

Federal Stimulus Navigation for Child Care Providers

February 2, 2021
1:00 pm



Welcome



Thank you for joining today's webinar. The meeting will start momentarily. A few reminders while you wait:

- Participants will be muted during the session
- We encourage you to type your questions in the question box
- Webinar recording and slides will be shared by email with all registrants following the event

Agenda

Topic	Speaker
Welcome & Introductions	Kathy Glazer, VECF President
Review of Resource/Navigator	Gary Romano, Civitas Strategies
Q&A	
Virginia Resources: SBDC and Lenders	Mike Austin, Hampton Roads Small Business Development Center
Q&A	
Adjourn	

Gary Romano

Review of Resource/Navigator





Navigating Federal Funding



Disclaimer

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Today's Session

- 1 | Review where we are on the new federal funding
- 2 | Six questions to ask for eligibility
- 3 | How to get help

Three Things

Before
we start





**This can be
overwhelming**

But you can do it!

You run a small business - this
funding is for you





There
is help!

As of January 2021

- 1 The new stimulus was signed on December 27, 2020
- 2 Includes new funding, but also key changes to existing programs
- 3 Guidance is still coming - this is what we know now



Stimulus Navigator

- 1 Did you have a PPP?
First Draw PPP
- 2 Did you have a quarter to quarter decrease in revenue of -25% or greater?
Second Draw PPP
- 3 Did you have a quarter to quarter drop in revenue of -50% or greater or an ordered closure?
Employee Retention Tax Credit 2020
- 4 Did you have a quarter to quarter decrease in revenue of -20% or greater in Q4 2020?
Employee Retention Tax Credit 2021
- 5 Is your enterprise in a low-income community?
Targeted EIDL Advance
- 6 Did your team need time off for COVID or remote school?
Families First Coronavirus Act Leave

You can qualify for more than one!



Q1: Did you have a PPP?

If your answer is “no”

- Apply!
- The PPP provides 2.5 months of salary for you and your w-2 employees
- Forgivable loan - starts as a loan, but forgiveness eliminates the debt
- Open to corporations, nonprofits, LLCs, sole proprietors, and contractors
- Similar rules to the past- use a bank (local, national, Biz2Credit, Lendio, CrossRiver)
- Forgiveness will be even easier if under \$150,000

Get your numbers

To determine the next questions:

- Gross receipts in 2020 and 2019 - fancy way of saying all your business income
- 2019 tax returns (if you are a sole proprietor focus on Schedule C)
- Accounting reports
- Bank statements



Get your numbers: Years

Change by year

- Only if you were open all of 2020 (can be for emergency care)
- Use gross receipts
- Sole proprietors - Schedule C, Line 1
- Corporations - “Total Income”

Annual Calculation

	Column A 2019	Column B 2020	Column C Divide Column B by Column A
Gross Receipts	\$50,000	\$35,000	0.7

Get your numbers: Quarters

Change by Quarter

- Use gross receipts
- January to March is Quarter 1
- April to June is Quarter 2
- July to September is Quarter 3
- October to December is Quarter 4
- If you were closed for an entire quarter- don't enter it.

Quarterly Calculation

Quarter	Column A 2019	Column B 2020	Column C Divide Column B by Column A
Quarter 1	\$12,000	\$19,000	1.58
Quarter 2	\$12,000	CLOSED	CLOSED
Quarter 3	\$12,000	\$10,000	0.83
Quarter 4	\$14,000	\$6,000	0.43

Q2: Did you have a quarter to quarter decrease in revenue of -25% or greater?

If your answer is “yes” (Column C is 0.75 or lower)

- If you already had a PPP, you should be able to apply for a PPP Second Draw
- Provides a 2.5 times payroll forgivable loan
- You need to show the revenue test at application if you have a loan of \$150,000 or more; for less than \$150,000 you need to show the change in revenue at forgiveness
- Apply through a bank online

Q3: Did you have a quarter to quarter loss of revenue -50% or greater or have an ordered closure?

If your answer is “yes” (Column C is 0.5 or lower)

- Apply for the Employee Retention Tax Credit 2020
- Refundable tax credit that comes off your taxes (sole proprietors with W-2 employees) or by a check (corporations)
- Technically draws on social security taxes - so nonprofits this applies to you!
- You can get up to \$5,000 an employee in 2020, including yourself

Q4: Did you have a quarter to quarter drop of -20% or greater in Q4 2020?

If your answer is “yes” (Column C is 0.8 or lower)

- Apply for the Employee Retention Tax Credit 2021
- Lower threshold in 2021- now 20%
- Can be up to \$7,000 per employee, per quarter
- Refundable tax credit that comes off your taxes (sole proprietors) or by a check (corporations)

Q5: Is your enterprise in a low-income community?

If your answer is “yes” (Column C is 0.7 or lower)

- You can check by looking at your US Census tract and seeing if the poverty rate is 20% or more.
- You also need to show at least an 8 week decline of 30% or more from 2019 to 2020
- Get a \$10,000 cash advance- NOT THE LOAN
- Rolled out with people who had a partial advance first then those who got zero

Q6: Did your team need time off for COVID or remote school?

If your answer is “yes”

- Apply for the Families First Coronavirus Act Leave
- Extended for voluntary use through March 31, 2021
- Receive up to 10 days of full pay (up to \$511 a day) for you or your employees (w-2 only) for COVID illness, caring for family member, or quarantine.
- Receive up to 12 weeks of 2/3 pay (up to \$200 a day) for care for your child at home because of a school closure (including remote school) - *can be used part-time.*
- Refundable tax credit that comes off your taxes (sole proprietors) or by a check (corporations)

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This is a
moving
target

Key Dates

January 1, 2021

Employee Retention Tax
Credit 2020

January 19, 2020

PPP Opens to all banks

By January ????, 2021

Targeted EIDL Opens

January 15, 2021

Guidance on ERTC 2021

January 20, 2021

Even Easier PPP
Forgiveness Form

There is help!



Need help?

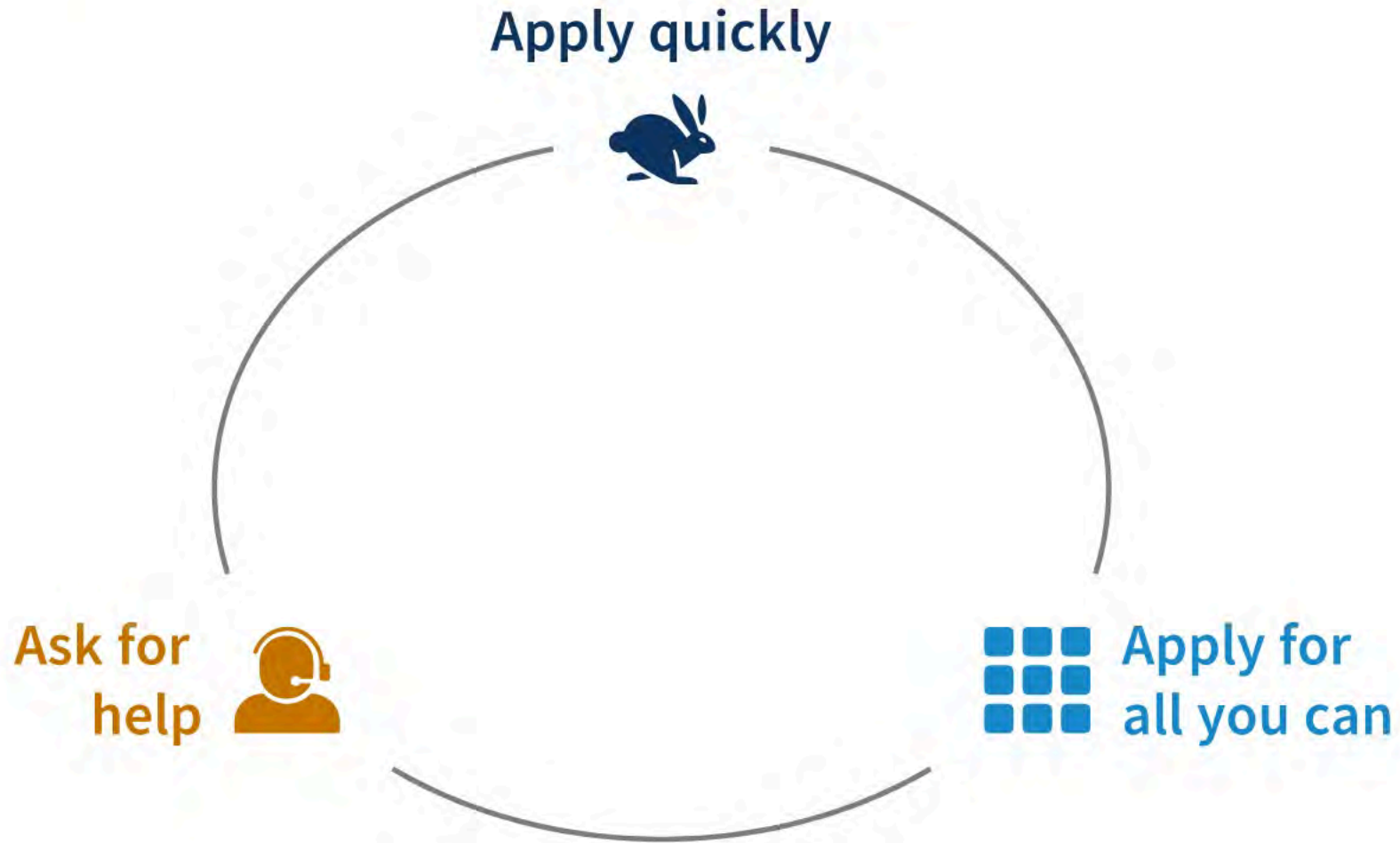
PPP@Civstrat.com

Email any questions on the PPP or stimulus in English or Spanish

Stimulus Navigator

You will be receiving a copy of the Stimulus Navigator from the Virginia Early Childhood Foundation

Pro Tips





You can
do this!

Questions



Mike Austin

Virginia Resources: SBDC and Lenders



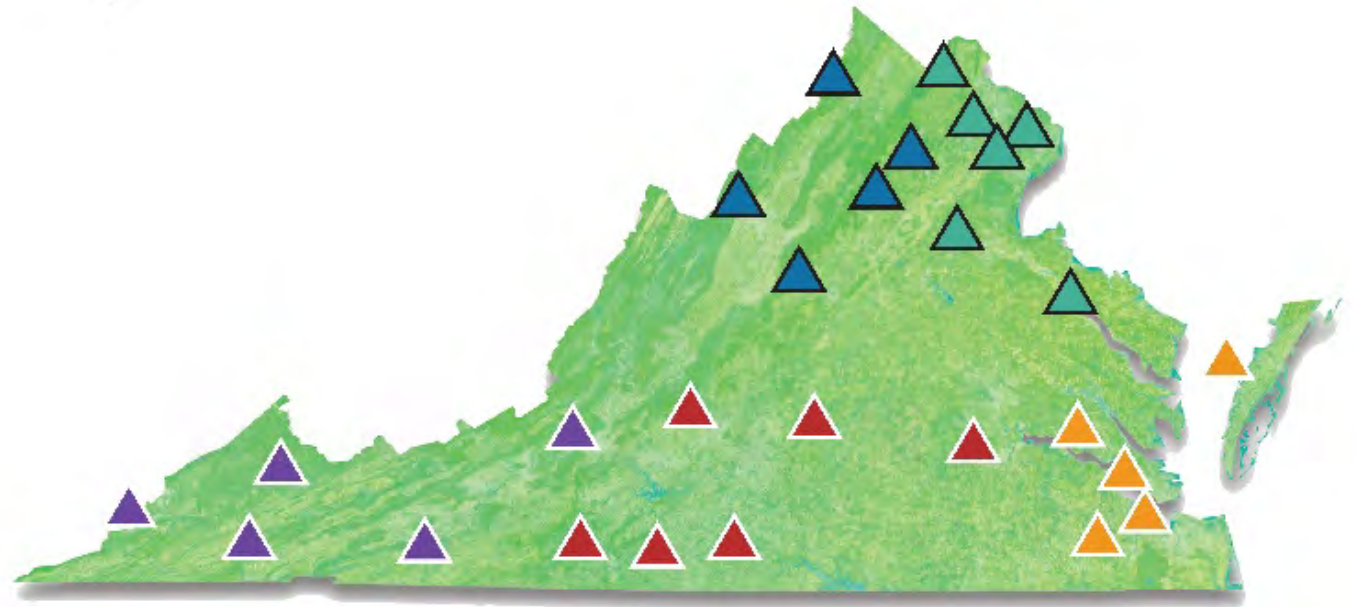
COVID-19 Loan Programs

Mike Austin

Hampton Roads Small Business Development Center
Access to Capital Adviser



Virginia Small Business Development Center (SBDC) Network



<https://www.virginiasbdc.org/locations/>



- ❖ What is the Virginia Small Business Development Center(SBDC) Network
- ❖ Paycheck Protection Program in Virginia
- ❖ Assistance SBDC can provide
- ❖ Conclusion/Questions

<https://www.virginiasbdc.org/recoveryresourcecenter//>

PPP2 Loan Approvals Nationwide and Virginia Thru 1/24/2021:

- \$284 billion in program with an end date of 3/31/2021
- \$35 billion has been approved nationwide comprised of 400,580 loans
- Average loan size \$87,000
- 65% of loans were for \$50,000 or less
- Virginia a total of 6,834 loans approved
- Virginia total approved \$672,552,861
- Virginia average loan size \$104,000



Lender Types (Nationwide):

- | | |
|------------------------------------|---------------|
| • Small banks (under \$10 billion) | 243,570 loans |
| • Large banks (over \$10 billion) | 105,678 loans |
| • Credit unions | 17,958 loans |
| • Fintechs | 18,167 loans |

Top Lenders (Nationwide):

- M&T Bank
- Fifth Third
- Bank of America
- Zions Bank
- Citizens Bank

Top Industries:

- Accommodation and food service
- Construction



Other Lenders of Note:

- Itria Ventures (Biz2credit)
- Newtek Small Business Finance
- Cross River Bank (average loan approximately \$24,000)

Fintech lenders are financial technology firms that have no branches. Everything is done on-line
2nd Draw Applicants should first check with the lender that provided their 1st Draw funds in 2020

SBDC is compiling a list of Virginia lenders that are active in providing the new round of PPP funding.
Check with your local SBDC office for information about these lenders

Advice from SBA – If you find that your 1st Draw lender is not participating, or you are seeking 1st Draw funds look for more than 1 option. But do not apply for more than 1 loan at a time, be sure that if you change lenders, that your original application is withdrawn by them or could cause issues with SBA



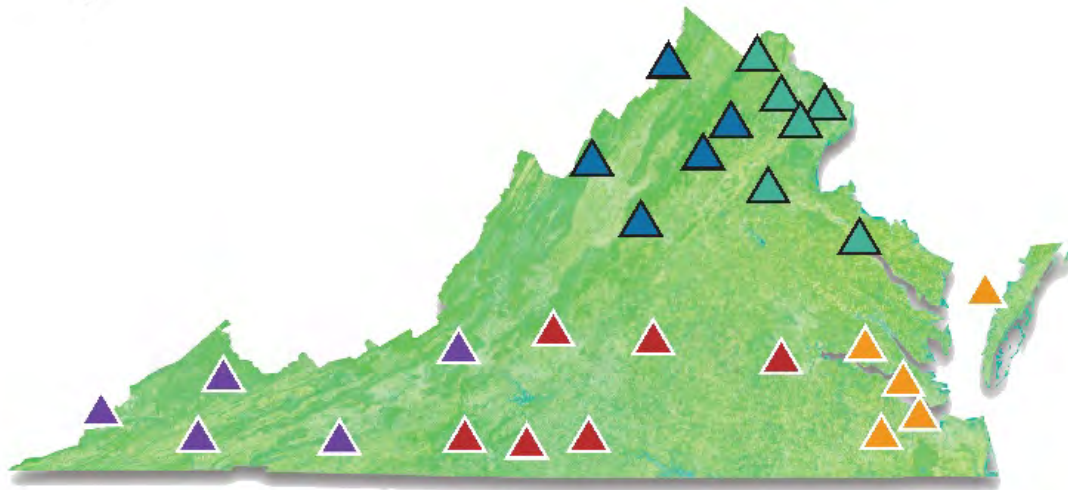
What can the SBDC Network do to help?

- The process can be daunting, and we want to help applicants to better understand the process
- We do not replace the services that accountants provide
- We know the local lender landscape
- We provide unbiased, current, concise information on the PPP program guidelines
- Our website provides a significant number of resources at no charge to help borrowers navigate the application process
- If we don't know an answer, we'll research the correct information
- The network also interfaces with the SBA on a regular basis for their input
- We can also interpret and translate the terminology used in the application process

But you must ask for our help!



Questions?



<https://www.virginiasbdc.org/locations/>

