

March 21, 2020

Commanders,

As previously discussed in earlier memoranda concerning meetings and Conventions, my goal was to emphasize the flexibility that we must embrace in order to ensure the business of the organization is carried out to the extent feasible. This guidance was sent in anticipation of restrictions of state and local governments on the number of people allowed to assemble at one location. For many such locations, those restrictions make achieving a traditional quorum at meetings and Conventions difficult, if not impossible. To the extent that our bylaws do not sufficiently address how we should proceed, I believe it is crucial to offer this guidance.

The guidance outlined in the Executive Order, keeping the current officers in place until such time that elections can be held without jeopardizing the health and well-being of members, may remain the best option.

But as you consider next steps, in keeping with the requirements of the bylaws, and to ensure adherence with all applicable laws, please understand that the flexibility previously emphasized means that you can, with some creativity and ingenuity, maintain the necessary quorum and adhere to applicable laws by utilizing available technology to achieve the goal of conducting the business of the organization.

Through technology, a quorum can be established. Delegates and other Members may attend such meetings by way of video-conference or tele-conference, provided any voting be counted from only those who are attending the meeting, in person or otherwise, while it is being conducted.

Through this guidance, it is my hope that you will use your best efforts to conduct the necessary meetings and Conventions. As you do so, it will be helpful to limit the business to the most critical items, such as election of officers and voting on resolutions.

In terms of voting, it will be necessary to develop a system that allows for the proper recording of all votes. For instance, if a vote is submitted by way of email, the subject line must correspond to the subject of the discussion. The time-stamp on the email must also be recorded to ensure that the vote is taken at the time the matter is being voted on.

There is an abundance of technology available that can assist in this regard. Available services include, but are in no way limited to, the following:

- [GoToMeeting](#)
- [RingCentral](#)
- [UberConference](#)
- [Zoom](#)
- [FreeConferenceCall.com](#)
- [Google Hangouts](#)
- [Vast Conference](#)
- [Webex](#)
- [BlueJeans](#)

We recognize that there is no single approach that can be utilized at every level of the organization. We just ask that you use your best efforts to meet the challenges of today's environment. Our collective mission is far too important to not move forward.



William "Doc" Schmitz  
Commander-in-Chief

## NATIONAL HEADQUARTERS

406 W. 34th Street  
Kansas City, MO 64111  
Office 816.756.3390  
Fax 816.968.1157

## WASHINGTON OFFICE

200 Maryland Ave., N.E.  
Washington, D.C. 20002  
Office 202.543.2239  
Fax 202.543.6719

info@vfw.org  
www.vfw.org



# Memorandum

To: Department Commanders, Adjutants, Quartermasters

From: Kevin Jones, Adjutant General

Date: 3/12/2020

Subject: Department Convention Requirements & COVID-19

In response to rising concerns over the coronavirus (COVID-19) and to mitigate its spread and contraction among our members, Departments are reminded of the minimum requirements for their required Conventions. Pursuant to Section 503 of the National Bylaws,

"Each Department shall hold one Convention each year... The minimum number of delegates required to constitute a quorum for the transaction of business at a Department Convention shall be **not less than one delegate each from ten Posts in the Department** unless the Department Bylaws may prescribe a different number of delegates required to constitute a quorum for the transaction of business."

(The Departments of Texas, Washington, West Virginia, and the Pacific Areas are directed to review their bylaws as they prescribe a different number than Section 503.)

All Departments should review their hotel contracts for a *force majeure* or "Act of God" clause which would allow Departments to modify, suspend, or terminate the contract due to circumstances beyond their control without penalty. This clause should also cover individual room cancellations for delegates and attendees.

We all must exercise calm and flexibility in the wake of this concern. Posts and Districts must still fulfill their duties and responsibilities to elect officers for the ensuing year prior to their respective Department Conventions, but all should be flexible in when and how those responsibilities are met.

At the end of the day, the VFW has a job to do and a solemn promise to keep to those veterans, service members, and their families for which we work. Now more than ever we must find solutions in the face of adversity and strive to meet the needs of those who rely on the vital services we provide.

## NATIONAL HEADQUARTERS

406 W. 34th Street  
Kansas City, MO 64111  
Office 816.756.3390  
Fax 816.968.1157

## WASHINGTON OFFICE

200 Maryland Ave., N.E.  
Washington, D.C. 20002  
Office 202.543.2239  
Fax 202.543.6719

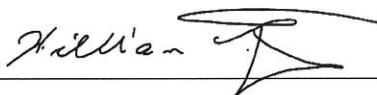
info@vfw.org  
www.vfw.org

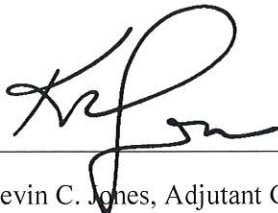



**Executive Order No. 1**

March 17, 2020

Pursuant to the authority under Section 618(a)(4), effective immediately and until rescinded, we ask that Posts, Districts and Departments, if possible and within the requirements of mandated State Declarations, make the attempt to elect officers. For such Posts, Districts or Departments that are not able to elect officers as a result of COVID-19, all current officers shall continue to function within their capabilities until new officers are elected. It is further stipulated that no Post, District or Department be sanctioned as result of the inability to properly function, as mandated by state or local government declarations, as a direct cause of COVID-19.

By order of:   
William "Doc" Schmitz, Commander-in-Chief  
Veterans of Foreign Wars of the United States

Official:   
Kevin C. Jones, Adjutant General  
Veterans of Foreign Wars of the United States



**NATIONAL HEADQUARTERS**

406 W. 34th Street  
Kansas City, MO 64111  
Office 816.756.3390  
Fax 816.968.1157

**WASHINGTON OFFICE**

200 Maryland Ave., N.E.  
Washington, D.C. 20002  
Office 202.543.2239  
Fax 202.543.6719

info@vfw.org  
www.vfw.org



## **The Small Business Owner's Guide to the CARES Act**

The programs and initiatives in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* that was just passed by Congress are intended to assist business owners with whatever needs they have right now. When implemented, there will be many new resources available for small businesses, as well as certain non-profits and other employers. This guide provides information about the major programs and initiatives that will soon be available from the Small Business Administration (SBA) to address these needs, as well as some additional tax provisions that are outside the scope of SBA.

To keep up to date on when these programs become available, please stay in contact with your local Small Business Administration (SBA) District Office, which you can locate [here](#).

**Struggling to get started?** The following questions might help point you in the right direction. Do you need:

- **Capital to cover the cost of retaining employees?** Then the [Paycheck Protection Program](#) might be right for you.
- **A quick infusion of a smaller amount of cash to cover you right now?** You might want to look into an [Emergency Economic Injury Grant](#).
- **To ease your fears about keeping up with payments on your current or potential SBA loan?** The [Small Business Debt Relief Program](#) could help.
- **Just some quality, free counseling to help you navigate this uncertain economic time?** The [resource partners](#) might be your best bet.

**Already know what resources you're looking for?** The table of contents can direct you to more information about the program or assistance product you need.

<b>Table of Contents</b>	
<a href="#">Paycheck Protection Program Loans</a>	2
<a href="#">Small Business Debt Relief Program</a>	6
<a href="#">Economic Injury Disaster Loans and Emergency Economic Injury Grants</a>	7
<a href="#">Small Business Counseling</a>	9
<a href="#">Small Business Contracting</a>	10
<a href="#">Small Business Tax Provisions</a>	11

## **Paycheck Protection Program (PPP) Loans**

The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. **Loans are available through June 30, 2020.**

### **FREQUENTLY ASKED QUESTIONS**

**QUESTION: What types of businesses and entities are eligible for a PPP loan?**

- Answer:
- Businesses and entities must have been in operation on February 15, 2020.
  - Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable [size standard](#) in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.
  - Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
  - Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.
  - Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

**QUESTION: What are affiliation rules?**

Answer: Affiliation rules become important when SBA is deciding whether a business's affiliations preclude them from being considered "small." Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Please see [this resource](#) for more on these rules and how they can impact your business's eligibility.

**QUESTION: What types of non-profits are eligible?**

Answer: In general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer as most non-profit SBA size standards are based on revenue, not employee number. You can check [here](#).

**QUESTION: How is the loan size determined?**

Answer: Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always **\$10 million**.

- **If you were in business February 15, 2019 – June 30, 2019:** Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.
- **If you were not in business between February 15, 2019 – June 30, 2019:** Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.
- **If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020** and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.

**QUESTION: What costs are eligible for payroll?**

- Answer:
- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
  - Payment for vacation, parental, family, medical, or sick leave
  - Allowance for dismissal or separation
  - Payment required for the provisions of group health care benefits, including insurance premiums
  - Payment of any retirement benefit
  - Payment of State or local tax assessed on the compensation of employees

**QUESTION: What costs are not eligible for payroll?**

- Answer:
- Employee/owner compensation over \$100,000
  - Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code
  - Compensation of employees whose principal place of residence is outside of the U.S.
  - Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the [\*Families First Coronavirus Response Act\*](#)

**QUESTION: What are allowable uses of loan proceeds?**

- Answer:
- Payroll costs (as noted above)
  - Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
  - Employee salaries, commissions, or similar compensations (see exclusions above)
  - Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
  - Rent (including rent under a lease agreement)
  - Utilities
  - Interest on any other debt obligations that were incurred before the covered period

<b>QUESTION: What are the loan term, interest rate, and fees?</b>
Answer: For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is 4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).
<b>QUESTION: How is the forgiveness amount calculated?</b>
Answer: Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000): <ul style="list-style-type: none"> <li>• Payroll costs <b>plus</b> any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) <b>plus</b> any payment on any covered rent obligation <b>plus</b> and any covered utility payment.</li> </ul>
<b>QUESTION: How do I get forgiveness on my PPP loan?</b>
Answer: You must apply through your lender for forgiveness on your loan. In this application, you must include: <ul style="list-style-type: none"> <li>• Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.</li> <li>• Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.</li> <li>• Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program’s guidelines for use.</li> </ul>
<b>QUESTION: What happens after the forgiveness period?</b>
Answer: Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.
<b>QUESTION: Can I get more than one PPP loan?</b>
Answer: No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.
<b>QUESTION: Where should I go to get a PPP loan from?</b>
Answer: All current SBA 7(a) lenders (see more about <a href="#">7(a) here</a> ) are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including non-bank lenders, to help meet the needs of small business owners.

**QUESTION: How does the PPP loan coordinate with SBA's existing loans?**

Answer: Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from [Small Business Investment Corporations](#) (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.

**QUESTION: How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program?**

Answer: [Emergency Economic Injury Grant](#) and Economic Injury Disaster Loan (EIDL) recipients and those who receive loan payment relief through the [Small Business Debt Relief Program](#) may apply for and take out a PPP loan as long as there is no duplication in the uses of funds. Refer to those sections for more information.



## Small Business Debt Relief Program

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

FREQUENTLY ASKED QUESTIONS	
<b>QUESTION:</b>	<b>Which SBA loans are eligible for debt relief under this program?</b>
Answer:	7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible (see <a href="#">p. 7</a> for more information on these).
<b>QUESTION:</b>	<b>How does debt relief under this program work with a PPP loan?</b>
Answer:	Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.
<b>QUESTION:</b>	<b>How do I know if I'm eligible for a 7(a), 504, or microloan?</b>
Answer:	In general, businesses must meet <a href="#">size standards</a> , be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business's 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see <a href="https://www.sba.gov/funding-programs/loans">https://www.sba.gov/funding-programs/loans</a> for more details.
<b>QUESTION:</b>	<b>What is a 7(a) loan and how do I apply?</b>
Answer:	7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit <a href="#">this site</a> to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called <a href="#">Lender Match</a> to help find a lender near you.
<b>QUESTION:</b>	<b>What is a 504 loan and how do I apply?</b>
Answer:	The <a href="#">504 Loan Program</a> provides loans of up to \$5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called <a href="#">Lender Match</a> to help find a lender near you.
<b>QUESTION:</b>	<b>What is a microloan and how do I apply?</b>
Answer:	The <a href="#">Microloan Program</a> provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called <a href="#">Lender Match</a> to help find a microlender near you.
<b>QUESTION:</b>	<b>I am unfamiliar with SBA loans, can anyone help me apply?</b>
Answer:	Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center <a href="#">here</a> .

## Economic Injury Disaster Loans & Emergency Economic Injury Grants

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance**, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

FREQUENTLY ASKED QUESTIONS	
<b>QUESTION:</b>	<b>Are businesses and private non-profits in my state eligible for an EIDL related to COVID-19?</b>
Answer:	Yes, those suffering substantial economic injury in all 50 states, DC, and the territories may apply for an EIDL.
<b>QUESTION:</b>	<b>What is an EIDL and what is it used for?</b>
Answer:	EIDLs are lower interest loans of up to \$2 million, with principal and interest deferment at the Administrator’s discretion, that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.
<b>QUESTION:</b>	<b>Who is eligible for an EIDL?</b>
Answer:	Those eligible are the following with 500 or fewer employees: <ul style="list-style-type: none"> <li>• Sole proprietorships, with or without employees</li> <li>• Independent contractors</li> <li>• Cooperatives and employee owned businesses</li> <li>• Tribal small businesses</li> </ul> <p>Small business concerns and small agricultural cooperatives that meet the applicable size standard for SBA are also eligible, as well as most private non-profits of <b>any</b> size. See <a href="#">below</a> for more info on size standards.</p>
<b>QUESTION:</b>	<b>My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?</b>
Answer:	Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, <u>or</u> if you can provide satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law. However, a recipient that is principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities is not eligible to receive an EIDL. If you are uncertain whether you qualify, please consult with legal counsel to determine whether your organization meets program criteria.
<b>QUESTION:</b>	<b>Who is eligible for an Emergency Economic Injury Grant?</b>
Answer	Those eligible for an EIDL and who have been in operation since <b>January 31, 2020</b> , when the public health crisis was announced.

<b>QUESTION:</b>	<b>How long are Emergency Economic Injury Grants available?</b>
Answer:	<b>January 31, 2020 – December 31, 2020.</b> The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant.
<b>QUESTION:</b>	<b>If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan?</b>
Answer:	Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP. However, you cannot use your EIDL for the same purpose as your PPP loan. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April.
<b>QUESTION:</b>	<b>How do I know if my business is a small business?</b>
Answer:	Please visit <a href="https://www.sba.gov/size-standards/">https://www.sba.gov/size-standards/</a> to find out if your business meets SBA's small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business's 3-year average annual revenue.
<b>QUESTION:</b>	<b>How do I apply for an economic injury disaster loan?</b>
Answer:	To apply for an EIDL online, please visit <a href="https://disasterloan.sba.gov/ela/">https://disasterloan.sba.gov/ela/</a> . Your <a href="#">SBA District Office</a> is an important resource when applying for SBA assistance.
<b>QUESTION:</b>	<b>I am unfamiliar with the EIDL process, can anyone help me apply?</b>
Answer:	Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women's Business Center, or SCORE mentorship chapter at <a href="https://www.sba.gov/local-assistance/find/">https://www.sba.gov/local-assistance/find/</a> .

## Counseling & Training

If you, like many small business owners, need a business counselor to help guide you through this uncertain time, you can turn to your local Small Business Development Center (SBDC), Women’s Business Center (WBC), or SCORE mentorship chapter. These resource partners, and the associations that represent them, will receive additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19. There will soon be a joint platform that consolidates information and resources related to COVID-19 in order to provide consistent, timely information to small businesses. To find a local resource partner, visit <https://www.sba.gov/local-assistance/find/>.

In addition, the Minority Business Development Agency’s Business Centers (MBDCs), which cater to minority business enterprises of all sizes, will also receive funding to hire staff and provide programming to help their clients respond to COVID-19. Not every state has a MBDC. To find out if there is one that services your area, visit [this site](#).

### FREQUENTLY ASKED QUESTIONS

**QUESTION: Do I have to pay for counseling and training through SBDCs, WBCs, and MBDCs?**

Answer: Counseling is free and training is low-cost with these partners. The additional funds that Congress provided will help keep this possible. Mentorship through SCORE is always free.

**QUESTION: What is a SBDC?**

Answer: SBDCs are a national network of nearly 1,000 centers that are located at leading universities, colleges, state economic development agencies and private partners. They provide counseling and training to new and existing businesses. Each state has a lead center that coordinates services specifically for that state, which you can find by clicking the link above. To find out more about SBDCs, visit <https://americassbdc.org/about-us/>.

**QUESTION: What is a WBC; is it only for women?**

Answer: WBCs are a national network of more than 100 centers that offer one-on-one counseling, training, networking, workshops, technical assistance and mentoring to entrepreneurs on numerous business development topics. In addition to women, WBCs are mandated to serve the needs of underserved entrepreneurs, including low-income entrepreneurs. They often offer flexible hours to meet the needs of their diverse clientele. To find out more about WBCs, visit <https://www.awbc.org/>.

**QUESTION: What is SCORE?**

Answer: SCORE provides free, confidential business advice through our volunteer network of 10,000+ business experts. You can meet with a mentor online. Find out more [here](#).

**QUESTION: Who do MBDCs serve?**

Answer: MBDCs are a good option for minority-owned businesses (including those owned by Black, Hispanic, Asian American/Pacific Islander, and American Indian business owners), especially those seeking to penetrate new markets — domestic & global — and grow in size and scale.

## **Contracting**

If you are a government contractor, there are a number of ways that Congress has provided relief and protection for your business. Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave. The contractors eligible are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.

If you need additional assistance, please reach out to your [local](#) Small Business Development Center, Women's Business Center, SCORE chapter, or SBA District Office. You should also work with your agency's contracting officer, as well as the agency's Office of Small and Disadvantaged Business Utilization (OSDBU).

## **Small Business Tax Provisions**

### **Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship**

This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.

Wages of employees who are furloughed or face reduced hours as a result of their employer's closure or economic hardship are eligible for the credit. For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation, including health benefits, and is provided for the first \$10,000 in wages and compensation paid by the employer to an eligible employee. Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S).

- **The credit is not available to employers receiving assistance through the [Paycheck Protection Program](#). The credit is provided through December 31, 2020.**

### **Delay of Payment of Employer Payroll Taxes**

This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability.

- **Deferral is not provided to employers receiving assistance through the [Paycheck Protection Program](#).**

# SMALL BUSINESS PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities.

## Fully Forgiven

Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

## Must Keep Employees on the Payroll—or Rehire Quickly

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

## All Small Businesses Eligible

Small businesses with 500 or fewer employees—including nonprofits, veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.

## When to Apply

Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply. We encourage you to apply as quickly as you can because there is a funding cap.

## How to Apply

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. All loans will have the same terms regardless of lender or borrower. A list of participating lenders as well as additional information and full terms can be found at [www.sba.gov](http://www.sba.gov).

**The Paycheck Protection Program is implemented by the Small Business Administration with support from the Department of the Treasury. Lenders should also visit [www.sba.gov](http://www.sba.gov) or [www.coronavirus.gov](http://www.coronavirus.gov) for more information.**



## Paycheck Protection Program Application Form

OMB Control No.: 3245-  
Expiration Date: 06/30/2020

Non-Profit <input type="checkbox"/> Vet Org <input type="checkbox"/> Tribal <input type="checkbox"/> Ind. Cont. <input type="checkbox"/> Self Employed <input type="checkbox"/>		<b>DBA or Tradename if applicable</b>	
<b>Business Legal Name</b>			
<b>Business Primary Address</b>		<b>Business TIN (EIN,SSN)</b>	<b>Business Phone</b>
			( ) -
		<b>Primary Contact</b>	<b>Email Address</b>

Average Monthly Payroll:	\$	X 2.5 equals Loan Amount:	\$	Number of Jobs:	
Purpose of the loan (select more than one):					
<input type="checkbox"/> Payroll <input type="checkbox"/> Rent / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____					

### Applicant Ownership

List all owners of Applicant with greater than 20% ownership stakes. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN,SSN)	Address

*If questions (1) or (2) below are answered "Yes," the loan will not be approved.*

Question	Yes	No
1. Is the Business or any owner presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Business, any of its owners, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Business or any owner an owner of any other business or have common management with any other business? If yes, attach a listing of all Affiliates and describe the relationship as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the Business received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input type="checkbox"/>

*Applicants who are individuals and all 20% or greater owners of the business must answer the following questions. If questions (5) or (6) are answered "Yes" or question (7) is answered "No", the loan will not be approved.*

Question	Yes	No
5. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, on probation or parole?	<input type="checkbox"/>	<input type="checkbox"/>
Initial here to confirm your response to question 5 → _____		
6. Within the last 7 years, for any felony or misdemeanor for a crime against a minor, have you: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)?	<input type="checkbox"/>	<input type="checkbox"/>
Initial here to confirm your response to question 6 → _____		
7. <input type="checkbox"/> I am a U.S. Citizen <u>OR</u> <input type="checkbox"/> I have Lawful Permanent Resident status <input type="checkbox"/> No		
Initial here to confirm your response to question 7 → _____		





# Paycheck Protection Program Application Form

OMB Control No.: 3245-  
Expiration Date: 06/30/2020

**By Signing Below, You Make the Following Representations, Authorizations, and Certifications**

**REPRESENTATIONS AND AUTHORIZATIONS**

I represent that:

- I have read the Statements Required by Law and Executive Order included in this form, and I understand them.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business related purposes as specified in the loan application.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals and all Associates: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

**CERTIFICATIONS**

The Business and each 20% or greater owner must certify in good faith to all of the below by **initialing** next to each one:

- \_\_\_\_\_ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- \_\_\_\_\_ The funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments; I understand that if the funds are used for unauthorized purposes, the federal government may pursue criminal fraud charges.
- \_\_\_\_\_ Documentation verifying the number of full-time equivalent employees on payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight week period following this loan will be provided to the lender.
- \_\_\_\_\_ Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than twenty-five percent (25%) of the forgiven amount may be for non-payroll costs.
- \_\_\_\_\_ During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under this program.
- \_\_\_\_\_ I further certify that the information provided in this application and the information that I have provided in all supporting documents and forms is true and accurate. I realize that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- \_\_\_\_\_ I acknowledge that the lender will calculate the eligible loan amount using tax documents I have submitted. I affirm that these tax documents are identical to those I submitted to the IRS. I also understand, acknowledge and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

\_\_\_\_\_  
Signature of Authorized Representative of Business

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Owner of Applicant Business

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title



## Paycheck Protection Program Application Form

OMB Control No.: 3245-

Expiration Date: 06/30/2020

### **Purpose of this form:**

This form is to be completed by the Applicant and all individuals identified below and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

### **Instructions for completing this form:**

For purposes of calculating "Average Monthly Payroll", most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

The first section and questions 1-4 request information about the Business. Questions 5-7 are to be completed, signed and dated by each applicant who is an Individual as well as each 20% or greater owner of an Applicant Business. All parties listed below are considered owners of the Applicant Business as defined in 13 CFR § 120.10, as well as "principals."

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

**Paperwork Reduction Act** – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

**Privacy Act (5 U.S.C. 552a)** – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below). Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

**Disclosure of Information:** Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

**Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles)** – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

**Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)** – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guaranty, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.



## Paycheck Protection Program Application Form

OMB Control No.: 3245-

Expiration Date: 06/30/2020

**Freedom of Information Act (5 U.S.C. 552)** – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

**Occupational Safety and Health Act (15 U.S.C. 651 et seq.)** – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

**Civil Rights(13 C.F.R. 112, 113, 117)** – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

**Equal Credit Opportunity Act (15 U.S.C. 1691)** – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

**Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700)** – By submitting this loan application, you certify that neither you nor any Associates have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.

## **PAYCHECK PROTECTION PROGRAM (PPP) INFORMATION SHEET: BORROWERS**

The Paycheck Protection Program (“PPP”) authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. *All loan terms will be the same for everyone.*

The loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and
- Employee and compensation levels are maintained.

Payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

Loan payments will be deferred for 6 months.

### **When can I apply?**

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

**Where can I apply?** You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. Visit [www.sba.gov](http://www.sba.gov) for a list of SBA lenders.

**Who can apply?** All businesses – including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries (click [HERE](#) for additional detail).

For this program, the SBA’s affiliation standards are waived for small businesses (1) in the hotel and food services industries (click [HERE](#) for NAICS code 72 to confirm); or (2) that are franchises in the SBA’s Franchise Directory (click [HERE](#) to check); or (3) that receive financial assistance from small business investment companies licensed by the SBA. Additional guidance may be released as appropriate.

**What do I need to apply?** You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. Click [HERE](#) for the application.

**What other documents will I need to include in my application?** You will need to provide your lender with payroll documentation.

**Do I need to first look for other funds before applying to this program?** No. We are waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources (i.e., we are waiving the Credit Elsewhere requirement).

**How long will this program last?** Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan.

**How many loans can I take out under this program?** Only one.

**What can I use these loans for?** You should use the proceeds from these loans on your:

- Payroll costs, including benefits;
- Interest on mortgage obligations, incurred before February 15, 2020;
- Rent, under lease agreements in force before February 15, 2020; and
- Utilities, for which service began before February 15, 2020.

**What counts as payroll costs?** Payroll costs include:

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- State and local taxes assessed on compensation; and
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.

**How large can my loan be?** Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.

**How much of my loan will be forgiven?** You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

You will also owe money if you do not maintain your staff and payroll.

- Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
- Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
- Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

**How can I request loan forgiveness?** You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness within 60 days.

**What is my interest rate?** 0.50% fixed rate.

**When do I need to start paying interest on my loan?** All payments are deferred for 6 months; however, interest will continue to accrue over this period.

**When is my loan due?** In 2 years.

**Can I pay my loan earlier than 2 years?** Yes. There are no prepayment penalties or fees.

**Do I need to pledge any collateral for these loans?** No. No collateral is required.

**Do I need to personally guarantee this loan?** No. There is no personal guarantee requirement. \*\*\*However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue criminal charges against you.\*\*\*

**What do I need to certify?** As part of your application, you need to certify in good faith that:

- Current economic uncertainty makes the loan necessary to support your ongoing operations.
- The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
- You have not and will not receive another loan under this program.
- You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
- Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.

- You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS. And you also understand, acknowledge, and agree that the lender can share the tax information with the SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

# PAYCHECK PROTECTION PROGRAM (PPP) INFORMATION SHEET

## LENDERS

**Who is eligible to lend?** All existing SBA-certified lenders will be given delegated authority to speedily process PPP loans.

All federally insured depository institutions, federally insured credit unions, and Farm Credit System institutions are eligible to participate in this program.

A broad set of additional lenders can begin making loans as soon as they are approved and enrolled in the program. New lenders will need to submit their application to [DelegatedAuthority@sba.gov](mailto:DelegatedAuthority@sba.gov) to apply with the SBA.

**Are these loans guaranteed by the SBA?** Yes, the SBA guarantees 100% of the outstanding balance, and that guarantee is backed by the full faith and credit of the United States.

**Are there guarantee fees?** The SBA waives all SBA guaranty fees, including the upfront and annual servicing fees.

**What underwriting is required?** You will need to verify that a borrower was in operation on February 15, 2020. You will need to verify that a borrower had employees for whom the borrower paid salaries and payroll taxes. You will need to verify the dollar amount of average monthly payroll costs. You will need to follow applicable Bank Secrecy Act requirements.

**How will lenders be compensated?** Processing fees will be based on the balance of the financing outstanding at the time of final disbursement:

- Loans \$350,000 and under: 5.00%
- Loans greater than \$350,000 to \$2 million: 3.00%
- Loans greater than \$2 million: 1.00%

Lenders may not collect any fees from the applicant.

**Who can be an agent?** An agent is an authorized representative and can be:

- An attorney;
- An accountant;
- A consultant;
- Someone who prepares an applicant's application for financial assistance and is employed and compensated by the applicant;
- Someone who assists a lender with originating, disbursing, servicing, liquidating, or litigating SBA loans;
- A loan broker; or
- Any other individual or entity representing an applicant by conducting business with the SBA.

**How will agents be compensated?** Agent fees will be paid out of lender fees. The lender will pay the agent. Agents may not collect any fees from the applicant.



- Loans \$350,000 and under: 1.00%
- Loans greater than \$350,000 to \$2 million: 0.50%
- Loans greater than \$2 million: 0.25%

**Can these loans be sold in the secondary market?** PPP loans can be sold in the secondary market. The SBA will not collect any fee for any guarantee sold into the secondary market.



March 17, 2020

Department Commanders,

In our March 12, 2020 memo concerning Department Conventions, we asked that you must exercise calm and flexibility in the wake of this concern. We asked that Posts and Districts must still fulfill their duties and responsibilities to elect officers for the ensuing year prior to their respective Department Conventions, but all should be flexible in when and how those responsibilities are met.

As indicated in the attached Executive Order No.1, dated March 17, 2020 from the Commander-in-Chief, this flexibility would be to allow Posts and Districts to use all necessary means to meet the quorum requirements of the bylaws to elect officers prior to your Department Conventions. We know that there will be areas that will be hit harder than some and as result will not be able to elect officers. This is where we ask that you also exercise flexibility and not take punitive action for those that are not able to conduct their business prior to your Department Convention as a direct result of COVID-19. This CinC directive also provides the necessary guidance to keep officers in place until such time they're able to elect new officers.

It is also our recommendation that prior to meetings or elections, at all levels, efforts should be made to contact your members to inform them of their options so they are still able to be involved if they are not comfortable being around crowds during this time.

Further, if you haven't done so already, we urge you to begin working on a contingency plan immediately for your upcoming events. When contemplating your contingency plans, each Department must be cognizant of any state and local government declarations/executive orders currently in place. Many states have issued State of Emergency procedures that ban any gatherings of greater than 50 people, and the closing of bars and restaurants. These restrictions do apply to our VFW Posts and these prohibitions must be followed where applicable.

For those Posts that may be adversely affected financially by such closures, such Posts should see if they have any insurance policy, such as Business Interruption Insurance, in effect. Posts should consult with their respective insurance provider for questions. Additionally, the U.S. Small Business Administration may provide some relief. The SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate for non-profits is 2.75%. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay. For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

Additionally, you need to immediately reach out to any hotels hosting your events and talk with them about the possibilities of cancelling and what those ramifications will be. Please utilize your contacts from other Departments as well. Several have instituted plans that could possibility work for your Department.

As America's largest organization of combat veterans, the health and well-being of our members, partners, associates and communities is our top priority. The VFW has a job to do and a solemn promise to keep to those veterans, service members, and their families for which we work. Now more than ever we must find solutions in the face of adversity and strive to meet the needs of those who rely on the vital services we provide.

Additionally, we will continue to closely monitor developments for any needed modifications to our national meetings and events.

Please do not hesitate to call the National Organization if you have any questions.

## NATIONAL HEADQUARTERS

406 W. 34th Street  
Kansas City, MO 64111

Office 816.756.3390  
Fax 816.968.1157

## WASHINGTON OFFICE

200 Maryland Ave., N.E.  
Washington, D.C. 20002

Office 202.543.2239  
Fax 202.543.6719

[info@vfw.org](mailto:info@vfw.org)  
[www.vfw.org](http://www.vfw.org)



## Disaster Unemployment Assistance

Disaster Unemployment Assistance (DUA) provides weekly benefits to individuals who are unemployed as a direct result of a disaster as declared by the president of the United States, but who are ineligible for regular unemployment benefits. The DUA benefits may be paid throughout the disaster assistance period, as long as the individual's unemployment is a direct result of the disaster. The disaster assistance period is generally 26 weeks, beginning with the first full week after the disaster began.

Although DUA benefits are similar to regular unemployment benefits, it is a distinct and separate program. The purpose of the program is to provide temporary assistance to workers and their families during difficult times and to maintain their purchasing power in their communities. DUA funds are made available through the Federal Emergency Management Agency (FEMA) and are administered by states under the guidance of the U.S. Department of Labor's Employment and Training Administration. Reemployment services may be provided by local OhioMeansJobs centers.

### Who is eligible for DUA?

Workers who are totally or partially unemployed as a direct result of a declared disaster and who are not eligible for regular UC benefits may be eligible for DUA. This can include self-employed workers, farmers and farm owners, those who lack sufficient weeks and wages in covered employment to be eligible for UC, and those with jobs that are not in covered employment, such as churches. Employment is considered "covered" if it was subject to unemployment insurance and if the employer was determined liable for worker coverage.

Participants also may include individuals who are prevented from beginning employment or self-employment due to the disaster. This includes individuals who live in the disaster area but who are unable to reach their place of employment outside the disaster area, as well as those who must travel through a disaster area to their place of employment but are unable to do so as a direct result of the disaster.

### How can DUA funds be used?

DUA is a cash benefit that recipients may use for any purpose.

### Where can I get more information?

Email [Interstate\\_Federal\\_Claim@jfs.ohio.gov](mailto:Interstate_Federal_Claim@jfs.ohio.gov) or call (866) 458-0007, option 2.

Today I spoke with Ohio State Representative Mark Romanchuk to see if Governor DeWine has asked the federal government to implement the DUA Program. Representative Romanchuk confirmed he has and has been approved. But Ohio Unemployment software is not presently able to process DUA claims. That issue is being resolved but may take a couple of weeks to implement. If you went online to apply for unemployment benefits and have been denied because you did not average \$269.00 weekly, **"continue to go online every week and report your unemployment, Ohio will probably go back to your initial week you applied for benefits and retro pay you for those weeks reported"**