

CORONAVIRUS RESPONSE

Resource Guide and Checklist for Small Businesses and Nonprofits

You're in crisis mode.

You have questions.

Here's what you need to know.

In response to the COVID-19 crisis, programs for small business and nonprofit assistance are available to help you keep your doors open and workers employed amid the pandemic and economic downturn.

What can I do now? Where do I start?

- 1. Gather documentation that you will need to determine your payroll costs and working capital needs including information from the last year for:**
 - Records of payroll costs: salaries, wages, tips, commissions, earnings or similar compensation for your employees and owners;
 - Number of full-time equivalent employees on payroll
 - Records of benefits paid including leave time, retirement benefits, and costs related to continuation of group health care benefits.
 - Records related to payment of State or local tax assessed on the compensation of employees
 - Mortgage interest, rent and utilities payment amounts for obligations in place before February 15, 2020.
 - Fixed debt payment amounts
 - Accounts payable
 - Other expenses that can't be paid due to COVID-19 impacts
 - Income tax records
 - List of owners with ownership percentage
- 2. Determine your total average monthly payroll costs based on the last year.**

(Or February 15, 2019 – June 30, 2019 if you are a seasonal business.)
- 3. Review the following programs to see which programs may fit your needs.**

(You may need to apply to multiple programs to find resources for all your needs.)

If you mostly need help with payroll costs:

Start here. Apply for SBA PPP for all the eligible costs you can. You can get up to eight weeks of payroll costs and expenses forgiven if you maintain your average employment numbers.

SBA Payroll Protection Program (PPP)

The Small Business Association Payroll Protection Program (PPP) was created by the 2020 CARES Act to provide a direct incentive to encourage small businesses and eligible entities to maintain employment and bring back workers who have already been laid off. The PPP provides a working capital loan for payroll and covered operational and interest expenses.

Who can apply: Small businesses, nonprofit organizations, veterans' organizations, individuals who operate a sole proprietorship, independent contractor or self-employed individuals.

Loan Amounts: Loans can be up to 2.5 times your average monthly payroll costs based on the last year period (or February 15, 2019 – June 30, 2019 for seasonal businesses). Loans are provided for up to a 2-year term at an interest rate of 1.0%. Payments are deferred for the first 6 months.

What's included:

- Payroll costs: salaries, wages, tips, commissions, earnings or similar compensation for your employees and owners (up to the monthly equivalent of 100K/yr. per employee/owner);
- Benefits paid including leave time, retirement benefits, and costs related to group health care benefits
- Mortgage interest, rent and utilities payment amounts for obligations in place before February 15, 2020.
- State or local tax assessed on the compensation of employees. Federal taxes are NOT included in payroll costs, nor any costs used for reimbursement through other tax credit programs.
- Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- An employer who receives a loan under the PPP is not eligible to also claim an employee retention credit under the CARES Act.

Loan Forgiveness: If you are able to maintain or restore your employment numbers to your average full-time wages and employee counts, the SBA may forgive up to eight weeks of eligible expenses. 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. The amount of loan forgiveness can be reduced if the loan recipient fails to substantially maintain existing employment and compensation levels. EIDL grants/advance payments will be considered when determining loan forgiveness for the PPP.

What's required:

- Certification that the uncertainty of current economic conditions makes the loan request necessary to support ongoing operations of the eligible recipient; acknowledging that funds will be used for eligible costs; that the eligible recipient does not have and is not pursuing a loan for the same purpose and duplicative of amounts applied for or received.
- No personal guarantees or collateral are required. There are no prepayment penalties or fees.

Other Considerations:

- Recipients under the PPP are not eligible to also claim an employee retention credit under the CARES Act and are not eligible to apply for the same costs under other SBA program.
- Your PPP loan must be used to refinance any existing EIDL loan received between 1/1/20 and 4/3/20.

To Apply: Visit <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp> and download the application form. Complete application and collect related documentation. Contact an approved lender* to set up an appointment to submit the application with the required documentation by June 30, 2020. Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan. A list of potential lenders is available below.

How do I calculate the maximum PPP amount I can borrow?

Step 1: Aggregate payroll costs from the last twelve months.

Step 2: Subtract any compensation paid to an employee in excess of an annual salary of \$100,000 and/or amounts paid to an independent contractor or sole proprietor in excess of \$100,000/yr.

Step 3: Calculate average monthly payroll costs (divide the amount from Step 2 by 12).

Step 4: Multiply the average monthly payroll costs from Step 3 by 2.5.

Step 5: Add the outstanding amount of any existing Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020*, less the amount of any “grant/advance” you received** (it does not have to be repaid).

Note: *Your PPP loan must be used to refinance any existing EIDL loan received between 1/1/20 and 4/3/20.

**Any grant/advance on the EIDL loan will be deducted from the loan forgiveness amount on the PPP loan.

The examples below illustrate this methodology:

Year-Round Business

Example 1:

No employees make more than \$100,000

Annual payroll: \$120,000

Avg. monthly payroll: \$10,000 (\$120,000 / 12 mos.)

Multiply by 2.5 = \$25,000

Maximum loan amount: \$25,000

Amount for non-payroll costs (25%): \$6,250

Example 2:

Some employees make more than \$100,000

Annual payroll: \$1,500,000

Subtract compensation amounts in excess of an annual salary of \$100,000: \$1,200,000

Average monthly qualifying payroll: \$100,000 (\$1,200,000 / 12 months)

Multiply by 2.5 = \$250,000

Maximum loan amount: \$250,000

Amount for non-payroll costs (25%): \$62,500

Example 1B:

No employees make more than \$100,000; with outstanding EIDL loan of \$20,000:

Annual payroll: \$120,000

Avg. monthly payroll: \$10,000 (\$120,000 / 12 mos.)

Multiply by 2.5 = \$25,000

Add any existing EIDL loan = \$20,000

Maximum loan amount: \$45,000

PPP amount for non-payroll costs (25%): \$6,250

Example 2B:

Some employees make more than \$100,000; with outstanding EIDL loan of \$20,000.

Annual payroll: \$1,500,000

Subtract compensation amounts in excess of an annual salary of \$100,000: \$1,200,000

Avg. monthly payroll: \$100,000 (\$1,200,000 / 12 mos.)

Multiply by 2.5 = \$250,000

Add any existing EIDL loan = \$20,000

Maximum loan amount: \$270,000

PPP amount for non-payroll costs (25%): \$62,500

Seasonal Business (Calculation period February 15, 2019 – June 30, 2019: 4.5 mos.)

Example 3:

No employees make more than \$100,000

Annual/Seasonal payroll: \$45,000

Avg. monthly payroll: \$10,000 (\$45,000 / 4.5 mos.)

Multiply by 2.5 = \$25,000

Maximum loan amount: \$25,000

Amount for non-payroll costs (25%): \$6,250

Example 3B:

No employees make more than \$100,000; with outstanding EIDL loan of \$20,000:

Annual payroll: \$45,000

Avg. monthly payroll: \$10,000 (\$45,000 / 4.5 mos.)

Multiply by 2.5 = \$25,000

Add any existing EIDL loan = \$20,000

Maximum loan amount: \$45,000

PPP amount for non-payroll costs (25%): \$6,250

If you've already applied for payroll help through PPP, or just need working capital...

Apply for an EIDL loan for all the eligible costs you can. You can get up to \$10,000 as a loan advance that does not need to be repaid and a long repayment term. This program is where you can finance any payroll costs not covered by PPP, other fixed debt payments, accounts payable and other expenses.

SBA Emergency Injury Disaster Loan (EIDL)

The SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The program offers working capital to help meet ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.

Who can apply: Eligible Applicants: small businesses with less than 500 employees, sole proprietorships (with or without employees), independent contractors, cooperatives and employee owned businesses, small agricultural cooperatives and private nonprofits of any size.

Loan Amounts: Up to \$2 million, based on need. The interest rate is 3.75% for small businesses and 2.75% for non-profits. Terms are up to 30 years, determined on a case-by-case basis, based upon each borrower's ability to repay. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates.

What's allowed:

These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. Loans may be eligible for refinancing bridge loans and lines of credit that are the result of the COVID-19 disaster during the disaster period. EIDL loans may NOT be used to cover the same expenses as the Paycheck Protection Program or costs reimbursable through tax credit programs.

ECONOMIC INJURY DISASTER LOAN (EIDL) GRANT: When you apply for the EIDL program, you are eligible to request a \$10,000 Emergency Economic Injury Grant/advance to be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments. The grant/advance will be available within three days of a successful application. The borrower will not be required to pay back the Emergency EIDL Grant even if they are subsequently denied for an EIDL loan. In advance of disbursing the advance payment, the SBA will require that the borrower certify, under penalty of perjury, that they are eligible for a EIDL loan. The advance payment will be considered when determining loan forgiveness for the PPP.

What's required:

- Certification that the uncertainty of current economic conditions makes the loan request necessary to support ongoing operations of the eligible recipient; acknowledging that funds will be used for eligible costs; that the eligible recipient does not have and is not pursuing a loan for the same purpose and duplicative of amounts applied for or received.
- No personal guarantees or collateral are required for loans under \$200,000. There are no prepayment penalties or fees.

To Apply: Visit <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources> and download the application form. We encourage you to apply as quickly as you can as there is a funding cap and lenders need time to process your loan. A list of potential lenders is available below.

Next Steps:

- **Contact your lenders to see what deferment is available to reduce your immediate expenses.**
- **Ask your lenders about any immediate bridge loans or lines of credit you may be eligible for. If your borrowing is directly COVID-19 related, you may be able to refinance it later through the EIDL program at better terms.**
- **Contact vendors to see if you can delay payment on any accounts payable.**
- **Look at your unemployment options and encourage employees to pursue theirs (information on unemployment further below).**

If you still need working capital:

SBA Express Bridge Loans

[Express Bridge Loan Pilot Program](#) allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a EIDL. If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an **SBA Express Disaster Bridge Loan**.

- Up to \$25,000; Fast turnaround; Will be repaid by proceeds from the EIDL loan

To Apply: Contact an approved lender* to set up an appointment. A list of approved lenders is attached to the end of this document

NCA CV Emergency Working Capital Loan Program

The North Country Alliance's COVID-19 Emergency Business Relief Program was created to provide businesses, located in the NCA service region, with short-term relief and access to working capital in response to the COVID-19 Pandemic. This program will utilize UDC working capital funds. Funds will remain available for this program at the discretion of the NCA.

Who can apply:

- For-profit and Not-for profit entities with under 100 FTE in Jefferson, Lewis, St. Lawrence, Clinton, Essex, Franklin and Hamilton Counties.
- Start-up businesses are not eligible (those in business less than 12 months).
- Newspapers, broadcasting, media, healthcare, civic and community centers, libraries, and farms. Agribusiness is eligible.
- A business must be able to provide at least (2) years of tax returns or financial statements to qualify unless you have only been in business for one year then you must provide 1-year tax return.
- Applicants should have an average minimum FICO credit score of 620, and debt service coverage ratio of at least 1:1. (Exceptions may be considered on a case-by-case basis.)

Loan Amounts and Terms:

- Maximum of \$25,000. Amount to borrow based upon demonstrated need for 6 months working capital.
 - Two tier lending: Under 20 FTE employees-up to \$10,000; At or above 20 FTE employees-up to \$25,000
- Loan terms up to 60 months at 5% interest
- Repayment: Principal and interest moratorium for first 3 months, then interest only for subsequent 6 months, then principal and interest payments to amortize the loan over the remaining term. Interest will not accrue during the first three months.

What's allowed: Working Capital for COVID-19 related expenses

Other Considerations:

- Recipients under the PPP are not eligible to also claim an employee retention credit under the CARES Act and are not eligible to apply for the same costs under other SBA program.

What's required:

- Personal Guarantees/Corporate Guarantees are required. The NCA may request additional collateral, beyond the personal guarantees, for the COVID-19 Emergency Business Relief Program determined on a case-by-case basis.
- There are no owner/cash equity requirements, prepayment penalties or fees.
- NCA Sponsoring Agency must provide written support for the working capital request to the NCA.

To Apply: Contact Matt Siver at msiver@danc.org.

Franklin County LDC Business Relief Loan

Who can apply: Small businesses in Franklin County, NY

- Start-up businesses are not eligible (those in business less than 12 months).
- Farm operations are not eligible (agribusiness, retail sales and value-added agriculture ARE eligible).
- A business must be able to provide at least (2) years of tax returns or financial statements to qualify unless you have only been in business for one year then you must provide 1-year tax return.
- Applicants should have an average minimum FICO credit score of 620, and debt service coverage ratio of at least 1:1. (Exceptions may be considered on a case-by-case basis.)

Loan Amounts and Terms:

- \$5,000 to \$25,000. Amount to borrow based upon demonstrated need for 6 months working capital.
- Loan terms up to 60 months at 4.25% interest
- Repayment: Principal and interest moratorium for first 3 months, then interest only for subsequent 6 months, then principal and interest payments to amortize the loan over the remaining term. Interest will not accrue during the first three months.

What's allowed: Working Capital for COVID-19 related expenses

Other Considerations:

- Recipients under the PPP are not eligible to also claim an employee retention credit under the CARES Act and are not eligible to apply for the same costs under other SBA program.

What's required:

- Personal Guarantees/Corporate Guarantees are required. The NCA may request additional collateral, beyond the personal guarantees, for the COVID-19 Emergency Business Relief Program determined on a case-by-case basis.
- There are no owner/cash equity requirements or prepayment penalties. \$500 commitment fee rolled into loan.

To Apply: Contact Russ Kinyon at rkinyon@franklinida.org or (518) 651-2957.

SBA Debt Relief

The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.

Under this program:

- The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
- The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.
- Contact your lender for more information.

Tax Credits:

Employee Retention Credit

- The employee retention credit gives a tax credit to eligible employers whose business operations are fully or partially suspended due to a government order limiting commerce, travel or group meetings because of the COVID-19 pandemic.
- The credit is for the amount of employment taxes equal to 50% of qualified wages (up to \$10,000 in wages) for each employee.

What's allowed:

- Wages of employees who are furloughed or face reduced hours as a result of their employer's closure or economic hardship
- Wages and compensation, including health benefits, and is provided for the first \$10,000 in wages and compensation paid by the employer to an eligible employee
- Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S).
- The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.
- The credit is not available to employers receiving assistance through the Paycheck Protection Program.
- For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed.
- The credit is provided through December 31, 2020.

Delay of Payment of Employer Payroll Taxes

This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020.

What's allowed:

- All 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022.
- Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability.
- Deferral is not provided to employers receiving assistance through the Paycheck Protection Program.

Other Regional Resources:

Adirondack Foundation Special & Urgent Needs Fund (SUN)

Eligible Applicants: Nonprofits, municipalities and schools

Ineligible Applicants: Individuals and businesses

Grant: \$1,000 to \$10,000

What's Required:

- Must provide one of following:
- Access to food (food banks, meal delivery, access to food in communities with no grocery store)
- Not-for-profit daycare centers for essential workers
- Rental or utility assistance to low-income workers or elderly

How to Apply: www.grantinterface.com/Home/Logon?urlkey=generousact

Additional Assistance: Email Andrea Grout at andrea@adkfoundation.org.

Adirondack Council Micro-Grants for Adirondack Farms

Eligible Applicants: Adirondack farmers or value-added producers for projects that will enhance the environmental benefits their businesses provide including, but are not limited to, soil management, water quality improvements, energy conservation and emissions reductions.

Grant: Up to \$5,000

How to Apply: www.surveymonkey.com/r/R9H3RJ2

When to Apply: Applications due by April 7, 2020

Additional Assistance: Email microgrants@adirondackcouncil.org.

ANCA Local Food System Security Grant

Eligible Applicants: farm or agribusiness who aim to enhance food and farm security such as support and expand supply chains, crop storage facilities, farmer subsidies so products can be offered to the public at reduced costs and marketing

Grant: \$2,500 to \$25,000

How to Apply: Visit www.adirondack.org and click on COVID-19 resources on home page then click on Financial Resources and Disaster Aid, then ANCA's Local Food System Security Grant Program. Grant application proposals are due by April 10, 2020.

Additional Assistance: Email Adam Dewbury at adewbury@adirondack.org.

Regional SBA Lenders:

Borrowers may identify an eligible PPP lender by zip code at this page: www.sba.gov/paycheckprotection/find. Not all eligible lenders may be prepared to accept PPP applications, yet. More lenders will be added as eligible entities are onboarded. Please note, this search tool only lists the bank HQ addresses. Large multi-branch entities may not appear in the tool.

- Adirondack Bank
- Bank of America
- Champlain National Bank
- Community Bank, NA
- Glens Falls National Bank & Trust Co.
- JPMorgan Chase
- KeyBank
- Massena Savings & Loan Assoc.
- NBT Bank, NA
- New York Business Dev. Corp. aka Pursuit Lending
- SeaComm Federal Credit Union
- SEFCU
- TD Bank
- The North Country Savings Bank

Regional Partners:

Technical Assistance:

Small Business Development Center

Services Provided: The SBDC offers free direct counseling and a wide range of management and technical assistance services. We can help start-ups develop a business plan, assist existing businesses prepare to expand, or offer resources for industry-specific topics.

Contact: (315) 386-7312 or sbdc@canton.edu

Adirondack Economic Development Corporation

Services Provided: AEDC provides free business planning technical assistance, classroom training and access to commercial loan funds.

Contact: (518) 891-5523 or sgarneau@aedconline.com

SCORE CFE - Clinton, Franklin, Essex Counties

Services Provided: Business Mentoring

Contact: (518) 563-1000 or champlain.valley@scorevolunteer.org

Website: <https://champlainvalley.score.org/about-clinton-franklin-essex-branch>

SBA District Office - Syracuse

Contact: (315) 471-9393

Additional Support:

North Country Chamber of Commerce

Contact: (518) 563-1000 or info@northcountrychamber.com

Website: <http://www.northcountrychamber.com/>

Malone Chamber of Commerce

Contact: (518) 483-3760 or director@malonechamberofcommerce.com

Website: <https://www.malonechamberofcommerce.com/>

Saranac Lake Chamber of Commerce

Contact: (518) 891-1990 or welcome@slareachamber.org

Website: <https://www.slareachamber.org/>

Franklin County Economic Development:

Services Provided: Franklin County Economic Development offers technical support, tax relief and loan fund resources to support businesses and nonprofits.

Contact: Russ Kinyon at rkinyon@franklinida.org or (518) 651-2957.