

Small business strategies to maximize the CARES Act Washington Retail webinar April 6th 2020

Summary of Q&A from webinar Participants

1. Q: Is the \$10,000 forgivable cash advance for EIDL dependent upon the number of employees covered? We have heard rumblings that the forgivable amount is limited to \$1,000 per employee, up to \$10,000. Is that the case?

A: The \$10,000 EIDL advance is not subject to the number of employees you retain. The PPP (Paycheck Protection Program) does have provisions that are directly tied to the number of employees you are retaining and the pay level. This is considered when determining if the full amount of the PPP will be forgiven.

2. Q: is Kabbage an approved lender for PPP? I was not able to find a list of approved lenders anywhere

A: I do not believe that Kabbage is a part of the SBA program. I would advise extreme caution if you are considering Kabbage. To find a lender for the PPP go to <https://www.sba.gov/paycheckprotection/find?address=98801&pageNumber=1>

3. Q: Is WRA working to get Washington legislators to make the insurance companies cover losses under business interruption coverage? My understanding is this is happening in New York.

A: WRA has not advocated on insurance coverage as of today.

4. Q: For and EIDL, will a second lien or a subordination agreement be acceptable?

A: Yes, will go in 2nd position

5. Q: The PPP application says 2.5 month of average payroll. Which is it 2 months or 2.5 months?

A: 2.5 times average monthly payroll. This covers 8 weeks of payroll. The 0.5 is the equivalent of 25% of the whole loan you could use to pay rent, utilities, mortgage, and other overhead.

6. Q: What if the business is being ordered to shut down? Could the business still pay their employees without them working?

A: The answer is no for the PPP. The business must be open to receive the PPP funding.

7. Q: Is there a program for landlords?

A: The EIDL and the EIDL advance both apply to landlords.

8. Q: So as a dental laboratory, we have been ordered to close - we are not able to use the PPP to reemploy our staff and utilize them remotely for other purposes such as process improvement?

A: Good question. You can be open and have your employees working from home. The key here is that you need to be open.

9. Q: Who can I talk to about FTE in regards to PPP?

A: Please listen to the Q&A portion of the webinar.

10. Q: Our payroll radically varies seasonally. Using an annual average would limit what we will need in April/May/June time frame - our peak season of labor costs. How can we get seasonality into the our equation for projecting payroll requirements?

A: EIDL program may be better to use instead of the PPP in your case. You could work with your bank and there may be additional guidance from the Treasury.

11. Q: Will PPPs be funded before closed businesses are allowed to reopen or at the time they are allowed to open?

A: The PPP funding may come before your closed business is allowed to reopen. You may keep your employees not actually doing work at home. Please listen to the Q&A portion of the webinar.

12: Q: In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available following a successful application. This loan advance will not have to be repaid.

So, this is from the SBA site on the \$10k loan - so what you're saying is that this may be need to paid back if it is not used for working capital yes? Also, what if you didn't use the entire amount and then will you have to repay the balance?

A: Please listen to the Q&A portion of the webinar or follow up with speakers.

13. Q: We were forced to close by our city. If we had to put some on standby, can we bring them back under the PPE loan?

A: Yes you may. Please listen to the Q&A portion of the webinar.

14: Q: Does "open" apply to the physical business, or can it apply to virtual. We are a gym, our physical location is closed by law. However, we are doing online workouts. are we still "open"?

A: It did not use to apply to virtual businesses that are open, but the current environment may be very different. Please listen to the Q&A portion of the webinar.

15. Q: What if they are standby, and subsequently got a new job? What if the labor pool for your specific business (auto tech) is in high demand and very challenging to get employees (particularly in a rural area)

A: The same level of employee is fine even if they are not the same employees. You may consider hiring those with less skilled at a lower pay.

16. Q: What if our closure is out to May 18th, and the PPP is for 8 weeks. Are we able to use it for payroll after June 30th as we open back up?

A: Currently, it is up till June 30. Congress is aware that closure may prolong and could extend their rules beyond 6/30.

17. Q: We are a 501 c(6) and want to bring them back through PPP. Is this possible being a 501 c(6)? What are the preferred loans for a 501 C(6) ? Are the PPP loans available to 501c(6)?

A: PPP is not available for 501c6 but EIDL is available for 501c6.

18. Q: I guess I would like clarification. We operate a hotel that has been in business for 50 years. We were forced to close for over a month by the city. In doing that we had to but 20 people on standby. If we are to be back and running by June 30th with the same amount of people that would mean the city would have to lift the travel restriction. And for this to be of use, we would have to be able to be forgiven if we had employees on standby.

A: Please listen to the Q&A portion of the webinar.

19. Q: Does the PPP apply to 501 (c) 3 non-profits?

A: Yes

20. Q: If we try to bring back standby employees but they refuse as with the additional \$600 per check they make more on unemployment, what if they turn down? Will they lose unemployment?

A: ESD is working on this, but it is not sure how they plan to reconcile with the UI benefit at this point. In general, however, when there is a job available for them and they refuse to work, UI benefit ends. Please listen to the Q&A portion of the webinar.