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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule F line 34 farm profit</td>
<td>$24,000</td>
</tr>
<tr>
<td>Schedule F line 22 payroll</td>
<td>18,000</td>
</tr>
<tr>
<td>Schedule F line 23 pension plans</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Total annual payroll</strong></td>
<td>48,000</td>
</tr>
<tr>
<td><strong>Monthly payroll</strong></td>
<td>4,000</td>
</tr>
<tr>
<td><strong>PPP Loan amount</strong></td>
<td>$10,000</td>
</tr>
<tr>
<td>2.5 times monthly payroll</td>
<td></td>
</tr>
</tbody>
</table>
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
• 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
  – Stephen.veazey@scorevolunteer.org
  – 207-743-7459