

Frequently Asked Question (FAQs):

FEDERAL RESOURCES - How can Manufacturers access the COVID-19 Stimulus Package?

Webinar Held: April 2nd, 2020

Answers provided by McAllister & Quinn

*This list will be updated with additional questions/answers. If you have a question, please email the question to: workforce@ccat.us

Question: Just to clarify.....I understand the 2.5 x monthly average payroll. So, is that amount assisting with utilities, rent.....or are we to add additional RENT/UTILITY X 2 MONTHS OR 2.5?

- **Answer:** The total loan amount you can receive is 2.5 times your average monthly payroll costs for the period of February 15 to June 30 of 2019. You can use portions of the loan amount on things like utility payments, paying off interest on mortgages/debt obligations, but the total amount you can receive will not exceed 2.5 times average monthly payroll cost calculation.

Question: Are there more details on how you should manage your workforce, what you can and cannot do in relation to layoff or furlough or shared work programs?

- **Answer:** You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. You will also owe money if you do not maintain your staff and payroll.
 - Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
 - Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
 - Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

Question: Would you still be able to get the tax credits if you use the PPP program?

- **Answer:** No, if you receive a PPP 7 (a) loan, you will not be eligible for the Employee Retention Tax Credits for Employers provision.

Question: How does the PPP 7 (a) Loan Program relate to paying for FMLA qualified leave under the Families First Coronavirus Response Act (FFCRA)?

- **Answer:** It is worth noting that the CARES Act (Economic Stimulus Package) expressly excludes qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (FFCRA) (Public Law 116–127).

Question: Will all lenders be able to help or are there only a few specific lenders in our community? How do I find a qualified lender?

- **Answer:** For the PPP 7 (a) Loan Program, which requires an outside lender, not all lenders will be able to help. You must go through an existing SBA qualified lender, or through some of the new lenders that will participate in the PPP 7 (a) program. Consult your financial institution to see if they are participating in the PPP 7 (a) Loan Program, reach out to the SBA CT District Office in Hartford, or consult the following list of SBA qualified lenders:
https://www.sba.gov/sites/default/files/resource_files/CT_Lenders_Fiscal_Year_2020.pdf.

Question: If we are a company under 50 employees in US but under control of a group whose size is > 1000 employees, do we have access to the SBA programs?

- **Answer:** Potentially no, SBA has size and affiliation rules that affect eligibility. Please consult the following link:
<https://www.sba.gov/sites/default/files/2020-04/Affiliation%20rules%20overview%20%28for%20public%29%20v2.pdf>

Question: Will you share the presentation afterwards?

- **Answer:** Yes, both the recording and slides will be posted on the CCAT Website at <https://www.ccat.us/2020/04/covid-19-webinar>

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