**Disclaimer:** The content provided in this webinar is for informational purposes only and should not be construed as legal, financial or accounting advice. Participants are advised to consult with their own bankers, attorneys, CPAs and consultants to determine whether CARES Act programs are suitable for your organization.
Panelists

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Partner
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Certified public accountants, business consultants

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Principal
Brown Smith Wallace
The Firm for Growth

BRIAN PHILLIPS
SBA Loan Officer, Vice President
US Bank

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Nonprofit Consultant

Jewish Federation of St. Louis
CARES Act

• Congress passed the CARES Act allocating **$350 billion in funding** to help keep workers employed amid the pandemic and economic downturn.

• The Paycheck Protection Program provides 100% federally guaranteed loans to small business & **nonprofits**.

• The Paycheck Protection Program provides a much needed funding opportunity for the organizations that are providing important services in the community.
Key Questions

• Can I get a loan?
• How much can I get?
• What can I use these funds for?
• How much of the loan can be forgiven?
• What can I do to get ready?
• How do I apply?
Can I Get a Loan?

• Most likely yes: All nonprofits registered as 501(c)3 with 500 or fewer employees are eligible.

• Includes all kinds of nonprofits: Human Service, Camps, Private Schools, Cultural Organizations, and more.

• Includes religious institutions (Synagogues, Churches) even if you don’t have a 501(c)3 charter.
How Much Can I Get?

- 250% (2.5 times) your average monthly payroll costs over one-year.

- Payroll costs include salary, paid leave, severance, group health benefits, retirement, state and local payroll taxes.

- Up to $100,000 per employee for those expenses.

- Excludes employees outside the U.S.
**How Much Can I Get?**

*Example:*

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly &quot;Payroll Costs&quot; (See definition above)</td>
<td>$1,400,000</td>
<td>$116,667</td>
</tr>
<tr>
<td>Less: Prorated portion of annual compensation above $100,000 or any one person</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E.g., Three employees, total compensation</td>
<td>$460,000</td>
<td>($160,000)</td>
</tr>
<tr>
<td>Compensation above $100,000 per individual is excluded</td>
<td>($160,000)</td>
<td>($13,333)</td>
</tr>
<tr>
<td>Less: Employee compensation for employees living outside the U.S.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E.g., Compensation for one employee living outside the U.S.</td>
<td>($90,000)</td>
<td>($7,500)</td>
</tr>
<tr>
<td>Total Eligible Payroll Costs</td>
<td>$1,150,000</td>
<td>$95,833</td>
</tr>
<tr>
<td>Multiplied by 2.5</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>Amount of Loan</td>
<td>$239,583</td>
<td></td>
</tr>
</tbody>
</table>
What Can I Use These Funds For?

- Payroll expenses
  - all expenses used to calculate how much you could borrow

- Operation expenses
  - mortgage interest, rent payments, and utilities
How Much of the Loan Can Be Forgiven?

• Depends on how many employees you retain or hire back by June 30, 2020.

• Forgiveness amount is reduced if an organization reduces salary of any employee under $100,000 by more than 25%.

• See worksheet example.
How Much of the Loan Can Be Forgiven?

*Example Continued:*

<table>
<thead>
<tr>
<th>Forgiveness Calculation:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PPP loans can be forgiven to the extent that the loan proceeds have been used for the following costs during the eight week period after the loan is made:</td>
<td></td>
</tr>
<tr>
<td>Payroll costs, excluding the prorated portion of compensation above $100,000 per year for any person</td>
<td></td>
</tr>
<tr>
<td>Group health care benefits costs and insurance premiums</td>
<td></td>
</tr>
<tr>
<td>Mortgage interest (but not prepayments or principal payments) and rent payments on mortgages and leases in existence before 2/15/20</td>
<td></td>
</tr>
<tr>
<td>Certain utilities, including electric, gas, water, transportation, phone, and internet access for service that began before 2/15/20</td>
<td></td>
</tr>
</tbody>
</table>

| Total Spent on these expenses | $250,000 |
| Maximum amount eligible for forgiveness | **$239,583** |
What Can I Do to Get Ready?

• Talk to your professional advisors (accountant, auditor, lawyer)
• Check with your bank
• Review covenants of any existing debt
• Review you governance process
  – Check your by-laws for restrictions and required approvals
• Determine monthly payroll cost now
  – Have that ready!
How Do I Apply?

• Contact your bank, if they are an SBA lender.

• US Bank is an SBA Preferred lender – go to the link below to get on their notification list.

  https://apply.usbank.com/applications/business/LeadForm
Questions?

• Please use the Chat function to submit your questions.

• They will be read by the moderator.
Other resources?

• Jewish Community Organizations: Please send questions or support requests to CARES@JFedstl.org