

# 2020 · AS A BUSINESS OWNER, WHAT EMERGENCY RELIEF OPTIONS SHOULD I CONSIDER DURING THE CORONAVIRUS PANDEMIC?



ELIGIBILITY ISSUES	YES	NO
<p><b>Do you need help determining whether you qualify for the Paycheck Protection Program (“PPP”) under the CARES Act?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ The PPP expands eligibility requirements for SBA 7(a) loans through June 30, 2020. Apply early, given the program caps.</li> <li>■ Business concerns (including certain nonprofit, veterans, and tribal organizations), sole proprietors, independent contractors, and certain self-employed individuals that were in business on February 15, 2020 may qualify for PPP loans.</li> <li>■ Your business must have 500 or fewer employees (or qualify for an exception), including full-time, part-time, seasonal and temporary.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need help determining whether you qualify for the Economic Injury Disaster Loan (“EIDL”) Program?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ The CARES Act extends relief under the EIDL Program to a new class of “eligible entities” through December 31, 2020.</li> <li>■ Eligible entities include business interests, ESOPs, cooperatives, or tribal small business concerns with 500 or fewer employees, and individuals operating under sole proprietorships or as independent contractors that were in existence on January 31, 2020.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

CASH FLOW ISSUES	YES	NO
<p><b>Do you qualify for the PPP, and are you in need of assistance to cover payroll and other business costs?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ You may be able to borrow up to 2.5 times your monthly average “payroll costs” (incurred during the one-year period prior to the date of the loan, typically), capped at \$10 million.</li> <li>■ PPP loans have a maximum term of 2 years and fixed rate of 1.0%. Principal and interest payments are deferred for 6 months.</li> <li>■ Borrowed funds must be put to “allowable uses” such as payroll support, certain health care benefits, employee compensation, interest on a mortgage, rent payments, utilities, and interest on other prior debt obligations. (continue on next column)</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

CASH FLOW ISSUES (CONTINUED)	YES	NO
<p><b>Do you qualify for relief under the EIDL Program, and are you in need of assistance to support your operations?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ These loans have a maximum term of 30 years, a rate of 3.75% for businesses and 2.75% for nonprofits, and are capped at \$2 million.</li> <li>■ EIDL loans may be used to cover payroll, fixed debts, accounts payable, and other bills that can't be paid due to the impact of the coronavirus.</li> <li>■ You can also apply for an Emergency Economic Injury Advance of up to \$10,000 to be made within three days of your loan application. An approved EIDL loan is not a prerequisite to this advance.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

DEBT ISSUES	YES	NO
<p><b>Do you have (or expect to have) other SBA loans in place?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ The government will subsidize certain qualifying loans, paying 6 months of principal, interest, and fees. This will not affect your credit and payments made on your behalf won't count as taxable income.</li> <li>■ There is an opportunity to fold emergency loans made between January 31, 2020 and the date that PPP loans become available into a new loan.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will the PPP loan be used to cover payroll costs, interest payments for any covered mortgage, utilities, and payments on any covered rent obligations?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ The PPP loan may be forgiven to the extent it is used to cover the costs mentioned during the initial 8 weeks of your loan, up to 100%. The amount forgiven will be decreased by reductions in full-time employees and wages; however, rehiring employees and restoring wages by June 30, 2020 can reinstate your forgiveness eligibility.</li> <li>■ Forgiveness would render you ineligible for the deferral of payroll taxes, that is otherwise allowed through year-end. (continue on next page)</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

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fpPATHFINDER

DEBT ISSUES (CONTINUED)	YES	NO
<p><b>Will you apply for an Emergency Economic Injury Advance on your EIDL loan?</b> If so, you are not required to repay the advance, provided that it is spent on permitted costs (in effect, this is a grant). However, if you also take a PPP loan, this advance will reduce your PPP loan amount, and the same costs can't be used to obtain forgiveness in both programs.</p>	<input type="checkbox"/>	<input type="checkbox"/>

TAX PLANNING ISSUES	YES	NO
<p><b>Will you not participate in the PPP and was your business subject to closure, in whole or in part, or were your gross receipts this quarter below 50% of your gross receipts for the same quarter of 2019 due to COVID-19?</b> If so, you may qualify for the Employee Retention Credit. The credit amount is 50% of qualified wages (including health benefits), up to \$10,000 per employee, paid after March 12, 2020 through December 31, 2020.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you qualify for loan forgiveness under the PPP?</b> If so, amounts forgiven will not be subject to taxation as cancellation of indebtedness income.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you pay payroll taxes or self-employment tax?</b> If so, under the CARES Act you may defer payment of the employer share of such taxes that would be due from March 27, 2020 through December 31, 2020. One half of such deferred payments would be due by year-end 2021 and 2022. However, if you take a PPP loan and any amount is forgiven, you are ineligible for this deferral.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you have a federal tax return due on April 15, 2020?</b> If so, the IRS has offered an automatic extension for 2019 tax filings and payments that were due on April 15, 2020 to July 15, 2020.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Does your state offer income tax filing or payment relief?</b> If so, assess your eligibility and review your options.</p>	<input type="checkbox"/>	<input type="checkbox"/>

OTHER PLANNING ISSUES	YES	NO
<p><b>Will you apply for both a PPP loan and an EIDL loan?</b> If so, duplicate loans from each program can not be used for the same expenses, nor can the same expenses be used to obtain forgiveness under both programs.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Is your business closed (due to quarantine, etc.) or partially operating?</b> If so, consider the impact of near-term layoffs (employees file for unemployment), and rehiring when PPP funds become available.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to review other forms of relief available to you as an individual?</b> If so, see the "What Emergency Relief Options Should I Consider During The Coronavirus Pandemic?" checklist.</p>	<input type="checkbox"/>	<input type="checkbox"/>