

# NFIB UPDATE

Weekly Briefing for Small Business

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**August 5, 2020 – Q&A (PPP, EIDL, FFRCA)**



# DISCLAIMER

- The materials and information provided in this webinar and on NFIB's website are for informational purposes only and not for the purpose of providing legal or tax advice. You should contact your attorney and/or tax professional to obtain advice with respect to any particular issue or problem.
- This is based on information available by 8/5/20.

# Agenda

1. Resources
2. Q&A

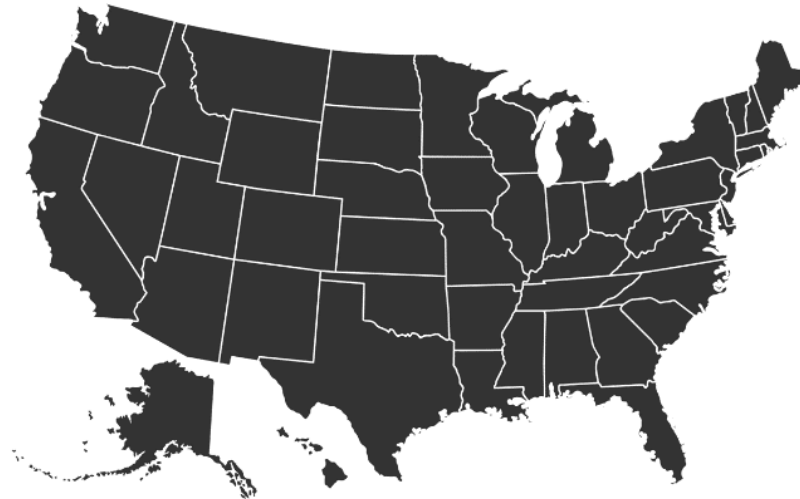
# 2020 NFIB Fly-In

New Dates | New Place | New Format

Coming to **YOUR HOMETOWN** this August.

- Join us August 17<sup>th</sup>, **18<sup>th</sup>**, and 19<sup>th</sup> for an interactive, informative, and influential experience with NFIB and your legislators. **\*Holly and Beth Tuesday Webinar!!!**
- Register (FREE!) at [NFIBFlyIn.com](https://NFIBFlyIn.com)

**All welcome Aug. 17-18<sup>th</sup>!**  
(Aug. 19<sup>th</sup> for NFIB members only)



Have a question now? Contact us at [flyin@NFIB.org](mailto:flyin@NFIB.org)



## Get support for your small business through **MBAs Fight COVID-19**

MBAs Fight COVID-19 is a group of MBA students from business schools around the US working with small businesses to respond to the COVID-19 crisis.

We provide **pro bono consulting support** to help businesses think through a variety of topics, including:

- Applying to federal funding programs (PPP, EIDL)
- Reaching more customers online
- Pivoting business strategy
- ...and more!

To learn more about MBAs Fight COVID-19 and to get matched with an MBA student, email

[Elizabeth.Milito@nfib.org](mailto:Elizabeth.Milito@nfib.org)



# Upcoming NFIB Webinars

**August 12** – Update on next economic relief package (hopefully) and **Q&A**

**August 18** – (Tuesday!) Fly-In Special, answering more of your questions



# COVID-19 Resources

[PPP Loan Forgiveness EZ Application Instructions](#)

[PPP Loan Forgiveness EZ Application](#)

[AICPA PPP Loan Forgiveness Calculator](#)

[NFIB Coronavirus Resources](#)

[NFIB Financial Aid Programs Tip Sheet](#)

[NFIB PPP Loan Forgiveness Tip Sheet](#) **PPP Loans Still Available!**

[NFIB FFCRA Tax Credit Tip Sheet](#)

[NFIB EIDL Tip Sheet](#) **EIDL Still Available!**

[info@nfib.org](mailto:info@nfib.org) – submit your questions!



## COVID-19 Small Business Relief Options

	Paycheck Protection Program (PPP) Loan	Economic Injury Disaster Loan (EIDL) & Advance Grant	Employee Retention Credit (ERC)	FFCRA Paid Sick and Family Leave Tax Credit
<b>What is it?</b>	A low-interest loan backed by the SBA that may be fully forgivable. It may be used for most payroll costs and some operating expenses, such as rent and utilities.	An SBA disaster loan with an additional grant attached. The loan and grant may be used for working capital and operating expenses.	A refundable payroll tax credit for employers who have experienced a COVID-related business interruption or experienced a significant drop in revenue.	A refundable payroll tax credit to reimburse employers for paid sick or family leave taken under the Family First Coronavirus Relief Act (FFCRA).
<b>Who qualifies?</b>	Any business or self-employed individual in operation on or before Feb. 15, 2020.	All small businesses and qualified agricultural businesses.	Any employer who has experienced 1) a full or partial suspension of business because of government orders or 2) a significant decline in gross receipts.	Any employer who has paid out paid sick or family leave under the FFCRA.
<b>What do you get?</b>	2.5 times average monthly payroll, up to \$10M.	Up to \$10k advance grant; up to \$2M loan.	50% of wages, up to \$10K, paid during qualifying quarters between Mar. 13 and Dec. 31, 2020.	100% of paid sick or family leave under the FFCRA.
<b>How do I get it?</b>	Apply through an SBA-approved lender online.	Apply directly through the SBA.	Claim the credit on your payroll tax form (e.g. Form 941).	Claim the credit on your payroll tax form (e.g. Form 941).
<b>What else should I know?</b>	The PPP is designed to be spent mostly on payroll costs – at least 60% of the PPP loan must be used on payroll to qualify for full forgiveness.	Any EIDL advance grant will be subtracted from PPP forgiveness.	Not available for self-employed individuals.	You may not claim this credit in combination with the PPP, EID, or ERC.
<b>Where can I learn more?</b>	<ul style="list-style-type: none"> <li>• <a href="#">SBA</a></li> <li>• <a href="#">Treasury</a></li> <li>• <a href="#">NFIB</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">SBA</a></li> <li>• <a href="#">NFIB</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">IRS</a></li> <li>• <a href="#">NFIB</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">IRS</a></li> <li>• <a href="#">DOL</a></li> <li>• <a href="#">NFIB</a></li> </ul>





## PPP LOAN FORGIVENESS APPLICATION FORM 3508EZ INSTRUCTIONS FOR BORROWERS

- The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).
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- The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);

**AND**

The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period. (Ignore reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020. Also ignore reductions in an employee’s hours that the Borrower offered to restore and the employee refused. See [85 FR 33004](#), 33007 (June 1, 2020) for more details.

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- The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);

**AND**

The Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.



**Forgiveness Amount Calculation:**

Payroll and Nonpayroll Costs

Line 1. Payroll Costs:

Line 2. Business Mortgage Interest Payments:

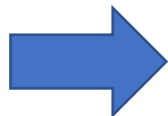
Line 3. Business Rent or Lease Payments:

Line 4. Business Utility Payments:

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4:

Line 6. PPP Loan Amount:



Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60):

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7):

**\*\*Line 7 is a “test” calculation to see whether the applicant complied with the 60/40 rule. The number you get from dividing Line 1 by .60 is the maximum loan amount that still complies with spending at least 60% or more on payroll. If the number on Line 7 is lower than Line 5 and 6, then the borrower did not spend at least 60% on payroll.\*\***



Q&A

