



GLENN BURDETTE

COVID-19 RESOURCE UPDATE

APRIL 24, 2020



Summary:

Despite Mitch McConnell's idea to let States go bankrupt (um, what now?), the Federal Government injected additional funding to existing programs this week.

New California programs to help seniors (and those who need friend to talk to).

Stay safe and well everyone.

Glenn Burdette is here for you.

IN THIS ISSUE:

**FEDERAL STIMULUS
UPDATE**

**IRS AND CALIFORNIA
UPDATES, EDD SYSTEM
UPDATES**



tim.dossa@glennburdette.com

Regulatory Updates 4/24/20

Federal Stimulus - Round 2

- **The Paycheck Protection and Health Care Enhancement Act of 2020** has increased the funding on PPP loans from \$349B to \$659B, and increased EIDL loans from \$10B to \$20B. Other features include:
 - \$30B set aside for smaller lenders to lend (lenders with \$10B-\$50B in assets)
 - Another \$30B for lending institutions with less than \$10B in assets.
 - The Disaster Loan Program was funded with an additional \$50B.
 - Agricultural enterprises with less than 500 employees can also get EIDL loans.
- **The hope here is that the smaller businesses can get a larger piece of the pie.**
 - Several large businesses with hundreds of millions in market cap received large loans in round 1 and are now enduring public outcry.
 - Hey Shake Shack - how about free shakes for everyone!
- **There was also \$75B for the "Public Health and Social Services Emergency Fund".**
 - These monies are to reimburse health care provider expenses or lost revenue related to prevention, preparation, and response to the Coronavirus.
 - Health care providers must submit reports and documentation to be reimbursed.
 - Eligible health care providers are those that are:
 - Public entities, Medicare/Medicaid enrolled suppliers and providers, for-profit and not-for-profit entities, and that,
 - Provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19.
 - Funds may be used for:
 - Construction of temporary structures/retrofitting facilities
 - Leasing of properties
 - Medical supplies and equipment (including PPE and testing supplies)
 - Workforce and training,
 - Emergency operation centers,
 - Surge capacity
- **Another \$25B is available related to COVID-19 testing activities.**
 - \$11B of that is targeted for States and cities.
- **\$2.1B goes to the SBA** for salaries and expenses to continue to administer the programs.

Regulatory Updates 4/24/20

- **Federal Stimulus Round 2 cont.**

- If you have already applied but have not yet been funded, Round 2 should help. Don't give up hope.
 - Check in with your bank for status updates.
- If you have not already applied but want to, DON'T WAIT. Get your info in ASAP.
- If you need a bank, remember the list of FinTech companies below who can help.
 - <https://www.forbes.com/sites/brianthompson1/2020/04/09/banks-and-fintech-companies-accepting-paycheck-protection-program-loan-applications-from-new-and-non-bank-customers/#1e416892b950>

- **"I Got My Money, Now What?"**

- Loan Forgiveness now quickly comes under the microscope.
- How is it calculated? When is it forgiven? What documents do I need?
- *See separately attached Q&A on this topic.*
- Long-story short:
 - An exact loan forgiveness calculation needs to be agreed upon by the SBA and the banks.
 - We are hoping by Monday this will be available.
 - We've seen 4 different models already, each give different answers.
 - Hang tight, follow the rules as we know them for now, and let's touch base again next week.

- **Oversight**

- Treasury Secretary Mnuchin spoke this week about oversight, in light of many large companies getting funding.
- He reminded everyone applying that they must certify that "the current economic uncertainty makes this loan request necessary to support the ongoing operations of the applicant".
- They will be looking closely at payroll costs (since so much of the forgiveness is based on that), so make sure you are playing by the rules (even as they change every 5 minutes).

Regulatory Updates 4/24/20

- **IRS**
 - You can check on the status of your stimulus check (aka Economic Impact Payment) through the IRS website. See link below.
 - You can theoretically also update your info to provide your direct deposit info, but results so far have been mixed.
 - Debt collectors are not supposed to garnish these payments and today Governor Newsom signed an executive order preventing such actions.
 - <https://www.irs.gov/coronavirus/get-my-payment>

- **California**
 - Governor Newsom announced a new program today in California.
 - The Program, which shockingly has no catchy name as of yet, will reimburse local restaurants for delivering nutritious meals to at-risk seniors, three times a day, seven days a week.
 - Not every person over the age of 65 is eligible.
 - Only those at high risk of COVID-19 exposure, have already been impacted or exposed directly, have compromised immune systems, or are below 600% of federal poverty guidelines (roughly below \$75K).
 - Restaurants get \$16 for breakfast, \$17 for lunch and \$28 for dinner.
 - Funds will come from FEMA funds.
 - Local governments will determine which restaurants can participate.
 - There is also expanded staffing for the toll-free "Friendship Line", which seniors can call if they are in need of a person to talk to.
 - Those of you who have a mom constantly asking when you are going to get married or have children now have some relief: 1-800-971-0016.

- **EDD and Unemployment**
 - Keep your eyes open on April 28 as the EDD said they will start accepting online applications for unemployment that include all the new changes (Fed money, self-employed, etc).
 - They've been plagued by a shortage of computer programmers who know how to chisel code into stone tablets.

Helpful Links

ReadySLO website - stay up to date in our community:

- <https://www.readyslo.org/en/index.aspx>

Judy Mahan and team at the Cal Poly SBDC are doing great things. Lots of great information here:

- <https://centralcasbdc.com/covid-19-resources-uc-merced-sbdc>

IRS Coronavirus Website:

- <https://www.irs.gov/coronavirus>

SBA Loan Assistance:

- <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>
- <https://disasterloan.sba.gov/ela>

Multi-State Filing Resource from the AICPA:

- <https://www.aicpa.org/search.html?source=AICPA&q=state+filing+relief>

EDD Corona Virus Updates:

- https://www.edd.ca.gov/about_edd/coronavirus-2019.htm

EDD Unemployment Claim Info:

- https://edd.ca.gov/Unemployment/Filing_a_Claim.htm

CDTFA (Sales Tax) Services:

- <https://www.cdtfa.ca.gov/services/covid19.htm>

State of California Business and Economic Development Website

- <https://business.ca.gov/coronavirus-2019/>

Department of Labor Information:

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