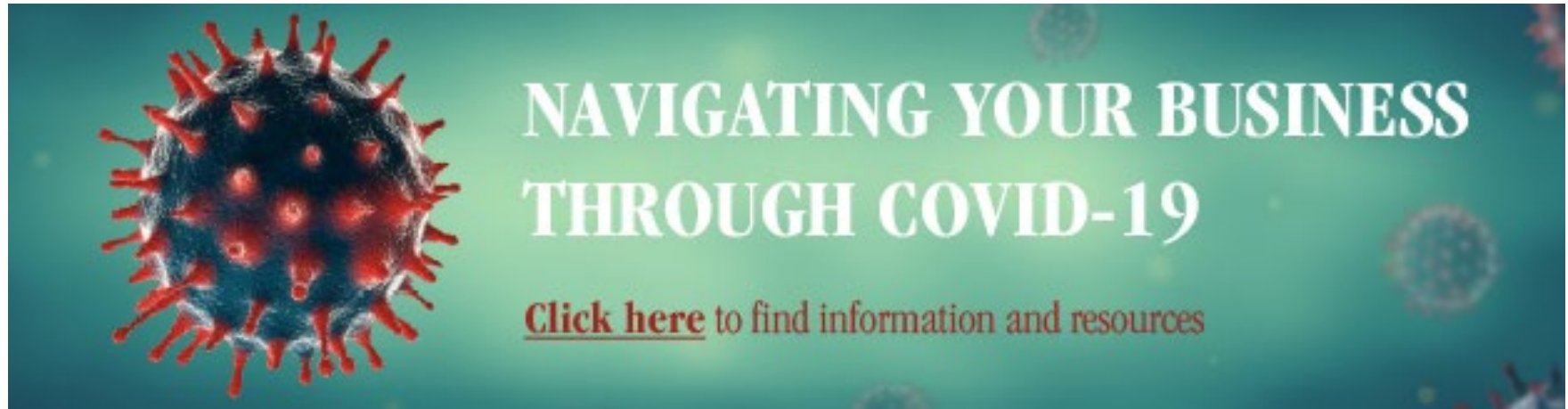
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CARES ACT REVIEW

PAYCHECK PROTECTION PROGRAM (PPP) LOANS-(CONTINUED)

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 April 23, 2020, legislation passed allocating another \$60 billion for EIDL and EIDL Advance. The president is **expected** to sign the bill into law today. The SBA still needs to update the page to reflect the new appropriations. If you have not applied for the EIDL and/or Advance you will want to check the website regularly for open applications.

SBA ECONOMIC INJURY DISASTER LOANS (EIDL)-UPDATES

As of April 15, 2020, SBA is unable to accept new applications at this time for the Paycheck Protection Program and Economic Injury Disaster Loans (including EIDL Advances) based on available appropriations funding. Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis. Click [here](#) to read the SBA press release.

SBA ECONOMIC INJURY DISASTER LOANS (EIDL)-UPDATES

UPDATES:04/09/2020

- If you received a loan application confirmation number that begins with the number 2. You will need to re-apply- If did not re-apply yet then you are not in the que for EIDL and will want to apply with the new funding.
- To ensure that the greatest number of applicants can receive assistance during this challenging time, the amount of the Advance will be determined by the number of the small business' pre-disaster (i.e., as of January 21, 2020) employees. The Advance will provide \$1,000 per employee up to a maximum of \$10,000
- Look for 14-20 days on EIL ADVANCE & EIDL

SBA ECONOMIC INJURY DISASTER LOANS (EIDL)-UPDATES

Question 1: If you have applied for EIDL and received a number then are you in process for loan?

The application # simply means they have received the application. To find out where the application is in the process you will need to call 800-659-2955.

Question 2: If you have received an EIDL advance will you be able to still get a loan?
It all depends on where you are in the process. Money has been earmarked so it just depends on where it is earmarked.

Question 3: What happens if someone is approved for the loan and decide not to take it or reduce the amount they take?

Yes, you can do this. And, this is how the money will keep going through in circulation until it is all depleted.

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.
- Loans subject to availability of funds.

One Buncombe Fund: [One Buncombe Fund](#)

- COVID-19 Response Fund
- Assistance to Individuals that have lost employment due to COVID-19
- Assistance for locally owned small businesses

Other Community Funds in your County- Check with us or your Chamber of Commerce

Tips To Prepare For Reopening

Though your business may be closed, now is the time to start preparing for your next chapter.

Employees

Have a plan to welcome your team back.

- Many small businesses treat their employees like family. Thank them for hanging in there and acknowledge the financial and mental stress the pandemic has caused them.
- Consider your reopening hours. Come up with a plan that is fluid for what schedules might look like under several different operating models.
- Continue to stay in close communication with your team and share your plan with them when ready. Sharing your reopening plan reminds your team that they are a key factor in the success of your business.

Tips To Prepare For Reopening

Customers

How will you welcome your existing and new customers back?

- It most likely will take more than a “We Are Open” sign to get them back in the door. Customers may still be hesitant to be out in public. Start off with the basics, such as making sure your establishment is fresh, clean, and organized
- Depending on your business make sure, for example, that inventory is stocked, menus are updated, and you and your employees are ready to provide outstanding service.
- Show you appreciate your customers through welcome back promotions, offering new services, and remembering to always thank them for their business.

Tips To Prepare For Reopening

Vendors

Communication is Key.

- Hopefully, you have been communicating with your vendors throughout all of this. Remember your vendors are an important part of the team.
- Review your current inventory as compared to what you project your sales may be when you reopen (see cash flow to the right).
- Initially cash flow will be tight, so talk with vendors now about payment options. Many of your vendors may be willing to consider 30, 45, or even 60 day payment options on any new orders. Remember they want you to succeed as well -- you are their customer

Tips To Prepare For Reopening

Cash Flow

Prepare a projected income statement

- Remember this is a projection but this exercise will help you be better prepared for fluctuations in cash flow.
- Statements should be broken down by months and include projected sales and all expenses.
- Develop several scenarios that reflect what it may look like when you are back in business.

Businesses that are best prepared to reopen, with a well thought-out plan, will undoubtedly be the most successful. Don't hesitate to request a meeting with a SBTDC business counselor to discuss your plan.

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.

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.

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-April 24, 2020

COVID-19 WEBINAR 06

Employment Law Updates | Retirement Plan Updates-Cares Act | Loan updates
4.24.20



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The SBTDC is a business and technology extension program of the
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with the U.S. Small Business Administration.



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McGuire Wood & Bissette



MATTHEW L. GROOME
Colton Groome & Company

Platinum Group

Thank you!

We will be conducting another webinar Next Friday, May 1st 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 April 23,
2020 and is subject to change.**