

# TRIARQ

## HEALTH

## Financial Support During and After COVID-19

### The Small Business Association's Paycheck Protection Program

#### **SBA: Paycheck Protection Program**

As part of the CARES Act, the Small Business Administration has been given almost \$350 Billion to help American small businesses get through the financial impacts of the COVID-19 epidemic. You can receive up to 2.5x your payroll through a loan/grant.

The Paycheck Protection Program was created to help you keep employees on your payroll and also help you cover specific operating costs.

- No cost to apply and almost all types of small businesses qualify
- Can be applied to expenses from Feb. 15, 2020 to June 30, 2020
- A portion of the loan can be forgiven, becoming a non-taxable grant
- No collateral required
- No annual or guarantee fees
- Don't need to show a lack of access to alternative credit sources
- The loan is guaranteed by the government

Qualified expenses include

- Payroll and commissions
- Group healthcare benefits and insurance premiums
- Mortgage, rent, and lease payments
- Utilities

#### **How Much Can You Receive?**

You'll need to provide 12 months of documentation for the qualified expenses you're trying to cover.

You'll be eligible to receive up to 250% of your monthly average payroll costs, capped at \$10 million.

#### **Loan Forgiveness**

For the first 8 weeks of your loan, the amount spent on Payroll and benefits, mortgage interest, rent, and utilities can be forgiven.

Your forgivable amount depends on your average number of full time employees over the last year. If your number of employees, or their level of pay, goes down so does your forgivable amount, but not if you've already laid them off or reduced their pay. But if you rehire them or restore their pay, your forgivable amount goes up. Just make sure to keep detailed documentation of these expenses.

#### **Non-Forgiven Balance**

Any amount spent after the first 8 week period will be rolled into a loan.

- 4% Interest
- Amortized over 10 years
- No-prepayment penalty

#### **How to Apply**

Specific guidance from the SBA will be sent to banks very soon. Once banks receive that information, you can apply directly through a bank.

#### **Have Questions?**

Please consult with your financial advisor about any loan decisions. If TRIARQ can help you in any way, please don't hesitate to reach out to your Performance Manager or Practice Advocate, Patrick Murphy at (734) 776-4799.