

## **Monroe County COVID-19 Business Webinar (4/9) Q and A:**

- 1. Did the UIA change the eligibility to anyone who has been employed 30 days or is this just in reference to extended family leave?**
  - a. The Federal CARES act extended funding to state of Michigan should it wish to change its UIA benefits... State has not updated its UIA rules. Not aware if state has updated its UIA yet. Lt. Gov intonated that there would be movement shortly. Refer to UIA website for the latest information.
- 2. Have quarterly estimated tax payments been deferred?**
  - a. April estimated payments are deferred to July 15. Second quarter payments which were due June 15 are not being deferred, they are still due on the date specified.
- 3. What does the SBA do with the Cost of Goods sold on the EIDL application?**
  - a. The newest application does not include Cost of Goods sold.
- 4. Did the State of Michigan change their tax filing deadline?**
  - a. Yes, the State changed their filing deadline from 4/15/2020 to 7/15/2020.
- 5. Are 501 c (6) organizations eligible to apply for any of the SBA programs?**
  - a. 501 c (6)'s are eligible for the EIDL but not the PPP at this time. This is subject to change.
- 6. How long does it take to get EIDL funds?**
  - a. Once you fill out the application, the SBA says to expect 3-6 weeks, however, SBDC is telling clients that due to demand, expect 8 weeks at least.
- 7. What about PPP funds?**
  - a. This would depend on the lending institution. We expect they will be receiving a large volume of applications and it may take some time. Consult with your lender.
- 8. If someone applied for an EIDL a week and a half ago, and has not heard anything back yet, should they re-apply?**
  - a. Check the website to see if your application is the most current, If not, complete a new application. You should receive a verification code. You can use that to check with the SBA on the status.
- 9. What happened to the 3-day funding of the \$10,000 under the EIDL?**
  - a. EIDL can come with a grant of up to \$10,000 (\$1,000/w2 up to \$10,000). Someone in the Executive Branch said that money would be in the bank accounts of business owners in 3 days but this has not happened.

**10. Are independent contractors better off to file for unemployment?**

- a. It is hard to tell which is better for your specific situation. Would suggest applying for both unemployment and PPP and take whichever is more favorable for you and your business.

**11. If an employee reports to work with a fever, are they automatically entitled to 80 hours of pay if they must self-quarantine?**

- a. Per Phil, if employee has not paid leave the employer is not obligated to pay employee. Each situation should be measured on its own merit. Many varying orders from State and Federal. Seek counsel.

**12. Is there a penalty for an essential business that has closed during the Stay-at-home order?**

- a. It is our understanding that there is not a penalty for staying closed, but it may limit your ability to qualify for certain SBA programs under the CAREs Act.

**Advice from Our Expert Panelists:**

- **Tom Myers, Regional President, First Merchants Bank**

- Encourage you to fill out an application for the PPP program. Talk to your financial advisor, accountant, bankers - there are a lot of options out there with many new packages available. Although the PPP is getting a lot of attention, don't jump into anything without looking at all of your options. The PPP is a living, breathing option that is changing daily. Lean on your advisors and know what you are getting into prior to doing it. The PPP is a great program but it is not right for everyone. Understand where you need to be at the end of it. Do your research. Have faith.

- **Matt Hehl, Partner, Cooley, Hehl, Sabo & Calkins CPAs**

- To satisfy the forgiveness, right now we are asking for good documentation. The terminology of payroll costs needs to be satisfied. Build the documentation to support this - payroll by individual and period should be accounted for. Concentrate on documentation (anything that you apply for, you need to have it documented thoroughly!).

- **Phil Goldsmith, Partner, Lennard, Graham & Goldsmith P.L.C.s**

- For those employers who are performing essential services - take care of your employees and staff, when together keep a distance and keep them healthy. If there is a gray area, document what you are doing and that you have acted responsibly. If you need to defend yourself and find yourself in court.

- **Spencer Field, Small Business Advisor, Michigan Small Business Development Center**

- Have a written plan of action with a cash flow plan; whatever you do, do your best to have a plan and tame the fear in your mind.