



# COVID-19 RESOURCES & RECOVERY

---

**Webinar: 2021 Business Resources Redefined**

[Marquette.org/COVID-19/](https://Marquette.org/COVID-19/)





# Paycheck Protection Program (PPP) Update

1/20/21

Presented by Benjamin Wood



*“The world of PPP is a dynamic one.”*

\*This presentation is based on the information Range Bank has received from multiple sources within the last two weeks and is meant to provide general guidance to the audience. Details of Paycheck Protection Program (PPP) loans are subject to change. Prospective applicants should consult with their financial institution and tax professional about the specifics of their business and eligibility for funding.



# Economic Aid Act – PPP Program

- \$284 billion approved for new applications through 3/31/21
- PPP applications opened January 11<sup>th</sup> for specific financial institutions. The program was opened to banks with fewer than a billion dollars in assets on the 15<sup>th</sup> and then opened to all participating lenders on the 19<sup>th</sup>.
- First and second draw PPP options available
- If a borrower received a PPP loan in 2020, then the borrower is considered to have received a First Draw PPP loan and is not eligible to receive another First Draw Loan; however, the borrower may be eligible for a Second Draw loan.





# Loan Parameters

- First Draw: Maximum loan amount of \$10 million.
- Second Draw: Maximum loan amount of \$2 million, can demonstrate at least a 25% reduction in gross receipts between comparable quarters or YOY in 2019 and 2020.





# Repayment

## Repayment Provisions Unchanged

---

- Covered period is any time between 8-24 weeks
- The loan term is a five-year term. Term applies to first draw and second draw loans.
- Interest rate is 1%
- Borrower's payments of principal, interest, and fees on First Draw and Second Draw loans are deferred to the date that SBA remits the borrower's loan forgiveness amount to the lender (or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period).



# First Draw – Eligibility



## Eligibility

- Eligible entities that were in operation before 2/15/2020
- No more than 500 employees or your industry's applicable SBA revenue-based size standard
- Businesses, Independent contractors, self-employed individuals, and sole proprietors
- Tax-exempt non-profit organizations and veteran organizations
- Tribal businesses
- Housing cooperatives that employ no more than 300 employees
- Eligible 501(c)(6) organizations that employ no more than 300 employees
- Destination marketing organizations that employ no more than 300 employees
- **Eligible news and non-profit broadcasting organizations that are majority owned or controlled by a NAICS Code 511110 or 5151**
- Hospitals with government funding less than 50%
- Seasonal businesses, including those that were dormant or not operating as of 2/15/2020
  - 12-week opening rules still apply



\* Ineligible entities include those with ties to China (Second Draw loans), entities receiving Shuttered Venue grant and those permanently closed

Source: Abrigo



# Second Draw – Eligibility Differences

---

## Eligibility

- An applicant is eligible for a Second Draw Loan if it has 300 or fewer employees
- Business with NAICS code beginning with 72 are eligible to receive a Second Draw PPP loan if it employs no more than 300 employees **per physical location** and meets the revenue reduction requirements
- Provides a second PPP forgivable loan that can demonstrate a **reduction of 25% of gross receipts** in any quarter during 2020 when compared to the same quarter in 2019; or year-over-year if open for full 2019
  - Specific guidance for businesses that only operated in certain quarters is available
- Funds from initial PPP loan must have been used or will be used prior to disbursement of second PPP loan

*Source: Abrigo*





# Significant Changes – Covered Expenses

---

## Expanded list includes

- Interest payments on any debt obligations incurred before 2/15/2020
- Worker expenses such as PPE, including costs related to adapting to federal health and safety guidelines (e.g., outdoor dining)
- Property damage incurred during 2020 disturbances not covered by insurance
- Operations expenses including software, cloud computing, HR, and accounting needs
- Supplier costs
- Other employer-provided insurance is eligible as payroll costs (health, dental, vision and life)
- These expenses **apply to all PPP loans** not already forgiven

\* Payroll expenses must still comprise no less than 60% of eligible expenses for full forgiveness

Source: Abrigo



# Simplified Forgiveness Going Forward

## **Simplified Forgiveness**

For loans of \$150K or less

- A signed and submitted 1-page certification providing:
  - A description of the number of employees retained due to the PPP loan
  - Estimated amount of PPP loan spent on payroll
  - Total loan amount
  - Borrower attestation that information is accurate, and applicant will retain records to prove compliance

## **Covered Period**

- Borrower can select covered period ranging from 8 to 24 weeks.



# Key Takeaways

- There are complexities within PPP loans and guidance will continue to be updated at the federal level. Communicate with your lender/CPA if you haven't already done so.
- Lenders will be doing their best to prioritize businesses in the greatest need of help.
- Some financial institutions will handle parts of the process differently than others.
- Optimism there will be adequate funding for businesses who qualify.

**Detailed information on PPP programs can be found on the U.S. Small Business Administration's website:**

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>

# STAY IN THE KNOW

**BUSINESS RESOURCE PAGE**  
**MARQUETTE.ORG/COVID-19**

[Marquette.org/COVID-19/](https://Marquette.org/COVID-19/)







INVESTUP™

**COVID  
support for  
small  
business**



INVESTUP™

## **About**

InvestUP is the regional economic development organization for the Upper Peninsula

## **Mission**

To drive prosperity across the region



## **AMY BERGLUND — DIRECTOR OF BUSINESS INITIATIVES**

A native of Delta County, Amy most recently served as a Regional Director for the MEDC. At the MEDC, Amy managed five of its ten statewide regions. She has also served as the MEDC's Business Development Manager and as the Regional Representative for Senator Carl Levin.

Amy will focus on trending opportunities and strategic growth industries, collaborating with the private sector, organizations, and community leaders to advance the region and drive economic development opportunities across all 15 U.P. counties.

[aberglund@investupmi.com](mailto:aberglund@investupmi.com)



INVESTUP™

# COVID support for small business

## Relief

\$20M grant/loan relief statewide



## Restart

\$100M Federal Cares Act funding statewide



## Survival

\$55M State of Michigan funding  
Statewide - Open: January 19 - 22



# Upper Peninsula COVID support for small businesses

## Michigan Small Business Survival Grant Program

\$2.5M to UP small businesses impacted by  
MDHHS Gatherings & Mask Order

Administered by InvestUP

Applications open Jan 19 - 22

## Michigan Stages Survival Grant Program

\$3.5M statewide to entertainment venues  
affected by pandemic & emergency  
declarations

Administered by Michigan Independent Venue  
& Promoter Association.

Applications open Jan 21-28

# Michigan Small Business Survival Grant

A teal-colored circular graphic on the left side of the slide, consisting of a large outer circle and a smaller inner circle, both with white outlines.

[www.michiganbusiness.org](http://www.michiganbusiness.org)

for all details

<https://pmbc.connect.space>

to sign up

# Michigan Small Business Survival Grant



## Eligibility:

- >for-profit or non-profit
- >less than 101 employees
  - >affected industry
  - >demonstrate need
- >not a live entertainment venue

# Michigan Small Business Survival Grant

## Industries

Food Service

Retail

Exercise

Venues

Recreation

Non-Profits

Personal Care

Schools

Childcare

Transportation



# Michigan Small Business Survival Grant



\$2.5M to UP EDO



Maximum grant  
20,000/15,000



Eligible Expenses:  
November 18, 2020 to  
April 30, 2021

# Michigan Small Business Survival Grant

**Open**

January 19  
9:00am EST



**Close**

January 22  
12:00pm EST



**Disbursed**

Jan 29- Feb 28

# Minneapolis Federal Reserve

Pandemic impact Survey

<https://www.surveymonkey.com/r/MinneapolisFedSurveyWinter2021>



INVESTUP™

Amy Berglund  
Director of Business Initiatives  
[aberglund@investupmi.com](mailto:aberglund@investupmi.com)  
(906) 399-4037





# STAY IN THE KNOW

**BUSINESS RESOURCE PAGE**  
**MARQUETTE.ORG/COVID-19**

[Marquette.org/COVID-19/](https://Marquette.org/COVID-19/)



# Business Resources Redefined Employee Retention Credit



Sarah Jennings, CPA, CFE, CAE  
[Sjennings@manercpa.com](mailto:Sjennings@manercpa.com)

# Employee Retention Credit – what is it?

- Refundable tax credit for eligible wages and group health
  - 50% credit for wages up to \$10,000 per employee for wages paid 3/12/20-12/31/20
  - 70% credit for wages up to \$10,000 per employee per quarter for wages paid 1/1/21-6/30/21
- All businesses and non profits are eligible
  - Self employed individuals are not
- NOW can utilize the ERC even if you had a PPP

# Employee Retention Credit – how it works

- Refundable PR tax credit at a rate of 50% for 2020 and 70% of 2021 of qualified wages during a calendar quarter, reported on quarterly 941 reports reducing employer payroll tax liability
- Applies to the first \$10,000 compensation per employee – as of the new legislation that is wages + employee group benefits
- Wages taken into account: qualified sick and family leave are NOT included

# 2020 Employee Retention Credit

- Eligibility (must meet one):
  - Experienced a 50% reduction in gross receipts for any 2020 quarter compared to corresponding 2019 quarter
    - Eligible until the END of the quarter receipts are restored to 80% of 2019 level
  - Were fully or partially shutdown due to governmental order
    - Eligible for the days shut down



# 2020 Employee Retention Credit

- Calculation:
  - 50% of eligible gross wages & healthcare expenses
    - Maximum wages & healthcare expenses of \$10,000 per employee per year
    - Maximum credit of \$5,000 per employee
  - If over 100 FTEs in 2019, only wages paid to employees to NOT work are eligible



# Other ERC Considerations

- PPP1 borrowers who were previously ineligible can now benefit - BUT “no double dipping”
  - If they have not filed for forgiveness, consider using as close to 40% of non-payroll costs as possible
  - If they have filed for forgiveness, they can claim the credit for eligible periods outside the covered period

## 2020 ERC Decision Tree

# ERC – Calculation - 2020

## Step 3.

### Figure the employee retention credit

3a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941, Part 3, <a href="#">line 21</a> )	3a	_____
3b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941, Part 3, <a href="#">line 22</a> )	3b	_____
3c	Add lines 3a and 3b	3c	_____
3d	<b>Retention credit.</b> Multiply line 3c by 50% (0.50)	3d	_____
3e	Enter the amount of the employer share of social security tax from Step 1, line 1l	3e	_____
3f	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages from Step 2, line 2j	3f	_____
3g	Subtract line 3f from line 3e	3g	_____
3h	<b>Nonrefundable portion of employee retention credit.</b> Enter the smaller of line 3d or line 3g. Enter this amount on Form 941, Part 1, line 11c	3h	=====
3i	<b>Refundable portion of employee retention credit.</b> Subtract line 3h from line 3d and enter this amount on Form 941, Part 1, line 13d	3i	=====

# 2021 Employee Retention Credit

- Eligibility (must meet one):
  - Experienced a 20% reduction in gross receipts for any 2021 quarter compared to corresponding 2019 quarter
    - May use prior quarter to determine eligibility (Q4 2020 to Q4 2019 can make Q1 2021 eligible)
  - Were fully or partially shutdown due to governmental order
    - Eligible for the days shut down

# 2021 Employee Retention Credit

- Calculation:
  - 70% of eligible gross wages & healthcare expenses
    - Maximum wages & healthcare expenses of \$10,000 per employee per quarter
    - Maximum credit of \$14,000 per employee
- If over 500 FTEs in 2019, only wages paid to employees to NOT work are eligible

# What if the business was not in operation in the corresponding 2019 quarter?

- 2020 ERC: whichever 2019 quarter you started is used as the base period
  - Estimate gross receipts if you started in the middle of the quarter
  - If you begin in 2020, you are limited to the “fully or partially shutdown requirement”
- 2021 ERC: compare to 2020 quarter instead



# Disclaimer – as things continue to evolve

*Material discussed in this webinar is based on information available as of the date of its release and Maner Costerisan is not under obligation to update this material if changes occur. The information is meant to provide general information and should not be acted on without professional advice tailored to your individual needs.*

# Questions?

Sarah Jennings - [sjennings@manercpa.com](mailto:sjennings@manercpa.com)  
517-886-9502



Enabling Others to Reach Their Potential

# STAY IN THE KNOW

**BUSINESS RESOURCE PAGE**  
**MARQUETTE.ORG/COVID-19**

[Marquette.org/COVID-19/](https://Marquette.org/COVID-19/)



MICHIGAN RESTAURANT & LODGING ASSOCIATION

# Employee Assistance Grants



# Application Timeline

The graphic features a light blue background with a repeating pattern of small, faint icons including a fork and knife, bowling pins, a menu, a car, a film strip, a building, a key, and playing cards. The main text is arranged in a central layout with green and dark blue colors.

**Employee Assistance Grants**

←

Impacted by the MDHHS Order in November?  
**Apply for Employee Assistance Grants:**  
January 15 – January 25

**[mrlaef.org/money](http://mrlaef.org/money)**



# Who Can Apply

Applications for Employee Assistance Grants are now LIVE at [mrlaef.org/money](http://mrlaef.org/money)! Employees impacted by the MDHHS Gathering and Face Mask Order that took effect on November 18, 2020 are eligible to apply for grants up to \$1,650.

The following industries qualify:

- Restaurants
- Hotels, Motels, Bed & Breakfast, Resorts
- Bars
- Food Trucks
- Bowling Allies
- Theaters
- Nightclubs
- Golf Courses
- Banquet Halls
- Caterers
- Casinos
- Cafeterias



# How to Apply

## Employee Assistance ← Grants

### WHAT YOU NEED TO APPLY:



#### Personal Information:

Legal name, mailing address, social security number, and date of hire



#### Employer Information:

Business Name, manager name, phone and email address



#### Proof of Employment:

Paystub showing proof of employment on Nov. 1-18, 2020 **OR**  
a letter signed by manager, company shareholder, or company owner



#### W9:

Grants are taxable income

[mrlaef.org/money](http://mrlaef.org/money)

# Text Updates

Employee Assistance ← Grants

Impacted by the MDHHS Order  
in November?

Text  
**MONEY**  
to 22452

# STAY IN THE KNOW

**BUSINESS RESOURCE PAGE**  
**MARQUETTE.ORG/COVID-19**

[Marquette.org/COVID-19/](https://Marquette.org/COVID-19/)





# Need assistance?

Mary Myers, Director of Business Development  
[mary@marquette.org](mailto:mary@marquette.org) | 906.373.9787

Brooke Quinn, Business Development Representative  
[bquinn@marquette.org](mailto:bquinn@marquette.org) | 906.226.6591 ext. 103

Ashley Szczepanski, Director of Marketing  
[ashley@marquette.org](mailto:ashley@marquette.org) | 906.250.0512

Emily Tardiff, Marketing Coordinator  
[etardiff@marquette.org](mailto:etardiff@marquette.org) | 906.226.6591 ext. 107

Megan O'Connor, Outreach Coordinator  
[megan@marquette.org](mailto:megan@marquette.org) | 906.226.6591 ext. 105

