



Maine Maple Producers

CARES Act Financial Programs

CARES Act Programs

- PPP – Payroll Protection Program
- PPPFA – Payroll Protection Program Flexibility Act
- EIDL – SBA Economic Injury Disaster Loan
- CFAP – USDA Coronavirus Financial Assistance Program
- Other programs

PPP Loans

- Eligibility

- Any small business - < 500 employees – includes:
 - Agriculture
 - Seasonal
 - Part-time
- In business on February 15, 2020
- C-Corp, S-Corp, Partnership
- Sole proprietor, single member LLC, independent contractor

Loan Amount

- 2.5 times average adjusted monthly payroll
 - Calendar 2019 or
 - 4/1/2019 – 3/31/2020
 - Seasonal periods used for seasonal business
 - Compensation > \$100,000 excluded
 - Excludes payments to independent contractors & any cash payments
 - Includes payments business owner (schedule F or C)
 - Excludes employees with principle residence outside the U.S.

Use of Proceeds

- Payroll costs, including benefits and owner pay
- Interest on mortgage obligations (no principal payments or prepayments)
- Other business interest
- Rent on land and buildings
- Utilities

Terms

PPP (3/27/2020)

- Interest 1%
- Term 2 years
- 8 weeks to spend
- Minimum 75% payroll
- No personal guarantee
- No collateral
- Apply by 6/30/2020

PPPFA (6/5/2020)

- Interest 1%
- Term 5 years (new loans)
- 24 weeks to spend
- Minimum 60% payroll
- No personal guarantee
- No collateral
- Apply by 6/30/2020

PPP Application

- Apply at Bank, Credit Union or Farm Credit East (online or paper)
- Provide 2019 Schedule F or C
- Provide quarterly forms 941 for payroll
- Any other support for loan amount requested
- As of June 10th \$130 billion still available
- Apply ASAP

PPP Loan Example

Schedule F line 34 farm profit	\$24,000
Schedule F line 22 payroll	18,000
Schedule F line 23 pension plans	<u>6,000</u>
Total annual payroll	48,000
Monthly payroll	4,000
PPP Loan amount	
2.5 times monthly payroll	\$10,000

Forgiveness

PPP

- Up to 100% plus interest
- Reduced if FTE's not restored by June 30
- Reduced if pay rates reduced more than 25% & not restored by 6/30
- Apply within 60 days after spend date
- Guidance under development

PPPFA

- Up to 100% plus interest
- Reduced if FTE's not restored by 12/31
- Reduced if pay rates reduced more than 25% & not restored by 12/31
- Apply within 10 months after spend date
- Guidance under development

EIDL Program

- SBA emergency loan program
- Must be in business 1/31/2020
- Ag businesses now eligible
- Sole proprietors eligible
- Uses – working capital, debt payments, payables (no capital improvements or expansion)
- Less than \$25,000 no collateral
- Cash advance of \$1,000 per employee forgivable
- Loan up to 30 years
- Interest rate 3.75%

EIDL - Application

- Apply at <https://covid19relief.sba.gov/#/>
- Opened for Ag businesses May 4th
- Check the box Ag enterprise < 500 employees
- Data from Schedule F or C
- Include yourself in the number of employees
- Near the end check the box “I would like to be considered for an advance of up to \$10,000”
- Advance quick...loan slow
- Accepting the loan is optional

USDA - CFAP

- Covers dairy, livestock, wool, non-specialty crops & specialty crops (fruits, vegetables & nuts)
- Maple products not covered
- File for consideration at Federal Rulemaking Portal: Go to <http://www.regulations.gov> and search for Docket ID FSA-2020-0004. Follow the instructions for submitting comments
- Must file by June 22nd

Other

- FSA or other government agency loan deferrals
- Payroll tax deferrals to 12/31/2020 (50%) and 12/31/2021 (50%)
- Employee Retention Credit
 - If not taking the PPP loan
 - Payroll tax credit of up to \$5,000 for eligible employers
- Unemployment benefits
 - Available to sole proprietors – up to 39 wks
 - Including PUA of \$600 per week – 4 months

Questions?

- SCORE can help with specific questions and general guidance for farmers
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