

**CARES Program Summary  
BID Systems Inc. / Scott Palmer  
949-675-2337**

**This is a summary of what we have learned about the specifics of the CARES act. It is not comprehensive and does not include any policy decisions made by the federal government and participating banks. These summaries are for companies with payroll under 100 employees. Please contact us if you find any contradictory information so we may continue our resourcing. We take no responsibility for information presented nor for policy interpretation by agencies that may be forthcoming.**

**Families First Corona Virus Response Act**

- Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern.
- 80 hours paid sick leave at regular rate of pay, or the applicable state or Federal minimum wage, paid at up to \$511 daily and \$5,110 total; a part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period
- Employees who have been employed for at least 30 days prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for child care if child's regular school or care is closed due to quarantine.
- Several authentication and proofs required from employees. See addenda 2
- This policy is not finalized. More guidance is expected.

**Payroll Protection Program**

- Summary – government will pay for company payroll for the next 2.5 months – good for most small businesses**
- Cannot apply for Sect 2103 Credit -/ either or
- Application open 4/3/2020 through SBA 7(a) category lenders (see addenda 1)
- Open to for profit businesses, 501 (c) 3 organizations with under 500 employees.
- Lenders MAY NOT require personal guaranties or collateral.
- Maximum Loan is 2.5 times one monthly payroll cost.
- Loan forgiveness: 8 weeks after date of loan origination, tax free.
- Independent contractors and 1099s do not count toward your payroll – they must file for their own PPP

**Conditions of Good Faith**

- The uncertainty of current economic conditions makes the loan request necessary to support ongoing operations
- The borrower will use the loan proceeds to retain workers and maintain payroll or make mortgage, lease, and utility payments
- From Feb. 15, 2020 to Dec. 31, 2020, the borrower has not received a loan duplicative of the purpose and amounts applied for here

Reduction in loan forgiveness

Reduction in number of FTE

Reduction in more than 25% of wages of persons paid less than \$100k  
FTE or wages restored by 6/30/2020 will count to forgiveness

Application Form

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

### **Employee Retention Credit Section 2301**

**-Summary – Government will waive all FICA payroll tax to be paid for employers with low age / high employee count companies**

-Cannot apply for PPP / either or

-limited to the 50% of the first \$10,000 on qualified wages per employee for all calendar quarters: i.e \$5,000 maximum available per employee

-Wages paid after March 12, 2020, and before Jan. 1, 2021, are eligible for the credit.

-Wages are cash payments and a portion of the cost of employer provided health care.

-Gross Receipts of company is below 50% of comparable Quarter in 2019

-Wages based on average number of employees in 2019

-Wages paid to all employees

-Claimed on 941 form / through your payroll company

-Full time employees only – 30 hours of work per week.

### **EIDL (Economic Injury Disaster Loan**

Identify participating Lenders (see addenda 1)

-Eligible businesses must be in a federally declared disaster area and be able to prove economic injury /shortfall in revenue, beginning in February or March.

-Initial \$10,00 payment to bank account within 3 days of loan acceptance not approval

-Up to \$2 million in assistance to eligible businesses to pay fixed debts, payroll, accounts payable, and other bills that can't be paid because of the coronavirus' impact.

-The interest rate on this loan is 3.75% for businesses without credit available elsewhere.

-Lender will ask for form 4506 Release of Tax returns

-Apply Through SBA Website

<https://covid19relief.sba.gov/#/>

### **Recovery Rebates for Individuals**

-\$1,200 per individual with \$500 per each dependent child

-Payments are based on 2019 tax return filed, or the 2018 return if 2019 has not yet been filed.

-The payments are based on AGI of \$75,000 Single filer or less (\$150,000 for MFJ), \$112,500 for head of household).

- Rebate reduced for AGI over \$75,000 (\$150,000 for MFJ) will have their

-AGI reaches \$99,000 (\$198,000 MFJ, \$146,500 HOH), No Rebate

### **Other Items to discuss with your Accountant**

-Net Operating Loss Carrybacks Permitted for Losses Generated in 2018, 2019, and 2020

- Payment of Employer Payroll Taxes Deferred
- Section 163(j) interest deduction limitation Increased for 2019 and 2020
  
- Qualified Improvement Property bonus depreciation
- Accelerated Recovery of Alternative Minimum Tax Credits for Corporations
- Increased Limitation on Charitable Contributions for 2020
- Excess Business Loss Rule Suspended Through 2020
- Any hand sanitizer produced between December 31, 2019, and January 1, 2021, by distillers related to COVID-19 is exempt from excise tax
- Exemption from treating as cancellation of indebtedness (COD) income forgiveness from certain qualifying loans made and guaranteed under the Small Business Act (SBA)
- Advance credits for paid sick leave, a modification to HR 6201

## Addenda 1

### List of Top SBA 7(b) lenders

Live Oak Banking Company	BBVA USA	Seacoast National Bank
Newtek Small Business Finance, Inc.	Commonwealth Business Bank	PNC Bank, National Association
Wells Fargo Bank, National Association	Bank of George	Mountain Pacific Bank
Byline Bank	Citizens Bank, National Association	United Business Bank
The Huntington National Bank	Zions Bank, A Division of	Stone Bank
Celtic Bank Corporation	Open Bank	BankUnited, National Association
JPMorgan Chase Bank, National Association	Midwest Regional Bank	Embassy National Bank
U.S. Bank, National Association	VelocitySBA, LLC	East West Bank
KeyBank National Association	IncredibleBank	Fifth Third Bank
ReadyCap Lending, LLC	Harvest Small Business Finance, LLC	Ameris Bank
First Home Bank	Metro City Bank	Northwest Bank
Truist Bank d/b/a Branch Banking & Trust Co	First Savings Bank	Fulton Bank, National Association
Bank of Hope	Hana Small Business Lending, Inc.	Peapack-Gladstone Bank
Seacoast Commerce Bank	Comerica Bank	America First FCU
Stearns Bank National Association	Fountainhead SBF LLC	First Chatham Bank
Citizens Bank	NewBank	Poppy Bank
TD Bank, National Association	Regions Bank	First General Bank
Bank of the West	First Financial Bank	Patriot Bank, National Association
Manufacturers and Traders Trust Company	Independent Bank	Synovus Bank
Bank of America, National Association	Cathay Bank	Royal Business Bank
Berkshire Bank	US Metro Bank	Republic First Bank d/b/a Republic Bank
MUFG Union Bank, National Association	First Horizon Bank	Sunflower Bank, National Association
Umpqua Bank	First National Bank of Pennsylvania	Quantum National Bank
United Community Bank	Capital One, National Association	UniBank
PromiseOne Bank	The MINT National Bank	First Commonwealth Bank
Pacific City Bank	Shinhan Bank America	21st Century Bank
United Midwest Savings Bank, National Association	Atlantic Capital Bank, National Association	Centerstone SBA Lending, Inc.
Pinnacle Bank	Wallis Bank	Falcon National Bank
CenterState Bank, National Association	West Town Bank & Trust	First Western SBLC, Inc
Pacific Western Bank	Customers Bank	FinWise Bank
First Bank	TCF National Bank	
Hanmi Bank	First-Citizens Bank & Trust Company	
First IC Bank	Peoples Bank	
Cadence Bank, National Association	HomeTrust Bank	
Five Star Bank	Frost Bank	

Addenda 2

**REQUEST FOR EMERGENCY PAID SICK LEAVE AND/OR FAMILY LEAVE UNDER  
THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT  
April 1, 2020 – December 31, 2020**

Name: \_\_\_\_\_ Today's date: \_\_\_/\_\_\_/\_\_\_ Hire Date: \_\_\_/\_\_\_/\_\_\_

Position: \_\_\_\_\_ Status:  Full Time  Part Time \_\_\_ hrs/wk  On Call

Requested Start Date of Leave: \_\_\_/\_\_\_/\_\_\_

Leave End Date (if known; no later than December 31, 2020): : \_\_\_/\_\_\_/\_\_\_

**REQUEST FOR PAID SICK LEAVE**

I certify that I am unable to work or telework and am requesting up to two weeks of paid sick leave for the following purpose(s)  
(identify reason(s)):

- I have been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
  - Name of health care provider: \_\_\_\_\_ (provide copy of directive)
- I am experiencing symptoms of COVID-19 and am seeking a medical diagnosis.
- I am subject to a Federal, State or local quarantine or isolation order related to COVID-19.
  - Name of authority issuing order: \_\_\_\_\_ (provide copy of directive)
- I am caring for an individual who (i) is subject to a Federal, State or local quarantine or isolation order related to COVID-19; or (ii) has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
  - Name of individual: \_\_\_\_\_
  - Relationship: \_\_\_\_\_
  - Name of provider/governmental authority \_\_\_\_\_ (provide copy of directive)
- I am caring for a son or daughter whose school or place of care has been closed, or whose child-care provider is unavailable, due to COVID-19 precautions. I certify that no other person will be providing care for the child(ren) during the period for which I am receiving paid sick leave:

- Name(s) and age(s) of child(ren):
  - Name of school/care facility/care provider:
  - If I am requesting leave to care for a child older than fourteen during daylight hours, the following special circumstances exist:
- 

I am experiencing other qualifying conditions specified by the HHS Secretary, Secretary of the Treasury and Secretary of Labor.

I understand that:

- Unless excused by my employer, I am required to provide documentation substantiating my need for leave, and that my leave could be delayed or denied if I fail to provide such documentation.
- The number of paid sick leave hours I am eligible to use will be based on my regular work schedule over a two-week period, and will not exceed 80 hours of paid leave.
- Unless special arrangements have been made with my employer, I may not take paid sick leave intermittently.
- If my employer closes or I am furloughed or laid off while I am using paid sick leave, my right to additional paid sick leave will terminate.
- My employer will notify me if I also qualify for protected sick child leave under the (Respective State Leave Act).

#### **REQUEST FOR PAID FAMILY LEAVE**

I certify that I am unable to work or telework due to a need for leave to care for my son or daughter because my child's school or place of care has been closed, or my child's care provider is unavailable, due to a public health emergency. I certify that no other person will be providing care for the child(ren) during the period for which I am receiving family leave. (Complete the following if different than above):

- Name(s) and age(s) of child(ren):
  - Name of school/care facility/care provider:
  - If I am requesting leave to care for a child older than fourteen during daylight hours, the following special circumstances exist:
- 

I understand that:

- Unless excused by my employer, I am required to provide documentation substantiating my need for leave, and that my leave could be delayed or denied if I fail to provide such documentation.
- The first two weeks of leave will be unpaid. However, I may elect to use paid sick leave under the Families First Coronavirus Response Act or my employer's policies during that two-week period.
- Unless special arrangements have been made with my employer, I may not take family leave intermittently.
- If my employer closes or I am furloughed or laid off while I am using family leave, my right to additional family leave will terminate.
- I may also qualify for protected leave under the (Respective State Leave Act.).

#### **USE OF OTHER PAID LEAVE**

If I am eligible to use other available paid leave under my employer's paid leave policies or other laws for any of the above purposes, I hereby elect to use paid leave under the Families First Coronavirus Response Act  before  after I use my accrued leave under those policies.

**[OPTIONAL]** If my paid leave entitlement is less than my regular rate of pay, I  want  do not want to supplement my partial pay with other available paid time off benefits provided by my employer, up to my regular rate of pay.

---

**I UNDERSTAND AND AGREE TO THE FOLLOWING PROVISIONS**

My leave is part of my entitlement under state and/or federal law, depending on eligibility. Any leave I take, if approved, will reduce that entitlement. I understand that my employer will be responsible for maintaining my medical insurance during leave, but I remain responsible for my portion of any premiums due. I also understand that if I fail to return to work after the leave, I may be financially responsible for any medical insurance premiums my employer may have paid while I was on leave. If I do not return to work by the expected return date, or if I am unable to return by that date and fail to timely notify the Company in accordance with its call-in and absence policies, I will be deemed to have abandoned my job. I also understand that my employer may require me to report my status and anticipated return date on a periodic basis. If I fail to do so, I may be subject to discipline, up to and including termination. If leave is for my own serious health condition or that of a family member, I may be required to supply a physician's certification or my leave may be delayed or denied.

Employee Signature: \_\_\_\_\_ Date: \_\_/\_\_/\_\_