



Together Progress

Sawyer County Covid-19 Local Recovery Webinar

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2pm – Thursday May 28th, 2020

Lots of PPP news

Funds still available

About \$110B is still available for the second round of PPP – applications will tentatively close on June 30th, if not before.

EIDL advance and PPP clarification

If you received an EIDL loan related to COVID-19 between January 31, 2020 and the date at which the PPP becomes available, you would be able to refinance the EIDL into the PPP for loan forgiveness purposes. However, you may not take out an EIDL and a PPP for the same purposes.

Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness terms for a PPP loan, would remain a loan. If you took advantage of an emergency EIDL advance (grant) award of up to \$10,000, that amount would be subtracted from the amount forgiven under PPP.

PPP Guidelines for forgiveness

- SBA and the Department of the Treasury have now released the loan forgiveness application and detailed instructions.
- Options for borrowers to calculate payroll costs using an “alternative payroll covered period” that aligns with borrowers’ regular payroll cycles.
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after receiving their PPP loan.
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness.
- Borrower-friendly implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30.
- Addition of a new exemption from the loan forgiveness reduction for borrowers who have made a good-faith, written offer to rehire workers that was declined.

PPP Guidelines for forgiveness

- SBA will also soon issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities.
- Webinars to be announced next week for beginning of June to go through application for forgiveness.
- [PPP forgiveness guidelines](#)





**Paycheck Protection Program
Loan Forgiveness Application**

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Schedule A

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1:

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1:

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1:
If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here and enter 0 on line 3.

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2:

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2:

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid by Borrower for employer contributions for employee health insurance:

Line 7. Total amount paid by Borrower for employer contributions to employee retirement plans:

Line 8. Total amount paid by Borrower for employer state and local taxes assessed on employee compensation:

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners:
This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is more than one individual included, attach a separate table that lists the names of and payments to each.

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9):

Full-Time Equivalency (FTE) Reduction Calculation

If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here , skip lines 11 and 12 and enter 1.0 on line 13.

Line 11. Average FTE during the Borrower's chosen reference period:

Line 12. Total Average FTE (add lines 2 and 5):

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if FTE Safe Harbor is met:



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PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")		DBA or Tradename, if any	
Business Address		Business TIN (EIN, SSN)	
		Primary Contact	

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____

Employees at Time of Forgiveness Application: _____

EIDL Advance Amount: _____ EIDL Application Number: _____

Payroll Schedule: The frequency with which payroll is paid to employees is:

Weekly Biweekly (every other week) Twice a month Monthly Other

Covered Period: _____ to _____

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here:

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): _____

Line 2. Business Mortgage Interest Payments: _____

Line 3. Business Rent or Lease Payments: _____

Line 4. Business Utility Payments: _____

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3): _____

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5: _____

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): _____

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7): _____

Line 9. PPP Loan Amount: _____

Line 10. Payroll Cost 75% Requirement (divide line 1 by 0.75): _____

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10): _____



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Instructions for PPP Schedule A Worksheet

Complete the PPP Schedule A Worksheet or obtain an equivalent report from the Borrower's payroll system or payroll processor.

Table Instructions:

Employee's Name: Separately list each employee. Do not include any independent contractors, owner-employees, self-employed individuals, or partners.

Employee Identifier: Enter the last four digits of each employee's Social Security Number.

Cash Compensation: Enter the sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period or the Alternative Payroll Covered Period. For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period; therefore, do not enter more than \$15,385 in Table 1 or Table 2 for any individual employee.

Average FTE: This calculates the average full-time equivalency (FTE) during the Covered Period or the Alternative Payroll Covered Period. For each employee, enter the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used at the election of the Borrower.

This calculation will be used to determine whether the Borrower's loan forgiveness amount must be reduced due to a statutory requirement concerning reductions in full-time equivalent employees. Borrowers are eligible for loan forgiveness for certain expenditures during the Covered Period or the Alternative Payroll Covered Period. However, the actual loan forgiveness amount that the Borrower will receive may be less, depending on whether the Borrower's average weekly number of FTE employees during the Covered Period or the Alternative Payroll Covered Period was less than during the Borrower's chosen reference period (see Instructions to PPP Schedule A, Line 11). The Borrower is exempt from such a reduction if the FTE Reduction Safe Harbor applies. See the FTE Reduction Safe Harbor instructions below.

Salary/Hourly Wage Reduction: This calculation will be used to determine whether the Borrower's loan forgiveness amount must be reduced due to a statutory requirement concerning reductions in employee salary and wages. Borrowers are eligible for loan forgiveness for certain expenditures during the Covered Period or the Alternative Payroll Covered Period. However, the actual amount of loan forgiveness the Borrower will receive may be less, depending on whether the salary or hourly wages of certain employees during the Covered Period or the Alternative Payroll Covered Period was less than during the period from January 1, 2020 to March 31, 2020. If the Borrower restored salary/hourly wage levels, the Borrower may be eligible for elimination of the Salary/Hourly Wage Reduction amount. Borrowers must complete this worksheet to determine whether to reduce the amount of loan forgiveness for which they are eligible. Complete the Salary/Hourly Wage Reduction column only for employees whose salaries or hourly wages were reduced by more than 25% during the Covered Period or the Alternative Payroll Covered Period as compared to the period of January 1, 2020 through March 31, 2020. For each employee listed in Table 1, complete the following (using salary for salaried employees and hourly wage for hourly employees):

- Step 1. Determine if pay was reduced more than 25%.
- Enter average annual salary or hourly wage during Covered Period or Alternative Payroll Covered Period: _____
 - Enter average annual salary or hourly wage between January 1, 2020 and March 31, 2020: _____
 - Divide the value entered in 1. a. by 1. b.: _____
If 1. c. is 0.75 or more, enter zero in the column above box 3 for that employee; otherwise proceed to Step 2.

- Step 2. Determine if the Salary/Hourly Wage Reduction Safe Harbor is met.
- Enter the annual salary or hourly wage as of February 15, 2020: _____
 - Enter the average annual salary or hourly wage between February 15, 2020 and April 26, 2020: _____
If 2. b. is equal to or greater than 2. a., skip to Step 3. Otherwise, proceed to 2. c.
 - Enter the average annual salary or hourly wage as of June 30, 2020: _____
If 2. c. is equal to or greater than 2. a., the Salary/Hourly Wage Reduction Safe Harbor has been met – enter zero in the column above box 3 for that employee. Otherwise proceed to Step 3.

- Step 3. Determine the Salary/Hourly Wage Reduction.
- Multiply the amount entered in 1. b. by 0.75: _____
 - Subtract the amount entered in 1. a. from 3. a.: _____

Documents that need to be submitted:

Payroll:

Documentation verifying the eligible cash compensation and non-cash benefit payments from the Covered Period or the Alternative Payroll Covered Period consisting of each of the following:

- a. Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees.
- b. Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period:
 - i. Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and
 - ii. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.
- c. Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans that the Borrower included in the forgiveness amount (PPP Schedule A, lines (6) and (7)).

Alternative Payroll Covered Period

- For administrative convenience, Borrowers with a biweekly (or more frequent) payroll schedule may elect to calculate eligible payroll costs using the eight-week (56-day) period that begins on the first day of their first pay period following their PPP Loan Disbursement Date (the “Alternative Payroll Covered Period”).
- For example, if the Borrower received its PPP loan proceeds on Monday, April 20, and the first day of its first pay period following its PPP loan disbursement is Sunday, April 26, the first day of the Alternative Payroll Covered Period is April 26 and the last day of the Alternative Payroll Covered Period is Saturday, June 20.
- Borrowers who elect to use the Alternative Payroll Covered Period must apply the Alternative Payroll Covered Period wherever there is a reference in this application to “the Covered Period or the Alternative Payroll Covered Period.”
- However, Borrowers must apply the Covered Period (not the Alternative Payroll Covered Period) wherever there is a reference in this application to “the Covered Period” only.

Documents that need to be submitted:

FTE:

Documentation showing (at the election of the Borrower):

- a. the average number of FTE employees on payroll per month employed by the Borrower between February 15, 2019 and June 30, 2019;
- b. the average number of FTE employees on payroll per month employed by the Borrower between January 1, 2020 and February 29, 2020; or
- c. in the case of a seasonal employer, the average number of FTE employees on payroll per month employed by the Borrower between February 15, 2019 and June 30, 2019; between January

Documents that need to be submitted:

Nonpayroll:

Documentation verifying existence of the obligations/services prior to February 15, 2020 and eligible payments from the Covered Period.

a. Business mortgage interest payments: Copy of lender amortization schedule and receipts or cancelled checks verifying eligible payments from the Covered Period; or lender account statements from February 2020 and the months of the Covered Period through one month after the end of the Covered Period verifying interest amounts and eligible payments.

b. Business rent or lease payments: Copy of current lease agreement and receipts or cancelled checks verifying eligible payments from the Covered Period; or lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.

c. Business utility payments: Copy of invoices from February 2020 and those paid.

State of WI grant

- *Grants in the amount of \$2,500 will be available for small businesses with 20 or fewer FTEs impacted by COVID-19 that have not already received WEDC COVID-19 assistance.*
- *Up to 30,000 businesses may receive grants.*
- *The application period for these grants will open in June.*



WEDC Ethnic Minority Grant

- To help ethnic minority-owned micro-businesses cope with the economic impact of COVID-19, the Ethnic Minority Emergency Grant Initiative is being launched with a total of \$2 million to be made available to 1,000 Wisconsin micro-businesses.
- A business may apply for a one-time grant of \$2,000 for short-term operations assistance through Wisconsin's Collective Ethnic and Diverse Organizations. Applicants will be subject to underwriting, and grant recipients will be required to submit a report indicating how the funds were used. Applications will be accepted from May 18-24, 2020.
- Eligible applicants are ethnic minority-owned businesses with five or fewer full-time equivalent employees (including the owner) in the retail, service or hospitality sectors that have not received assistance through WEDC's Small Business 20/20 Program or the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) through the federal CARES Act.

WEDC Ethnic Minority Grant

How do I apply?

- The online application portal will be open from May 18-24, 2020. You may apply through any of the Wisconsin's Collective Ethnic and Diverse Organizations websites. The online portal will not be available prior to May 18.

Before you start the online application process, please have the following documents ready:

- 2018 or 2019 federal tax return. (If you started your business in 2020, you are not eligible for this grant.)
- Completed W-9 form www.irs.gov
- Proof of being in business as of Feb. 29, 2020. You can submit your profit and loss (P&L) statement for the month of February 2020. If a P&L statement is not available, you may provide proof of payroll or a sales tax log for the month of February 2020. All documents must include your business name.

WEDC Guidelines

With input from national and state health and industry experts and in partnership with the [Wisconsin Department of Health Services](#), the [Wisconsin Department of Agriculture, Trade and Consumer Protection](#), the [Wisconsin Department of Safety and Professional Services](#), the [Wisconsin Department of Tourism](#) and our [regional economic development partners](#), WEDC has compiled a series of industry-specific documents to help you get back to business while taking the necessary precautions to maximize safety. Following these guidelines will help us all get Wisconsin's economy back on track.

<https://wedc.org/reopen-guidelines/>

Entrepreneurial Training Program

- Begins Tuesday, September 8th in Hayward
- Eight week program, each Tuesday from 6:00p-8:30p
- 75% of cost is covered through grant from WEDC (if program criteria is met)
- Cover core entrepreneurial foundational blocks
 - Business planning
 - Financial projections
 - Marketing

Questions

Contact Information:

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Mike Stamp Market President Peoples Bank Midwest



Crisis Offers Opportunity, A Success Story

- ▶ Teresa Peters, CEO, Midwest Roasters, Backroads Coffee, Hayward Coffee, Hermosa Coffee, 6 Degree Social Media, and Bitchin Cookies



▶ THANK YOU

▶ Contact info:

- ▶ Info@sclcoedc.com
- ▶ sclcoedc.com/recovery-assistance
- ▶ SCLCOEDC Facebook Page

- ▶ Remember we are in this together and we are here to help you!!!!