

Tools to Reboot your Business

Washington Retail webinar April 15th, 2020

Summary of Q&A from Webinar Participants

1. Q: Why are community banks able to fund the PPP loans, but larger banks are not? Why did the SBA say EIDL \$10K Advancement would be provided in 3 days, but nothing has been received in over two weeks?

A: Please refer to the answer found in Question #5.

2. Q: I had to lay off my entire team March 17th when we were shut down. I will rehire all of them when we open again. But, with the PPP, do I have to bring back my whole team before we are open again? I'm worried I will run out of money too quickly. I would rather bring back my main team now and support team when we are open again. But, I don't want that to be held against me.

A: It most likely will be held against you. The current rules and guidance say that you have to meet the pre Feb 15th FTE and salary levels by the end of the 8 week period or June 30th whichever comes first in order to earn the loan forgiveness. We do not have any guidance yet as to whether or not there will be graduated forgiveness, but I would not count on it.

3. Q: Does PPP require restoration of full-time-equivalent by June 30 for forgiveness (as the slide indicated), or headcount as the speaker said?

A: Headcount and full-time-equivalent are the same thing. The current rules and guidance say that you have to meet the pre-Feb 15th FTE and salary levels by the end of the 8 week period or June 30th whichever comes first in order to earn the loan forgiveness. We do not have any guidance yet as to whether or not there will be graduated forgiveness but I would not count on it.

4. Q: Restore headcount to 2019 payroll numbers? Or payroll including date 2/15/2020? I'm not clear on the timeframe reference for head count.

A: The guidance we have now is that you have to meet the pre-February 15th headcount as established by your payroll records.

5. Q: On the EIDL - clarification - \$10,00 per business, but only \$1000 per employee?

A: There is the EIDL Advance that is Up To \$10,000 based on \$1,000 per employee. The full EIDL is based on the loan processors establishment of your economic injury. The cap is \$2 million. We (per Washington Small Business Center) already have some with results at \$450,000 for the full EIDL.

6. Q: When should we hear on the EIDL? I submitted my application the end of March and still have not gotten an email that it was received. Should I reapply if I haven't heard anything yet? Mine was under \$15,000.

A: Turnaround time on EIDL is unknown to us at this point. Please refer to the answer in question #5.

7. Q: Are c6 eligible for the tax credit

A: I just read this site at <https://www.uschamber.com/report/guide-the-employee-retention-tax-credit> and I believe 501c6 may not qualify.

A: EIDL is available to c6 though.

8. Q: Please talk about Sole Proprietors too. Can sole proprietors apply for unemployment and apply for PPP/EIDL?

A: Yes, especially when you're still waiting for the PPP/EIDL to come in. Once you receive either of those, I would suggest you seek guidance from the Employment Security Department.

Steve Burke with WA Small Business Development Center states - I am with a group called the Small Business Development Centers. Our website is at wsbdc.org. We have two webinars today (April 15) that address your questions. The one at 3:00pm would be best for you. You can sign up on our website.

The loan you applied for, the Economic Injury Disaster Loan (EIDL) was not part of the CARES Act. Another program the Paycheck Protection Program (PPP) might be a better option for you. Here is a website with links to organizations that you can apply to for the PPP loan.

<https://heavy.com/news/2020/04/apply-sba-ppp-paypal-intuit-square/>

Also, for solopreneurs like yourself the WA Unemployment program is getting CARES Act funding and new criteria they are opening applications this coming Sunday (April 19). Information is at esd.wa.gov.

9. Q: seems like a lot of the cares act financing is based on number of employees...so where does the Solo Pro. fit in? Do I consider myself one employee? Even though I am my own employer?

A: My understanding is that you can apply now.