



Together Progress

Sawyer County Covid-19 Local Recovery Webinar

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Wisconsin – Superior

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Development Corporation

Jennifer Vorbornik – Hayward Gourmet Popcorn

2pm – Thursday, June 4th 2020

EIDL Notes

- Once a client receives the application, do they have to do anything if they do not want to apply for the loan? What if they have already received advance funds?
 - They do not need to accept the loan if they do not want to. They have the choice to accept the loan amount offered or any amount less all the way to \$0. This will not have any affect on the Advance funds that were received. They are not obligated to accept the loan in order to keep the Advance.
- At what point do they put the EIDL application on hold? How should they notify the SBA?
 - If they reject the loan, they have up to 6 months to reconsider. They should work through the loan portal that is set up through ODA (if they set one up) or they can communicate through Disaster Customer Service.

Lots of PPP news

Funds still available

About \$100B is still available for the second round of PPP as of June 1, 2020

New tentative changes – not official yet!

- Extends the deadline to apply for a PPP loan to Dec. 31 from June 30.
- Current PPP borrowers can choose to extend the eight-week period to 24 weeks, or they can keep the original eight-week period.
- Waiting on clarification if they can choose in between (maybe 16 weeks).
- New PPP borrowers will have a 24-week covered period, but the covered period can't extend beyond Dec. 31, 2020. This flexibility is designed to make it easier for more borrowers to reach full, or almost

full, forgiveness.

Lots of PPP news

- Under the language in the House bill, the payroll expenditure requirement drops to 60% from 75% but is now a cliff, meaning that borrowers must spend at least 60% on payroll or none of the loan will be forgiven.
- Currently, a borrower is required to reduce the amount eligible for forgiveness if less than 75% of eligible funds are used for payroll costs, but forgiveness isn't eliminated if the 75% threshold isn't met.
- Could institute a sliding scale – technical aspect not yet approved.
- Borrowers can use the 24-week period to restore their workforce levels and wages to the pre-pandemic levels required for full forgiveness. This must be done by Dec. 31, a change from the previous deadline of June 30.

Lots of PPP news

- The legislation includes two new exceptions allowing borrowers to achieve full PPP loan forgiveness even if they don't fully restore their workforce. Previous guidance already allowed borrowers to exclude from those calculations employees who turned down good faith offers to be rehired at the same hours and wages as before the pandemic. The new bill allows borrowers to adjust because they could not find qualified employees or were unable to restore business operations to Feb. 15, 2020, levels due to COVID-19 related operating restrictions.
- New borrowers now have five years to repay the loan instead of two. Existing PPP loans can be extended up to 5 years if the lender and borrower agree. The interest rate remains at 1%.
- The bill allows businesses that took a PPP loan to also delay payment of their payroll taxes, which was prohibited under the CARES Act.

What does this mean for PPP forgiveness

- As of now, no new documentation has been released.
- For those that want to keep on the eight week schedule – keep processing the same forms and utilizing the same formulas.
- New information will be released shortly – waiting on guidance from the SBA and treasury.
- [SBA PPP forgiveness application](#)



**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.: _____

We're All In Grant

Wisconsin's We're All In Small Business Grant Program, funded by the CARES Act, will provide \$2,500 to 30,000 small businesses to assist with the costs of business interruption or for health and safety improvements, wages and salaries, rent, mortgages and inventory.

To be eligible, businesses must:

- Be a Wisconsin-based, for-profit business;
- Employ 20 or fewer full-time equivalent (FTE) employees, including the owner;
- Earn greater than \$0 but less than \$1 million in annual revenues; and
- Have been in business in February 2020.

The logo for Focus Forward features a stylized arrow icon on the left, composed of three overlapping shapes in teal, yellow, and blue. To the right of the icon, the words "Focus" and "Forward" are stacked vertically in a bold, sans-serif font.

We're All In Grant

- 2018 or 2019 federal tax return for business (If you started your business in 2020, you are not eligible for this grant). Applicable tax returns are:
 - IRS form 1065 Partnership Return (no K-1s required)
 - IRS form 1120 Corporation Return (no schedules required)
 - IRS form 1120S S Corporation Return (no K-1s required)
 - IRS form 1040 (sole proprietors) and the following:
 - Schedule C, Profit and Loss from Business
- Signed W-9 form available at www.irs.gov/pub/irs-pdf/fw9.pdf
- A letter or email of acknowledgement from a community organization indicating your business was in operation in February 2020. The letter or email can be from any of the following:

We're All In Grant

- Chamber of commerce
- Main Street or Connect Communities organization
- Local business improvement district
- Neighborhood economic development association
- Local economic development organization
- County economic development organization
- Municipality, including tribal government
- County
- Local bank, credit union or community development financial institution
- Regional UW Small Business Development Center
- U.S. Export Assistance Center – Wisconsin
- Regional economic development organization
- Regional Planning Commission
- Trade association

Main Street Lending Program

- The program is designed to help credit flow to medium-sized and small businesses that were in good financial condition, but now need loans to help until they have recovered from, or adapted to, the impacts of the pandemic.
- Loans originated under the program have several features that will help businesses facing challenges. The program offers 4-year loans, with floating rates, and principal and interest payments deferred during the first year to assist businesses facing temporary cash flow interruptions.
- The loans range in size from \$500,000 to \$200 million – a wide range that may support a broad set of employers.

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

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Lance Ausing – Regional Economic Development
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<https://wedc.org/programs-and-resources/wai-sr-business-grant/>





Together Progress

Local Success Story

Jennifer Vorbornik – Hayward Gourmet Popcorn

haywardgourmet.com



▶ 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!!!!