TO: Sandy Blalock, Delanne Bernier

FROM: Emil Nusbaum

DATE: 4/20/20

RE: COVID-19 Resources and what to expect upon receiving funds from Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL)

**SUMMARY:**

Attached are some recommendations that may prove useful for ARA membership in complying with SBA COVID-19 relief programs. Also included in this document are two resources that may prove useful for businesses looking for grant, loans, and other cash equivalents.

**SBA RELIEF PROGRAM COMPLIANCE**

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| **PROGRAM** | **COMPLIANCE** |
| Economic Injury Disaster Loan Grant/Advance (for up to $10,000) | * **None:** Funds acquired via the EIDL Grant/Advance are automatically forgiven. (NOTE: for applicants subsequently receiving a PPP loan, PPP forgiveness will be reduced by the amount of this grant)
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| Economic Injury Disaster Loan (for up to $2,000,000) | * No uniform requirements on how money is to be spent as this mechanism functions as a typical SBA loan.
* Funds acquired via this mechanism need to be accounted for per the loan documents and loan terms.
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| Paycheck Protection Program (PPP) | * Up to 100% may be forgiven if 75% of loan proceeds are used for payroll costs. 25% of the loan amount can be for certain non-payroll costs. Allowed non-payroll costs include rent, utility costs. Utility costs typically include heat and power, water and communications costs.
* Funds must be paid out within 8 weeks from the date the funds were deposited with the borrower.
* Consider having PPP funds deposited into a separate bank account for ease of accounting purposes. Disburse with assistance from PPP tracking calculator used by your accountant.
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If receiving funds through the Small Business Administration’s EIDL program, businesses and nonprofits should follow the requirements included within any loan documents that outline the terms of the loan.

Thus far, there are no published auditing requirements outlining compliance rules with regards to the PPP. Therefore, once a business has received PPP funds, a business should maintain records over the two-month period (when funds are to be paid so that the loan is forgiven). These records should track what the business has paid out in payroll and what individuals were on payroll.

**ADDITIONAL RESOURCES BUSINESSES CAN USE TO IDENTIFY RELIEF PROGRAMS**

These two resources list both private and public resources available for businesses impacted by COVID-19. These documents may be useful for members of ARA to give to their business advisors and accounting professionals.

1. **Duke University COVID-19 Capital Relief Resource** (relevant to US and international business and associations)

[Duke University COVID-19 Capital Relief Resources](https://www.appsheet.com/start/b623f7ad-9fc1-4f97-9d0e-f44983032d2a#appName=COVIDResource-1340872&page=dashboard&table=CASE+COVID19+Capital+Resources+for+Entrepreneurs&view=The+%23COVID19CapitalRelief+Dashboard)

1. **COVID-19 Relief Resources for Small Medium Businesses Excel Sheet**