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OF NORTH AMERICA

Paycheck Protection Program Update May 14, 2020

Necessity Certification & Forgiveness Calculation



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Payroll Paycheck Protection



- + Current Status

- + \$118 billion remains



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Necessity Certification & Liquidity



- + Loans under \$2 million
- + Loans \$2 million+ will be subject to SBA review
 - + Demonstrate you have met all standards
 - + If SBA is not satisfied, they will require repayment of loan
 - + No additional administrative penalties or referrals
- + We will provide additional guidance to help you prepare for SBA

Documentation



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+ Factors to Consider

- + Current economic situation and volatility
- + Evaluate actual and projected revenue, expenses and cash flow
- + Forecast impact of revenue shortfalls on staffing and operational decisions
- + Review availability of other liquid assets
- + Fiscal and reputational risks



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Loan Forgiveness - What We Know - Updated



- + Forgiveness will not be impacted if:
 - + Employees are replaced with other employees
 - + Headcount tested, not specific employees
 - + Employees who reject a written offer of reemployment are excluded from the reduction calculation
 - + May still impact forgiveness if <75% of the loan is spent



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Loan Forgiveness - What We Don't Know



- + What is the timing of when the loan must be spent – 8 weeks, June 30 or thereafter?
- + Will the 8-week period be modified for businesses that were affected by mandated closures or restrictions?
- + What happens if a business cannot fully use 75% of the funds on payroll within the 8-week period?
- + What does “costs incurred and payments made” mean?



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Loan Forgiveness - Documentation to Assemble



- + Expected Forgiveness Documents – will vary for each lending institution
 - + Reports from payroll provider or payroll system
 - + Payroll tax filings to the IRS
 - + State income, payroll and unemployment filings
 - + Documentation verifying payments on mortgages, rent and utilities
 - + Borrower certifications



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Meet Up

Thursdays at 1 PM ET

JewishTogether.org/virtual-meetups



Email

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