



VANDEBLOEMEN

A blurred background image showing a group of people, likely students or professionals, gathered around a table and looking at a laptop screen. The image is overlaid with a semi-transparent blue filter.

# CARES Act 2020

S.3548 “Coronavirus Aid, Relief,  
and Economic Security Act”

**Vanderbloemen**

# Disclaimer:

We are not attorneys, politicians or experts in this field. However, here is our opinion as of March 26, 2020.

Our focus will be on the “Paycheck Protection Program”



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# STEPS FOR APPROVAL

1

Senate Approval

3

Signature of President

2

House Approval

4

Instructions and details from  
Small Business Administration to  
Banks



# Who can participate?

**1**

All organizations  
under 500  
employees

**3**

All 501c3  
organizations

**2**

Other Small Business  
restrictions do not  
apply



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# Details of the Payroll Protection Program

- **Focus period of time from February 15, 2020 to June 30, 2020**
- **Non-profits, Churches, and any other 501c3 organization that does not receive Medicaid is eligible.**
- **This is separate from the Small Business Administration Disaster Relief Fund**
- **It will be administered by the Small Business Administration**
- **\$349B funded to support this program**
- **For organizations under 500 employee (note to multi-site)**



# Details of the Payroll Protection Program

**Loan funds can be used to cover the following expenses:**

- **Payroll Costs**
- **Group health insurance benefits, paid sick leave, medical and insurance premiums.**
- **Mortgage or rent payments**
- **Utilities**
- **Interest on any other debt obligations that were incurred before the loan period\*\*.**



# Details of the Payroll Protection Program

## Payroll costs to include:

- **Salary or wages, payments of a cash tip**
- **Vacation, parental, family, medical and sick leave**
- **Health benefits**
- **Retirement benefits**
- **State and local taxes**
- **Limited up to \$100k annual Salary/wage for each employee**
- **Please note: There is no clarification at this time on pastoral housing allowances**





# Calculation of Loan Amount

Payroll Costs	3/2019	4/2019	5/2019	6/2019	7/2019	8/2019	9/2019	10/2019	11/2019	12/2019	1/2020	2/2020
Total Payroll	\$15,700	\$15,878	\$15,700	\$14,700	\$15,700	\$14,800	\$15,700	\$15,100	\$15,700	\$15,500	\$15,700	\$15,500
Average Payroll for the above:	\$15,473	Multiplied by 2.5	=	\$38,683								

**Average Payroll from the above 12 months: \$15,473 X 2.5 = \$38,683**

Maximum amount of allowable loan \$10M

This amount can be used by Churches, Non-Profits, all other 501c3s and small businesses for Payroll, Benefits, Utilities, and interest other debt obligations.



# Forgiveness of Loan

## Example #1

18 FTE in 2020	Divided by	19 FTE in 2019	=	94.70%
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**94.70% of the total Loan Amount will be Forgiven.**

**5.3% of the total Loan Amount will be paid back over a 10 year period of time.**



# Forgiveness of Loan

## Example #2

<b>22 FTE in 2020</b>	Divided by	<b>20 FTE in 2019</b>	=	<b>110%</b>
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**100% of the total Loan Amount will be Forgiven.**

**0% of the total Loan Amount will be paid back over a 10 year period of time.**



# Details of the Payroll Protection Program

- **Lenders will most likely be your current banker.**
- **No loan payments under this program are due for 1 year. No fees are included in the loan.**
- **Good Faith Certification**  
**You will need to certify the loan will be used for the following:**
  - **Support ongoing operations**
  - **Funds used to retain workers and maintain payroll or make mortgage, lease, and utility payments.**
- **No collateral or personal guarantees will be required**

# Other Funds Available

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Many other Funds available available for Small Business, but the Payroll Protection Program is the most needed by Churches, Nonprofits, and other 501c3s.

Founder & CEO

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**Thank You**  
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