



VANDEBLOEMEN



CARES Act 2020

S.3548 “Coronavirus Aid, Relief,
and Economic Security Act”

Vanderbloemen

Disclaimer:

We are not attorneys, politicians or experts in this field. However, here is our opinion as of March 25, 2020. The final bill has not been approved as of this presentation.

**Our focus will be on the
“Paycheck Protection
Program”**





STEPS FOR APPROVAL

1

Senate Approval

3

Signature of President

2

House Approval

4

Instructions and details from
Small Business Administration to
Banks



Who can participate?

1

All organizations
under 500
employees

3

All 501c3
organizations

2

Other Small Business
restrictions do not
apply



Details of the Payroll Protection Program

- **Focus period of time from February 15, 2020 to June 30, 2020**
- **Non-profits, Churches, and any other 501c3 organization that does not receive Medicaid is eligible.**
- **This is separate from the Small Business Administration Disaster Relief Fund**
- **It will be administered by the Small Business Administration**
- **\$349B funded to support this program**
- **For organizations under 500 employee (note to multi-site)**



Details of the Payroll Protection Program

Loan funds can be used to cover the following expenses:

- **Payroll Costs**
- **Group health insurance benefits, paid sick leave, medical and insurance premiums.**
- **Mortgage or rent payments**
- **Utilities**
- **Interest on any other debt obligations that were incurred before the loan period**.**



Details of the Payroll Protection Program

Payroll costs to include:

- **Salary or wages, payments of a cash tip**
- **Vacation, parental, family, medical and sick leave**
- **Health benefits**
- **Retirement benefits**
- **State and local taxes**
- **Limited up to \$100k annual Salary/wage for each employee**
- **Please note: There is no clarification at this time on pastoral housing allowances**



Calculation of Loan Amount

Payroll Costs	3/2019	4/2019	5/2019	6/2019	7/2019	8/2019	9/2019	10/2019	11/2019	12/2019	1/2020	2/2020
Total Payroll	\$15,700	\$15,878	\$15,700	\$14,700	\$15,700	\$14,800	\$15,700	\$15,100	\$15,700	\$15,500	\$15,700	\$15,500
Average Payroll for the above:	\$15,473	Multiplied by 2.5	=	\$38,683								

Average Payroll from the above 12 months: \$15,473 X 2.5 = \$38,683

Maximum amount of allowable loan \$10M

This amount can be used by Churches, Non-Profits, all other 501c3s and small businesses for Payroll, Benefits, Utilities, and interest other debt obligations.



Forgiveness of Loan

Example #1

18 FTE in 2020	Divided by	19 FTE in 2019	=	94.70%
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94.70% of the total Loan Amount will be Forgiven.

5.3% of the total Loan Amount will be paid back over a 10 year period of time.



Forgiveness of Loan

Example #2

22 FTE in 2020	Divided by	20 FTE in 2019	=	110%
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100% of the total Loan Amount will be Forgiven.

0% of the total Loan Amount will be paid back over a 10 year period of time.



Details of the Payroll Protection Program

- **Lenders will most likely be your current banker.**
- **No loan payments under this program are due for 1 year. No fees are included in the loan.**
- **Good Faith Certification**
You will need to certify the loan will be used for the following:
 - **Support ongoing operations**
 - **Funds used to retain workers and maintain payroll or make mortgage, lease, and utility payments.**
- **No collateral or personal guarantees will be required**

Other Funds Available

Many other Funds available available for Small Business, but the Payroll Protection Program is the most needed by Churches, Nonprofits, and other 501c3s.

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Thank You

