



The
Business
Council

Coronavirus Aid, Relief and Economic Security (CARES)

Paycheck Protection Program
Application deadline is 6/30/20



Eligibility

- Small business employing 500 employees or fewer
- Sectors w/ higher Small Business Administration (SBA) employee threshold
- Employers in NAICS code 72, “Accommodation and Food Services,” if each of its locations have 500 employees or fewer
- 501(c)(19) veteran organizations
- 501(c)(3) nonprofits, including religious organizations
- Independently owned franchises with under 500 employees, that are approved by SBA
- Sole proprietors, independent contractors, gig economy workers, and self-employed individuals



How Much Can You Borrow?

The CARES ACT Payroll Protection Program allows borrowing up to 250 percent of business’ average monthly payroll expenses. (capped at \$10 million).

Funds can be used for 8 weeks of payroll expenses for any period between 2/15/20 and 6/30/20; can also be used for debt payments and other business expenses.



Loan Forgiveness

Your loan can be turned into a grant based on workforce retention. Amount of principal forgiven is equal to spending on payroll expenses; interest payments on mortgages, rent payments, leases, and utility service agreements.

Acceptable payroll costs include:

- Employee salaries (up to an annual rate of pay of \$100,000)
- Hourly wages and cash tips
- Paid sick or medical leave
- Group health insurance premiums

***Loan funds used for other purposes not eligible for forgiveness.**

- Loan is forgiven at the end of the 8-week period after you take out the loan
- Loan forgiveness is proportional to employee and payroll retention
- If employees were laid off before the loan, loan forgiveness will cover payroll cost of employees rehired by June 30, 2020
- No interest if the full principal of the Payroll Protection Plan loan is forgiven
- Any remainder subject to interest as per the loan agreement
- Maximum term of (unforgiven) loans is 10 years with interest capped at 4 percent (100 percent SBA guarantee)

For more information contact Melvin Norris at melvin.norris@bcnys.org or the SBA at www.sba.gov.