

# Roofing Contractors Association of Washington April 6, 2020



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# What We Cover Today

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- **The new Family First Coronavirus Response Act (federal Paid Sick Leave & federal Paid Family & Medical Leave & Tax Credit)**
- **Washington State Essential Business Order**
- **Federal and State Small Business Assistance Programs (PPP Paycheck Protection Program & EIDL Economic Injury Disaster Loan)**

#

# Anti Trust Notice

- **Federal and state antitrust laws prohibit *any agreement or conspiracy which unreasonably restrains trade or reduces competition.***
- **Do NOT, *in fact or appearance*, discuss or exchange present or future price-related information, such as:**
  - Individual company **prices, costs, price or cost differentials, mark-ups, discounts, credit terms, marketing strategies or similar information;**
  - Individual company **data on prices, costs, production, capacity, inventories, sales or similar information**
  - **Transportation rates** (particularly contract rates) for individual shipments or similar information; *and*
  - Individual company **bids for contracts, company procedures for responding to a bid or similar information.**
- **Do NOT, *in fact or appearance*, discuss matters relating to actual or potential suppliers, customers or other competitors** that might have the effect of excluding them from any market or influencing the business conduct of other firms toward them.
- **Do NOT, *in fact or appearance*, speak disparagingly of other companies, products or individuals** or discuss matters relating to **punitive measures** of any kind against companies that decline to become WAATP members or decline to support or utilize ARA programs.
- **DO** limit discussions to general and “industry-oriented” topics – **do NOT discuss company specific topics.**
- **DO** observe instructions given by WAATP officials relating to antitrust compliance.
- **Activities contrary to any of these requirements will result in **the violator leaving the meeting or the termination of the meeting.****

# Anti Trust Notice

- **Can't Talk About or similar issues**
  - Hourly rates
  - Cost of labor
  - Profit margins
  - Clients (by name/type) you prefer to work with
  - Clients (by name/type) you prefer not to work with
  - How much competitors charge
  - Etc.
- **Can talk about and similar issues**
  - Illegal competition enforcement in general
  - State Legislation
  - State Laws and State Rules
  - Etc.

# Disclaimer

The following information is general business advice to alert the attendees of major business issues in the Washington State affecting small businesses and this information does not include every requirement of every law or rule.

The reader must understand that these programs are still being put together by federal and state agencies and may change.

This presentation is not legal advice and should not be used as legal advice or tax advice and does not assure compliance. The reader should contact a qualified attorney for legal advice and a qualified tax preparer for tax advice to comply with these laws and rules.

# Overview - Families First

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## Coronavirus Response Act FFCRA

1. **Health Benefits** for Covid testing
2. New Federal **Employee Retention Program**
3. New Federal **Emergency Paid Sick Leave**  
– For Covid related Issues – **All employers**
4. New Federal **Emergency Family & Medical Leave** Expansion Act  
– For Covid related issues  
– Applies to employers with 1 or more workers (**NO <50 workers exemption**)
5. **Tax Credits** to offset the costs of these leave programs



# Families First Coronavirus 2

## Response Act

**Effective April 1, 2020  
through Dec. 31, 2020**

**Applies to employers with  
1 or more worker**

**No small business <50  
exemption!!!!**



# FFCRA Health Care Coverage 3

- **All employers providing qualified health care coverage must be provided Covid testing at no cost to their worker**
- **Check with your health insurance carrier**





**Switching To:**

**New Federal**

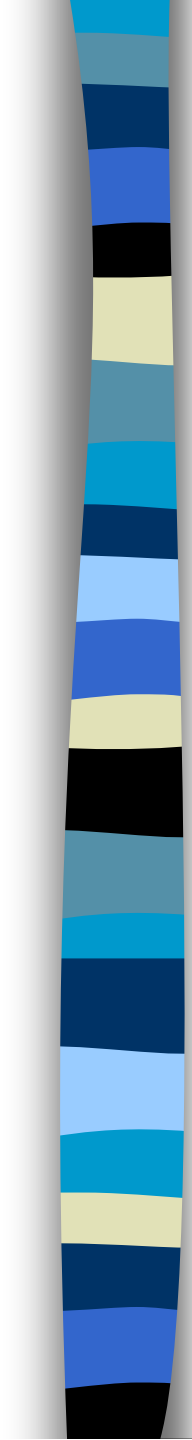
**Paid Sick Leave**



# **New FFCRA Emergency Paid** 4

## **Sick Leave Act - Benefits**

- **All employers with 500 or fewer workers (1 or more workers)**
- **80 hours of paid sick leave**
- **Pay = greater of regular pay or minimum wage not to exceed \$511/day**
- **\$51,110 for isolation, quarantine, self-quarantine, or experiencing Covid symptoms**
- **\$200 per day to care for others to a maximum of \$2,000**
- **Employer cannot require worker to use other leave first.**



# **New FFCRA Emergency Paid Sick Leave Act - Benefits**

- **Different sick leave benefits for different situations – 6 different situations – see next slide**
- **IMPORTANT information at:**

<https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>



# Worker Eligibility

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1. **Mandated isolation due to Covid-19**
2. **Self quarantine if advise by a health care provider**
3. **Experiencing symptoms of Covid-19 and seeking medical diagnosis**
4. **Caring for an individual described above**
5. **Caring for a child if school or daycare is closed due to Covid-19 precautions**
6. **Or for other reasons as determined by the U.S. Department of Health**



# Questions



# **Switching To:**

## **New Federal Covid**

## **Paid Emergency Family & Medical Leave**



# New FFCRA Emergency Family **7** & Medical Leave – Eligibility 1/5

- Employers with 1 or more workers
- Employed by firm for 30 days or more
- Unable to work or telework due to qualifying need
  - Caring for a minor child due to no school, no daycare due to Covid-19 precautions
- Has taken 10 days of leave not funded by this program
  - worker can use vacation leave, paid sick leave, PTO, federal emergency sick leave or unpaid leave to meet this requirement



# New FFCRA Emergency Family **8** & Medical Leave – Benefit 2/5

## ■ Pay

- 2/3s of regular pay not to exceed \$10,000 for 10 weeks of leave

## ■ Duration

- Up to 10 weeks of leave



# New FFCRA Paid Emergency

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## Family & Medical Leave –

3/5

### Benefits

- Applies to employers with 1 or more workers
- No fewer than 50 employee exemption
- Duration
  - Up to 10 weeks of leave

# New FFCRA Emergency Family & 10

## Medical Leave – Other Items 4/5

### ■ Restore to prior position?

– Yes for most employers - <25  
employer not required if:

- Worker's position no longer exists due to Covid-19 economic conditions.
- Reasonable efforts to restore worker to equivalent position.
- No equivalent position can be found but must contact worker over next 12 months if equivalent position opens.



# New FFCRA Emergency Family 11 & Medical Leave Small Biz 5/5

## Small Business Exemption

- DOL can exempt an employer with fewer than 50 workers from Emergency Paid Sick Leave Act if it would jeopardize the business's future operations.
- Details of how to do this are pending

# Credits - **Negate Employer Costs** 1/5 12

- **Emergency Federal Sick Leave and Emergency Paid Family & Medical Leave wages not subject to employer SS taxes**
- **Employer TAX Credit:**
  - **Credit for Emergency Federal Sick Leave and Emergency Paid Family & Medical Leave paid by employer against both SS and Medicare federal taxes paid by employer**
  - **More details later in this presentation**

# Example Pay Calculation 2/5 13

Webinar: Employers and the Families First Coronavirus Response Act

## Example: Employee D

Employee D normally earns \$3,000 per week and is staying home to take care of an individual self-quarantined under doctor's orders

- ▶ As of April 1, if Employee D claims benefits
- ▶ Employer will pay \$200 per day for 10 days as paid sick leave
  - normal rate of pay  $\$3,000/5 \text{ days} = \$600 \text{ per day}$
  - payment is lesser of \$200 per day or  $\frac{2}{3}$  of \$600 = **\$200**
- ▶ After 10 days, Employee D can apply for unpaid FMLA for up to 10 weeks

# Credits - Negate Employer Costs 3/5 14

Webinar: Employers and the Families First Coronavirus Response Act

## Example: One day in week 1

Employee	Gross Pay	Federal Income Tax (assumed)	Employee Share of FICA	Employer Share of Medicare	Credit for Wages Paid	Credit for Health Premiums	Credit for Employer Medicare
A	\$70	\$10	\$5.35	\$1	\$70	\$150	\$1
B	\$511	\$100	\$39.09	\$7.41	\$511	\$150	\$7.41
C	\$67	\$10	\$5.13	\$1	\$67	\$150	\$1
D	\$200	\$35	\$15.3	\$2.9	\$200	\$150	\$2.9
<b>Total</b>	<b>\$848</b>	<b>\$155</b>	<b>\$64.87</b>	<b>\$12.31</b>	<b>\$848</b>	<b>\$600</b>	<b>\$12.31</b>

Total Cost = \$1,460.31

Total Credit = \$1,460.31

# Credits - Negate Employer Costs 4/5 15

- **Examples of**

- **Federal Paid Sick Leave Benefit**
- **Federal Emergency Paid Family & Medical leave Benefit**
- **Federal Employer Tax Credit**

- **This is complex stuff**

- <https://www.youtube.com/watch?v=kT0Pn8EQRIc>

- **New**

- <https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus>

# Credits - Negate Employer Costs 5/5 16

## IRS Guidelines for Employee Retention Tax Credits

- One is called the **Employee Retention Credit** for employers who:
  - **Available to Employers** of any size if they are fully or partially suspended by government order or have gross receipts below 50% of the comparable quarter in 2019.
  - **Credit is 50% of wages paid up to \$10,000 in total** between March 12 to December 31 of 2020.
- **Employers with less than 100 employees** on average in 2019 are eligible regardless of whether their employees worked or not.
- <https://www.irs.gov/newsroom/irs-employee-retention-credit-available-for-many-businesses-financially-impacted-by-covid-19>



## IRS Guidelines - Paid Sick/Family Leave Tax Credits

- Tax credit is related to Paid Sick & Paid Family Leave
- <https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs>

# Resources for FFCRA

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## IRS Guidelines - **Paid Sick/Family Leave Summary** of new paid leave laws

- <https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>

- **Tax credit details** at:

<https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus>

- **Frequently asked questions** at:

<https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>

## IRS Guidelines - Paid Sick/Family Leave Tax Credits

- Employers are entitled to fully refundable tax credits to cover the cost of these leaves. IRS guidance and FAQs on claiming this tax credit were released on the Internet on March 31:

[https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsized-businesses-faqs#how\\_to\\_claim](https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsized-businesses-faqs#how_to_claim)

## Poster Requirements

- **Poster at:**

[https://www.dol.gov/sites/dolgov/files/WH D/posters/FFCRA\\_Poster\\_WH1422\\_Non-Federal.pdf](https://www.dol.gov/sites/dolgov/files/WH%20D/posters/FFCRA_Poster_WH1422_Non-Federal.pdf)

- **Poster Information and FAQ at:**

<https://www.dol.gov/agencies/whd/pandemic/ffcra-poster-questions>

- **U.S Dept of Labor FFCRA Webinar**

<https://dolwhd.cosocloud.com/pawkgwfawza0/>

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

### ► 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](https://dol.gov/agencies/whd)



WH1422 REV 03/20

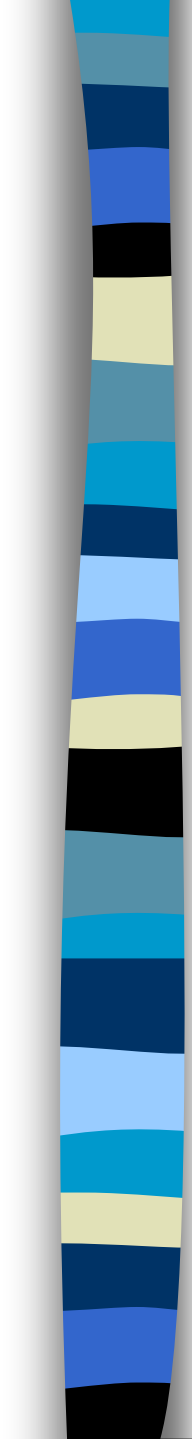


# Questions



# Switching To:

**State Essential  
Business Order**



# Governor Inslee – **Non-Essential** 22

## **Businesses**

- **March 23**: I am issuing a **“Stay Home” Order** to fight this virus. This is Washington’s “Stay Home, Stay Healthy” order. This includes a ban on all gatherings, and ***closures of many businesses, unless those businesses are essential to the healthy functioning of our community***, or are able to let workers work remotely from home.



# Governor Inslee – Non- Essential Businesses

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- **March 23: Governor issues definition of essential business.**

<https://www.governor.wa.gov/sites/default/files/WA%20Essential%20Critical%20Infrastructure%20Workers%20%28Final%29.pdf>

- **14 pages long**

## Essential Businesses – cont.

- **Workers who support the operation, inspection, and maintenance of essential public works facilities and operations, including bridges, water and sewer main breaks, fleet maintenance personnel, construction of critical or strategic infrastructure, traffic signal maintenance, emergency location services for buried utilities, maintenance of digital systems infrastructure supporting public works operations, and other emergent issues**
- **Workers such as plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences.**

## Essential Businesses – cont.

- Support, such as road and line clearing, to ensure the availability of needed facilities, transportation, energy and communications. Support to ensure the effective removal, storage, and disposal of residential and commercial solid waste and hazardous waste.

# **Governor Inslee – Non-Essential** 26

## **Businesses Clarification – March 25<sup>th</sup>**

**In general, commercial and residential construction is not authorized under the Governor's Order because construction is not considered to be an essential activity.**

**However, an exception to the order allows for construction in the following limited circumstances:**

- a) Construction related to essential activities as described in the order;**
- b) To further a public purpose related to a public entity or governmental function or facility, including but not limited to publicly financed low-income housing; or**
- c) To prevent spoliation and avoid damage or unsafe conditions, and address emergency repairs at both non-essential businesses and residential structures.**

## Essential Businesses – cont.

- To that end, it is permissible for workers who are building, construction superintendents, tradesmen, or tradeswomen, or other trades including, but not limited to, plumbers, electricians, carpenters, laborers, sheet metal, iron workers, masonry, pipe trades, fabricators, heavy equipment and crane operators, finishers, exterminators, pesticide applicators, cleaning and janitorial staff for commercial and governmental properties, security staff, operating engineers, HVAC technicians, painting, moving and relocation services, forestry and arborists, and other service providers to provide services consistent with this guidance.
- **All construction activity must meet social distancing and appropriate health and worker protection measures before proceeding.**

## **Businesses – March 26**

### **■ Governor’s Press Conference:**

**Construction activities must pause for two weeks except for essential businesses like grocery stores. We must keep grocery stores open and grocery stores are essential businesses. Also, construction for public purposes is allowed. Third, construction necessary to preserve an existing asset is allowed. Other than that, construction needs to pause.**

## Businesses – March 28 - Roofing

Thank you for your inquiry. The Governor has deliberated on this issue extensively and does not take this decision lightly.

Nonetheless, he believes that the best way to control the spread of COVID-19 is to temporarily limit the interactions on construction sites as much as possible. In his review of the issue, the Governor identified what he believes are the most critical activities within construction, and he highlighted those in his March 26, 2020 memo.

In this case, roofing projects supporting non-essential activities may be completed to “prevent spoliation and avoid damage or unsafe conditions, and address emergency repairs at both non-essential businesses and residential structures.” Kindly note, however, that damage must be imminent and not remote.

Lastly, please know that roofing businesses may continue to perform minimum basic operations to . . . . . (see next slide)



# **Governor Inslee – Letter March 28 30**

## **Letter continued:**

- a) maintain the value of their inventory,**
- b) preserve the condition of their premises and equipment,**
- c) ensure security,**
- d) process payroll and employee benefits, and**
- e) conduct related functions. However, any activity described above must still adhere to the guidelines around social distancing and sanitation referenced in Proclamation 20-25 or any subsequent proclamation related to essential businesses.**

**Thank you, and please remember to practice social distancing in all of your interactions.**



# Washington State Enforcing Non-Essential Business - Violations

Governor Inslee and Attorney General Ferguson announced 3 levels of Covid Enforcement as follows:

- Washington State is setting up a website for citizens to report violators of non-essential businesses remaining open at: [www.coronavirus.wa.gov](http://www.coronavirus.wa.gov)
- The **first violation** will result in a warning letter to the violator and clear notice to comply with the order.
- The **second violation** will result in citations and possibly repeal of the business's license if the business is violating the state's unfair business laws ordering the closure of non-essential businesses.
- The **third violation** may result in actions by the Attorney General that may include violations of the state's unfair business practices laws that are punishable by a fine of \$2,000 or more, and a possible injunction to stop the unfair business practice

# WA State Non-Essential Business 32

**Great Deal of pressure on Governor Inslee to relax residential construction closure**

**What YOU can do:**

**Comments to Governor about family hardships due to residential construction closure:**

<https://app.smartsheet.com/b/form/d4c155fa930f4b848f95774d610c9708>

**and or**

<https://app.smartsheet.com/b/form/09349a1c56844b539fea1c2cabd16d56>



# Questions



# Switching To:

***Small Business***

***Assistance Programs***

- **Federal PPP Paycheck Protection Program**
- **Federal EIDL Economic Injury Disaster Loan Program**



# Switching To:

## Federal Covid

# PPP Paycheck Protection Program



# PPP Paycheck Protection Program 33

**Goal:** Keep paying workers while their workers are not working due to COVID 19 outbreak and closure order and **keep your small businesses ready to operate using its already trained workers when this Covid-19 outbreak ends.**

**Funding can be used for:**

- **Pay your workers' salary, wage, commission, or similar compensation;**
- **Pay your workers' equivalent historic cash tips;**
- **Pay your workers' vacation, parental, family, medical, or sick leave**

# PPP Paycheck Protection Program 34

- **Pay your workers' allowance for dismissal or separation**
- **Pay your workers' payment required for the provisions of group health care benefits, including insurance premiums**
- **Pay your workers' payment of any retirement benefit**
- **Pay your state or local tax assessed on the compensation of the worker**
- **Pay Interest on any other debt obligations that were incurred before February 15, 2020.**

# PPP Paycheck Protection Program 35

- **Funding is in the form of a potentially forgivable loan**
- **Up to \$10 million you may not have to pay back.**
- **You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020. restart paying them and continue their previous benefits, possibly back to March 1, 2020.**
- **The loans will be used for costs incurred starting on February 15, 2020 through June 30, 2020.**



# PPP Paycheck Protection Program 36

- **Covid PPP Loan Forgiveness:** This “loan” will not have to be paid back if the employer continues to pay its workers, the workers’ benefits, the business’s mortgage interest obligations/rent, and utilities, and other allowed expenses, the amount of the loan used to pay those expenses will not have to be paid back provided the business does not reduce the number of employees or the employees pay by more than 25% as compared to the business’s payroll March 2019 – June 2019.
- **SBA PPP Loan Interim Final Rule at:**  
[www.ibaw.net/pppinterimrules.pdf](http://www.ibaw.net/pppinterimrules.pdf)

# PPP Paycheck Protection Program 37

- **Funds not used for payroll** and other allowed costs will be charged **4 percent interest.**
- **Getting This Funding** Small businesses will apply for these loans at any of the 800 current SBA approved lenders and the loans will be funded as quickly as 36 hours depending on the documentation provide by the small business seeking the loan.
- **First Complete an application:**

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

# PPP Paycheck Protection Program 38

- **After completing the application go to your business's bank to start. Many lenders will take care of the current customers first.**
- **Key elements:**
  - **For businesses with 500 or fewer employees**
  - **Key qualification, “was the business operation and function on February 15, 2020**
  - **No credit qualification**
  - **No collateral**
  - **Few if any documents required**

# PPP Paycheck Protection Program 39

## ■ Key elements continued:

- Make a certification that the loan is necessary due to the Covid19 outbreak to keep the business functional.

## ■ Loan Amount

- 2.5 times your firm's average monthly payroll

## Loan Forgiveness

- Must use 75% of the loan to pay payroll to get full forgiveness – or reduces forgiveness

Rehire employees and restore their pay levels  
February 15, 2020 and April 26, 2020.



# PPP Paycheck Protection Program 40

## **Forgiveness continued:**

- You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
- **Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities.**



# PPP Paycheck Protection Program 41

Key elements continued:

## You must certify

- Current economic uncertainty makes the loan necessary to support your ongoing operations.
- The funds will be used to retain workers and maintain payroll or to make mortgage interest/rent, and utility payments.
- You have not and will not receive another loan under this program.

# PPP Paycheck Protection Program 42

**You must certify - continued:**

- **You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.**
- **Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities.**

# PPP Paycheck Protection Program 43

You must certify - continued: ;

- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.

You must acknowledge

The lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS.





# PPP Paycheck Protection Program 44

**You Must also understand, acknowledge, and agree:**

**The lender can share the tax information with the SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.**



# PPP Paycheck Protection Program 45

**You Must Understand**

**Knowingly making a false statement to obtain a loan under the PPP is punishable by law and the loan amount will have to be fully repaid.**



# Questions



# Switching To:

**Federal Covid**

**EIDL Emergency Injury  
Disaster Loan Program &  
Emergency Economic  
Injury Grant**

# Economic Injury Disaster Loan EIDL 46

- **What is an EIDL Loan?**
- The EIDL is a **low-interest, fixed-rate** loan that can provide up to **\$2 million** in assistance for a small business.
- Funds come directly from the SBA.
- **DO NOT** go through a bank to apply, and instead, apply directly to SBA.
- Loan amounts are based on the amount of economic injury due to **COVID-19** outbreak.
- **Helps meet the necessary financial obligations that your business could have met had the disaster had not occurred.**



# Economic Injury Disaster Loan EIDL 47

## What can an EIDL Loan be use for?

- Fixed debts
- Payroll
- Accounts payable and
- Other bills that can't be paid because of the disaster's impact.
- May not be used for refinancing, expansion, growth of any kind, or infrastructure improvements.

# Economic Injury Disaster Loan EIDL 48

## Eligibility

- Depending on your industry, defined as business with a maximum of 250 employees or a maximum of 1,500 employees.
- Business can be a sole proprietorship, LLC, corporation.
- To see if your business qualifies, see the SBA's definition of a small business go here:
- <https://www.sba.gov/size-standards/>

# Economic Injury Disaster Loan EIDL 49

## What is the lending criteria?

- **Repayment** – As with all loans, you will need to prove that you have the ability to repay the loan.
- **Collateral** – When applying for loans greater than \$25,000, the business must provide collateral. The SBA requires borrowers to pledge what is available including real estate. Loans under \$25,000 can be unsecured.



# Economic Injury Disaster Loan EIDL 50

## What are the terms?

- The **interest rate is 3.75%** for small businesses without credit available elsewhere; **businesses with credit available elsewhere are not eligible.**
- 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.



# Economic Injury Disaster Loan EIDL 51

## How does application system work?

- Download the necessary forms from the SBA's EIDL application site or complete online
- Fill out the forms & save on your computer.
- Upload the forms to the application site.
- You will be contacted by a Disaster Loan Assistance Officer who may ask you to fill out additional forms, located on the application website.

# Economic Injury Disaster Loan EIDL 52

## Where to apply

<https://disasterloan.sba.gov/ela/>

The screenshot shows a web browser window displaying the SBA Disaster Loan Assistance page. The browser's address bar shows the URL <https://disasterloan.sba.gov/ela/>. A yellow banner at the top of the page reads "Coronavirus (COVID-19): Relief options and Additional Resources" with a "CLICK HERE" link. The SBA logo and "U.S. Small Business Administration" are in the top left. Navigation links for "Loan Information", "Search Declarations", and "Apply Online" are in the top right. The main heading is "Disaster Loan Assistance" with the subtitle "Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters". Three large circular icons are arranged in a row: a red circle with a location pin icon labeled "Eligible Disaster Areas", a blue circle with a computer and smartphone icon labeled "Apply Online", and a green circle with a loading spinner icon labeled "Check Application Status". The Windows taskbar is visible at the bottom of the screen.

essentialbusiness.pdf | Webinar Series - Emergency | Disaster Loan Assistance | covid19sb.pdf | COVID-19-Related Tax Cred | Treasury, IRS and Labor ann

Find on page 10 | No results | Options

**Coronavirus (COVID-19): Relief options and Additional Resources** [CLICK HERE](#)

**SBA** U.S. Small Business Administration

FAQs | Help | Contact Us | Register | Login

[Loan Information](#) | [Search Declarations](#) | [Apply Online](#)

## Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters

**Eligible Disaster Areas**

**Apply Online**

**Check Application Status**

Type here to search | 7:05 AM 4/4/2020

# Economic Injury Disaster Loan EIDL 53

**Click on Apply Online**

<https://covid19relief.sba.gov/#/>

The screenshot shows a web browser window displaying the SBA Disaster Loan Assistance page. The browser's address bar shows the URL <https://disasterloan.sba.gov/ela/>. A yellow banner at the top of the page reads "Coronavirus (COVID-19): Relief options and Additional Resources" with a "CLICK HERE" link. The SBA logo and "U.S. Small Business Administration" are on the left, and navigation links for "Loan Information", "Search Declarations", and "Apply Online" are on the right. The main heading is "Disaster Loan Assistance" with the subtitle "Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters". Below this, three circular icons represent key actions: "Eligible Disaster Areas" (red circle with a location pin icon), "Apply Online" (blue circle with a computer and smartphone icon), and "Check Application Status" (green circle with a loading spinner icon). The Windows taskbar at the bottom shows the time as 7:05 AM on 4/4/2020.

## ■ Choose One:

### ■ Applicant is a business with not more than 500 employees.

1. Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
2. Applicant is a cooperative with not more than 500 employees.
3. Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
4. Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
5. Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
6. Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
7. Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

### ■ Review and Check All of the Following: Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

1. Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
2. No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
3. Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
4. Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
5. Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
6. Applicant is not in the business of lobbying.
7. Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.
8. If you have questions about this application or problems providing the required information, please contact our

**Customer Service Center at 1-800-659-2955.**

**Continue**

- 
- **Basic Business Information**
  - **Gross Revenues for the Twelve(12) Month** Prior to the Date of the Disaster (January 31, 2020) \*
  - **Cost of Goods Sold for the Twelve(12) Month** Prior to the Date of the Disaster (January 31, 2020) \*
  - Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster
  - Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)
  - **Combined Annual Operating Expenses for the Twelve(12) Months** Prior to the Date of the Disaster (January 31, 2020) for All Secular Social Services Provided by the Faith Based Entity
    - List the Secular Social Services Provided by the Faith Based Entity
    - Compensation From Other Sources Received as a Result of the Disaster
    - Provide Brief Description of Other Compensation Sources
  - **Additional Contact Information**

## Tips for Applying 1/2:

- **Include the disaster in your application – specifically name “COVID-19” or “Coronavirus”**
- **If a business is new and has had little or no sales yet, include a business plan with owner investment and projected sales**
- **If a business is seasonal, include an explanation in your narrative**
- **If a business owner has multiple businesses, submit ONE application PER COUNTY**
- **Do not rush through the application. Check and recheck the filing requirements to ensure that all the needed information is completed prior to submission. The biggest reason for delays in processing is due to missing information.**

## Tips for Applying 2/2:

- **Be sure to use the same contact information (business name and the name of all owners) that you use on your federal tax returns. Double-check that they match.**
- **If your tax returns reference other businesses that you own, you must also submit those tax returns in order to avoid a processing delay.**
- **If more funds are needed, applicants can submit supporting documents and a request for an increase. If less funds are needed, applicants can request a reduction in the loan amount.**
- **If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration.**



# Emergency Economic Injury Grant (EEIG)

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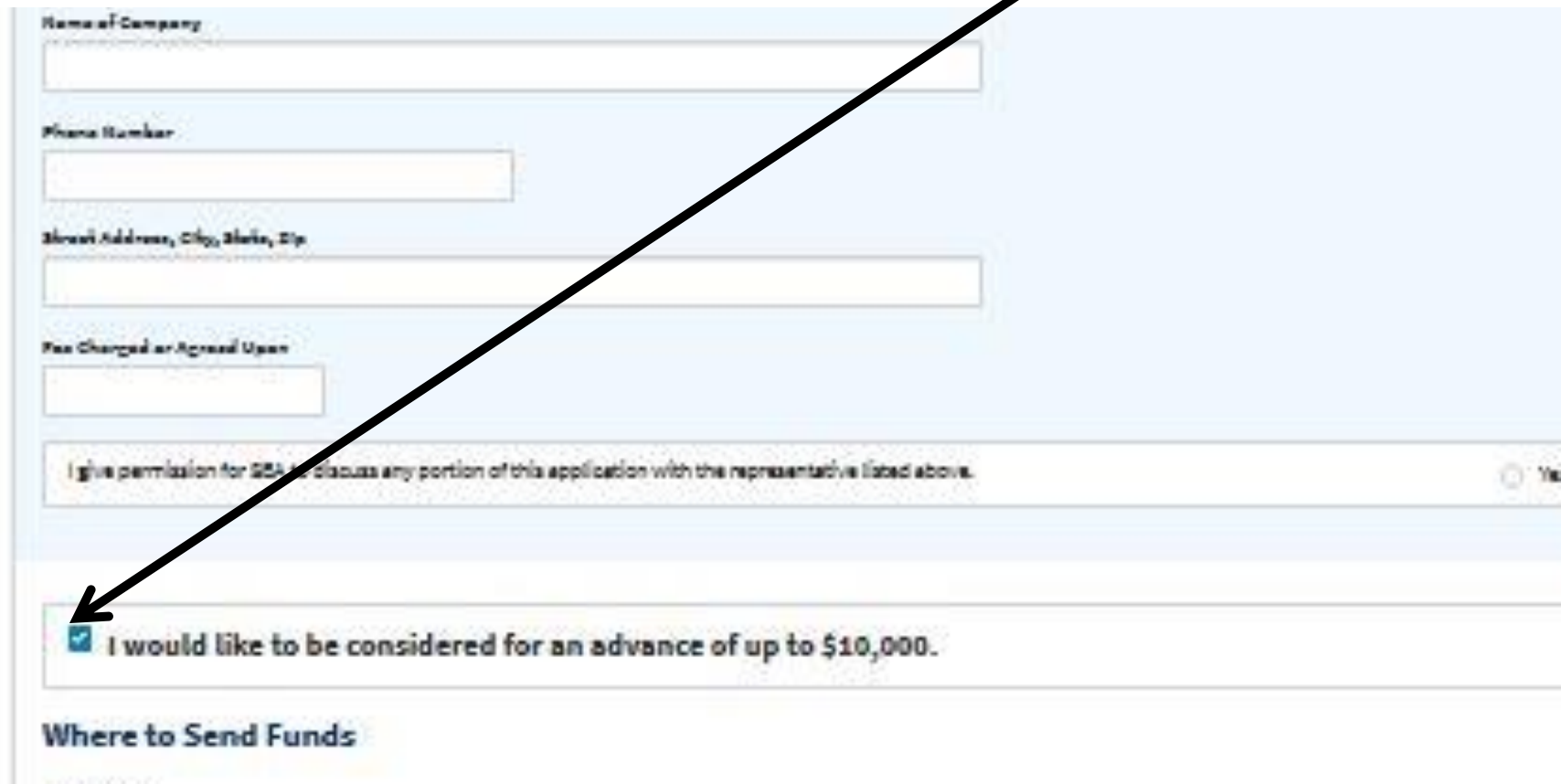
- **Economic Injury Disaster Loan advance of up to \$10,000.** This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available following a successful application.
- This loan advance **will not have to be repaid**
- **Mark the Grant Box** on the EIDL Loan Application

# Emergency Economic Injury Grant (EEIG)

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## Economic Injury Disaster Loan Application

To apply for the grant, click on this box



The image shows a screenshot of a web-based application form. The form contains several input fields: "Name of Company", "Phone Number", "Street Address, City, State, Zip", and "Fee Charged or Agreed Upon". Below these fields is a checkbox labeled "I give permission for SBA to discuss any portion of this application with the representative listed above." At the bottom of the form, there is a checkbox labeled "I would like to be considered for an advance of up to \$10,000." A large black arrow points from the top right of the page down to this checkbox. Below the checkbox is a section titled "Where to Send Funds".

Name of Company

Phone Number

Street Address, City, State, Zip

Fee Charged or Agreed Upon

I give permission for SBA to discuss any portion of this application with the representative listed above.

I would like to be considered for an advance of up to \$10,000.

Where to Send Funds

# Comparison PPP Loan EIDL Loan 1/3 60

<u>Type of Assistance</u>	<u>Advantages</u>	<u>Disadvantages</u>
<b>Economic Injury Disaster Loan (EIDLs)</b>	Up to \$2 million	Get through SBA – may be slow
	May cover more expenses than Paycheck Protection Program such as: pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred.	If you have other sources of credit, you may not be eligible for a EIDL.
	30 year term.	May require more documentation to be approved.

# Comparison PPP Loan EIDL Loan 2/3 61

<u>Type of Loan</u>	<u>Advantages</u>	<u>Disadvantages</u>
<b>Emergency Economic Injury Grant (EEIG)</b>	Emergency Advance of \$10,000 within 3 days after loan approved.	
<b>Paycheck Protection Program (PPP)</b>	Limited to 2.5 times your average monthly payroll March 2019 – June 2019. See more details below.	Limited to 2.5 times your firm's average monthly payroll
	Forgivable – do not need to pay back If used to pay payroll to employees..	
	Can be used to pay for employee wages, employee benefits, rent, mortgage interest, utilities,	Use Limited
	Quicker to get from your bank or other local bank.	
	4 %Interest Rate on Additional Funds.	
	Can roll EIDL loan into Paycheck Protection Loan with forgiveness.	

# Roofing Contractors Association of Washington April 6, 2020



**Gary Smith**

Independent Business Association  
RCAW Legislative Consultant

[www.ibaw.net/rcawcovidslides.pdf](http://www.ibaw.net/rcawcovidslides.pdf)

RCAW Covid Presentation Links

[www.ibaw.net/rcawcovidlinks.pdf](http://www.ibaw.net/rcawcovidlinks.pdf)



# Questions



**Thank You**

