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BUSINESS RELIEF FROM COVID-19:

THE CARES ACT

Paycheck Protection Loans

1. You are eligible if you have less than 500 Employees and were in business on February 15, 2020. This includes sole proprietorships and independent contractors.
2. The maximum amount is 2.5 times your monthly "Payroll Costs"
 - a. Average monthly costs over the 12 months before the loan – April, 2019 through March, 2020 for loans on April 1st, 2020.
 - b. Payroll Costs include: salaries, tips, vacation/paid leave, severance pay, group healthcare benefits, retirement benefits, state and local taxes on compensation.
 - c. They do not include compensation over \$100,000, payroll taxes, subsidized leave payments or compensation paid to residents outside the United States.
3. You can use the funds for Payroll Costs and the following fixed liabilities that were in place prior to February 15, 2020: Rent, Mortgage Interest, Other Debt Interest, Utilities and Group Health Benefits.
4. The amount of the loan you use for an approved purpose, except Other Debt Interest, will be **FORGIVEN** if you do not lay people off or decrease their wages.
5. For 8 weeks after the loan origination, you need to maintain the same number of employees, making at least 75% of their wages as compared to the last full quarter, as were employed during January and February to receive the full forgiveness.
6. You can **RE-HIRE** employees lost between February 15, 2020 and April 26, 2020 by June 30th without the loss of the employee impacting the forgiveness amount.

Other Programs – Federal and Florida Emergency Loans

1. The Florida Emergency Bridge Loan (FEBL) is interest-free and up to \$50,000.
2. In order to be eligible for a FEBL, you need to be a for-profit business established prior to March 9, 2020. You also must be in the State of Florida and able to demonstrate economic injury.
3. The Small Business Administration has an Economic Injury Disaster Loan (EIDL) Program that can loan amounts up to \$2 million.
4. The Program has several eligibility requirements:
 - a. A credit report acceptable to the SBA
 - b. The ability to repay the SBA loan
 - c. You cannot get credit elsewhere
5. You **CANNOT** get both a Paycheck Protection Loan and an EIDL loan for the same purpose.

6. If you have already applied or received an EIDL loan for the COVID-19 Disaster, it is possible to still take advantage of the Paycheck Protection Loans.

Applying for a Loan Program and Other Considerations

1. You will be able to apply for a Paycheck Protection Loan through a certified SBA Lender. You can find lenders approved for these types of loans by visiting the SBA's website and then to the South Florida District Office's website.
2. You will want your accountant to help you to calculate the maximum amount of the loan and help you gather substantiation for that amount.
3. You may also want your accountant to help you to calculate the payroll figures in order to receive full forgiveness.
4. You will need tax documents and/or financial statements to apply for either of the other emergency loan programs – the FEBL and the EIDL.
5. The maximum interest rate on PPLs (forgivable) is 4% and payments are deferred for at least 6 months.
6. You do not have to give a personal guarantee or pledge collateral for a PPL. There are no fees for you or the lender with a PPL.
7. You want to make sure that you are keeping documentation that you use the funds for approved purposes and that the fixed costs were in place as of February 15, 2020.