Coronavirus Aid, Relief and Economic Security (CARES) Paycheck Protection Program
Application deadline is 6/30/20

Eligibility

• Small business employing 500 employees or fewer
• Sectors w/ higher Small Business Administration (SBA) employee threshold
• Employers in NAICS code 72, “Accommodation and Food Services,” if each of its locations have 500 employees or fewer
• 501(c)(19) veteran organizations
• 501(c)(3) nonprofits, including religious organizations
• Independently owned franchises with under 500 employees, that are approved by SBA
• Sole proprietors, independent contractors, gig economy workers, and self-employed individuals

How Much Can You Borrow?

The CARES ACT Payroll Protection Program allows borrowing up to 250 percent of business’ average monthly payroll expenses. (capped at $10 million).
Funds can be used for 8 weeks of payroll expenses for any period between 2/15/20 and 6/30/20; can also be used for debt payments and other business expenses.

Loan Forgiveness

Your loan can be turned into a grant based on workforce retention. Amount of principal forgiven is equal to spending on payroll expenses; interest payments on mortgages, rent payments, leases, and utility service agreements.
Acceptable payroll costs include:

• Employee salaries (up to an annual rate of pay of $100,000)
• Hourly wages and cash tips
• Paid sick or medical leave
• Group health insurance premiums

*Loan funds used for other purposes not eligible for forgiveness.

• Loan is forgiven at the end of the 8-week period after you take out the loan
• Loan forgiveness is proportional to employee and payroll retention
• If employees were laid off before the loan, loan forgiveness will cover payroll cost of employees rehired by June 30, 2020
• No interest if the full principal of the Payroll Protection Plan loan is forgiven
• Any remainder subject to interest as per the loan agreement
• Maximum term of (unforgiven) loans is 10 years with interest capped at 4 percent (100 percent SBA guarantee)

For more information contact Melvin Norris at melvin.norris@bcnys.org or the SBA at www.sba.gov.