



COVID-19 Economic Relief for Small Business

Join the conversation. Email your questions now to:

mjackson@industrycity.com

**What
we'll talk
about
today**

01 Welcoming Remarks

Andrew Kimball | CEO, Industry City
Matt Buggenhagen | Regional Vice President – Brooklyn, TD Bank

02 CARES Act/Overview of COVID-19 SBA Programs

Steven Garibelli | LGBTQ2+ Development Officer, TD Bank
Robert Piechota | Branch Manager, US Small Business Administration

03 NYC Small Business Solutions Programs

Gregg Bishop | Commissioner, NYC Department of Small Business Services

04 Community Development Financial Institutions

Jennifer Carucci-Waters | Regional Community Development Manager, TD Bank
Sandra Bojorque | Business Development New York Team Lead, Accion

05 Paycor Resources

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06 CARES Act Tax Savings

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CARES Act



The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn.



SBA Disaster Assistance in Response to the COVID-19

- Capital to cover the cost of retaining employees?
 - Then the **Paycheck Protection Program** might be right for you.

- A quick infusion of a smaller amount of cash to cover you right now?
 - You might want to look into an **Economic Injury Disaster Loan**.

- To ease your fears about keeping up with payments on your current or potential SBA loan?
 - The **Small Business Debt Relief Program** could help.

CARES Act



Paycheck Protection Program

This initiative provides 100% federally guaranteed loans to small businesses.

Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward.

CARES Act



**What you
need to
know**

Paycheck Protection Program

Am I eligible?

- **A small business with fewer than 500 employees**
- **A small business that otherwise meets the SBA's size standard**
- **A 501(c)(3) with fewer than 500 employees**
- **An individual who operates as a sole proprietor**
- **An individual who operates as an independent contractor**
- **An individual who is self-employed who regularly carries on any trade or business**
- **A Tribal business concern that meets the SBA size standard**
- **A 501(c)(19) Veterans Organization that meets the SBA size standard**

CARES Act



**What you
need to
know**

Paycheck Protection Program

What will lenders be looking for in a PPP?

1. The uncertainty of current economic conditions makes the loan request necessary to support ongoing operations
2. The borrower will use the loan proceeds to retain workers and maintain payroll or make mortgage, lease, and utility payments
3. Borrower does not have an application pending for a loan duplicative of the purpose and amounts applied for here
4. From Feb. 15, 2020 to Dec. 31, 2020, the borrower has not received a loan duplicative of the purpose and amounts applied for here

CARES Act



Paycheck Protection Program

How much can I borrow?

Loans can be up to 2.5 x the borrower's average monthly payroll costs, not to exceed \$10 million.

**What you
need to
know**

How do I calculate my average monthly
PAYROLL COSTS?



sum of
INCLUDED
payroll costs

sum of
EXCLUDED
payroll costs

**PAYROLL
COSTS**

—

=

CARES Act



**What you
need to
know**

Paycheck Protection Program

Will this loan be forgiven?

Borrowers are eligible to have their loans forgiven.

How Much?

- A borrower is eligible for loan forgiveness equal to the amount the borrower spent on the following items during the 8-week period beginning on the date of the origination of the loan.

How could the forgiveness be reduced?

- The amount of loan forgiveness calculated above is reduced if there is a reduction in the number of employees or a reduction of greater than 25% in wages paid to employees.

What if I bring back employees or restore wages?

- Reductions in employment or wages that occur during the period beginning on February 15, 2020, and ending 30 days after enactment of the CARES Act, (as compared to February 15, 2020) shall not reduce the amount of loan forgiveness IF by June 30, 2020 the borrower eliminates the reduction in employees or reduction in wages.



SBA Disaster Assistance in Response to the COVID-19

The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

Economic Injury Disaster Loan

- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available statewide to small businesses and private, non-profit organizations to help alleviate economic injury caused by the Coronavirus (COVID-19). This will apply to current and future disaster assistance declarations related to Coronavirus.
- 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.
- 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. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- For questions, please contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.
- Find more information on the SBA's Economic Injury Disaster Loans at: [SBA.gov/Disaster](https://www.sba.gov/Disaster).



SBA Disaster Assistance in Response to the COVID-19

Economic Injury Disaster Advance Loan

- In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.
- This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application. This loan advance will not have to be repaid

Small Business Debt Relief Programs

- This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

NOTE: Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from Small Business Investment Corporations (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.

Important Updates:

Robert Piechota

**Branch Manager, US Small Business Administration
Long Island/NYC**



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Important Updates:

Commissioner Gregg Bishop
NYC Department of Small Business Services



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How we address problems.

Community development financial institutions (CDFIs) are private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities in joining the economic mainstream. They often work in market niches that may be underserved by traditional financial institutions

ACCION is a nonprofit micro-lender that provides loans to small businesses and entrepreneurs.

- **Small business can go to them to assist in applying for public funds**
- **Access to immediate capital**
- **1:1 technical assistance**

ACCION

Commitment to Underserved Entrepreneurs



62%

Loans to minority-owned businesses



42%

Loans to women-owned businesses



34%

Loans to start-up businesses

ACCION COVID-19 Relief Programs

This program is aimed at primarily serving women-owned, minority-owned, and low-to-moderate-income (LMI) small business owners in our core markets in New York State, the greater Boston area and the State of Florida. The COVID-19 Relief Program offers the following:

- For current clients of Accion in need of cash flow relief:
 - Deferred payments on existing loan re-payments;
 - Loan restructures as needed;
 - Support to re-finance into local and national emergency relief funds; and
 - Lending to small business owners who are otherwise not a fit for public funds.

- For new clients of Accion (for whom public relief funds are not a fit) in need of flexible capital:
 - Support to access loans from \$500 to \$50,000 with the following relief:
 - No payment required for up to the first six months;
 - Low-interest rates (Accion will only pass on the cost of loan capital); and
 - Additional flexibility in lending criteria, covered by higher provision for defaults (40%).

ACCION COVID-19 Relief Programs

Technical Assistance | Accion will work closely with every existing client in need of support to navigate financial hardships caused by COVID-19. They will work with clients to help them explore whether a deferment (for three to six months) or restructure (with extended terms to decrease monthly payments) can offer needed relief and improve cash flow.

Access to Capital | For small business owners who aren't a fit for public relief programs, Accion will offer our COVID-19 Relief Loan. They are uniquely positioned to offer a capital solution to quickly and effectively respond to the urgent and growing need for financial support impacted by COVID-19.

Financial Education | Accion will continue to provide group-based educational services to their clients via webinars and digital resources. These include webinars that outline public relief programs, eligibility criteria, and packaging support. Additionally, they will help clients on a one-on-one basis to navigate cashflow and credit management during times of disaster.

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Paycor

**Small Business
Resources Meeting**

April 2020

Prepared For:



Paycor

An orange L-shaped graphic consisting of a vertical bar on the left and a horizontal bar on the top, forming the top-left corner of a frame.

Impact on Unemployment Insurance

- The act expands unemployment benefits by 13 weeks and adds \$600 to the weekly amount an individual would usually receive. While these unemployment benefits are generous, employers should still consider their options and incentives under the CARES Act mentioned above before making decisions about reduced hours, furloughs, or layoffs.
- Employees who experience reduced hours, furloughs, or layoffs should be encouraged to file for unemployment insurance as soon as possible. We recommend that both employers and employees visit their state's unemployment insurance department website and track local and state news, as departments across the country are updating their rules to facilitate displaced workers during this time.



Earnings & Accrual Coding in Payroll System

- EPSLA (Emergency Paid Sick Leave Act) *under 500 employees
- EFMLA (Emergency Family and Medical Leave Act) *under 500 employees
- Earnings and Accruals codes were added for Clients when the law began on April 1, 2020.
- **NOW** is the time to record the information!

Paycor COVID-19 Command Center:

<https://www.paycor.com/resource-center/paycors-covid-19-command-center>

The Families First Coronavirus Response Act (FFCRA)



THE ACT PROVIDES
\$104
 BILLION

to help fight COVID-19 and protect workers and families from the health and economic impact of the virus.

The Emergency Family Medical Leave Act (EFMLA)



30
 CALENDAR DAYS

Any employee who has been employed for at least **30 calendar days** is eligible.

FEWER THAN
500
 EMPLOYEES

Employers with **fewer than 500 employees** are covered.

10-day
 EXCLUSION PERIOD

10-day exclusion period where leave may be unpaid if employee doesn't have accrued PTO available.

FEWER THAN
25
 EMPLOYEES

Employers with **fewer than 25 employees** may not be required to restore an employee who takes FMLA-covered leave if the employee's position no longer exists due to an economic downturn or other circumstances caused by a public health emergency.

The Emergency Paid Sick Leave Act (EPSLA)

Mandates employers pay employees **80 hours of sick leave** if an employee is unable to work or remotely work for six clearly defined reasons

80
 HOURS
 OF SICK LEAVE



- 1 The employee is subject to a federal, state or local quarantine, or isolation order related to COVID-19;
- 2 The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- 3 The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
- 4 The employee is caring for an individual who is subject to a local quarantine or isolation order, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- 5 The employee is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the childcare provider of such son or daughter is unavailable, due to COVID-19 precautions; or
- 6 The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

Tax Credits for EFMLA & EPSLA



Private employers with 500 or fewer employees required to provide COVID-19-related paid leave are eligible for a

100% REFUNDABLE
PAYROLL TAX CREDIT
 ON THE WAGES PAID FOR LEAVE.

Reference:
<https://www.rehmann.com/resources-insights/business-wisdom-2/item/2697-coronavirus-aid-relief-and-economic-security-act-cares-act>



EMPLOYEE RIGHTS

PAID SICK LEAVE AND EXPANDED FAMILY AND MEDICAL LEAVE UNDER THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 through December 31, 2020.

▶ PAID LEAVE ENTITLEMENTS

Generally, employers covered under the Act must provide employees:

Up to two weeks (80 hours, or a part-time employee's two-week equivalent) of paid sick leave based on the higher of their regular rate of pay, or the applicable state or Federal minimum wage, paid at:

- 100% for qualifying reasons #1-3 below, up to \$511 daily and \$5,110 total;
- ⅔ for qualifying reasons #4 and 6 below, up to \$200 daily and \$2,000 total; and
- Up to 12 weeks of paid sick leave and expanded family and medical leave paid at ⅔ for qualifying reason #5 below for up to \$200 daily and \$12,000 total.

A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

▶ ELIGIBLE EMPLOYEES

In general, employees of private sector employers with fewer than 500 employees, and certain public sector employers, are eligible for up to two weeks of fully or partially paid sick leave for COVID-19 related reasons (see below). Employees who have been employed for at least 30 days prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 below.

▶ QUALIFYING REASONS FOR LEAVE RELATED TO COVID-19

An employee is entitled to take leave related to COVID-19 if the employee is unable to work, including unable to telework, because the employee:

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19; 2. has been advised by a health care provider to self-quarantine related to COVID-19; 3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis; 4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2); | <ol style="list-style-type: none"> 5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or 6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services. |
|--|--|

▶ ENFORCEMENT

The U.S. Department of Labor's Wage and Hour Division (WHD) has the authority to investigate and enforce compliance with the FFCRA. Employers may not discharge, discipline, or otherwise discriminate against any employee who lawfully takes paid sick leave or expanded family and medical leave under the FFCRA, files a complaint, or institutes a proceeding under or related to this Act. Employers in violation of the provisions of the FFCRA will be subject to penalties and enforcement by WHD.



WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

For additional information
or to file a complaint:
1-866-487-9243
TTY: 1-877-889-5627
dol.gov/agencies/whd



WH1422 REV 03/20



COVID-19 PAID SICK LEAVE



EMPLOYERS

Under legislation signed by Governor Cuomo, New York workers are guaranteed job protection and financial compensation while they are on a **mandatory or precautionary quarantine order** due to COVID-19.

WHAT EMPLOYERS NEED TO KNOW ABOUT COVID-19 PAID SICK LEAVE:

If you have **10 or fewer** employees and you had a **net income less than \$1 million** last year you must provide your employees with:

- Guaranteed job protection for the duration of the quarantine order.
- Compensation for the duration of their quarantine through your existing Paid Family Leave (PFL) and Disability Benefits (DB) policy up to \$2,884.62 per week.

If you have **10 or fewer** employees and you had a **net income greater than \$1 million** last year you must provide your employees with:

- **At least 5 days of paid sick leave** and guaranteed job protection for the duration of the quarantine order.
- Compensation for the remainder of their quarantine through your existing PFL and DB policy up to \$2,884.62 per week.

Employers with **11-99** employees must provide their employees with:

- **At least 5 days of paid sick leave** and guaranteed job protection for the duration of the quarantine order.
- Compensation for the remainder of their quarantine through your existing PFL and DB policy up to \$2,884.62 per week.

Employers with **100 or more** employees must provide their employees with:

- Guaranteed job protection for the duration of the quarantine order.
- **At least 14 days of paid sick leave.**

If you are public employer (no matter how many employees) you must provide:

- **At least 14 days of paid sick leave.**

HERE'S WHAT YOU NEED TO DO BEFORE AND AFTER YOUR EMPLOYEES ARE QUARANTINED.

1. Let your employees know they are entitled to paid/unpaid days off
2. Promptly help your employees as needed apply for PFL or DB
3. If you have questions call the hotline

IMPORTANT NOTES:

- If your employees are quarantined but are able to work from home they do not qualify for these benefits.
- If your business is closed due to COVID-19, your employees may immediately apply for Unemployment Insurance.

QUESTIONS:

For more information go to ny.gov/COVIDpaysickleave
Novel Coronavirus (COVID-19) Paid Sick Leave Hotline: 844-337-6303



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For More Information...



Alice Varisano, CPA

Partner

avarisano@grassicpas.com

*Please call our [Crisis Response & Recovery](#) Hotline
at [212.223.6216](tel:212.223.6216) to speak with a Grassi consultant
or email us at response@grassicpas.com.*



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**Tell us
how we
can help**

Small businesses are a vital part of our community, and we're here to support you. Email us and we'll get back to you as soon we can.

**Matt Buggenhagen
SVP | Regional Vice President
TD Bank, America's Most Convenient Bank**

Matthew.Buggenhagen@td.com