



Navigating Pandemic-Relief Funding Programs

*PPP Round 2 and Other Funding Opportunities
for Cape Cod Small Businesses*

FEBRUARY 18, 2021 FROM 3:00 – 4:00 PM





CAPE COD
COMMISSION

The Cape Cod Commission

...is the regional land use planning,
economic development, and regulatory
agency created in 1990 to serve the
citizens and 15 towns of Barnstable
County, Massachusetts



MISSION

...To protect the unique values and quality of life on Cape Cod by coordinating a balanced relationship between environmental protection and economic progress.

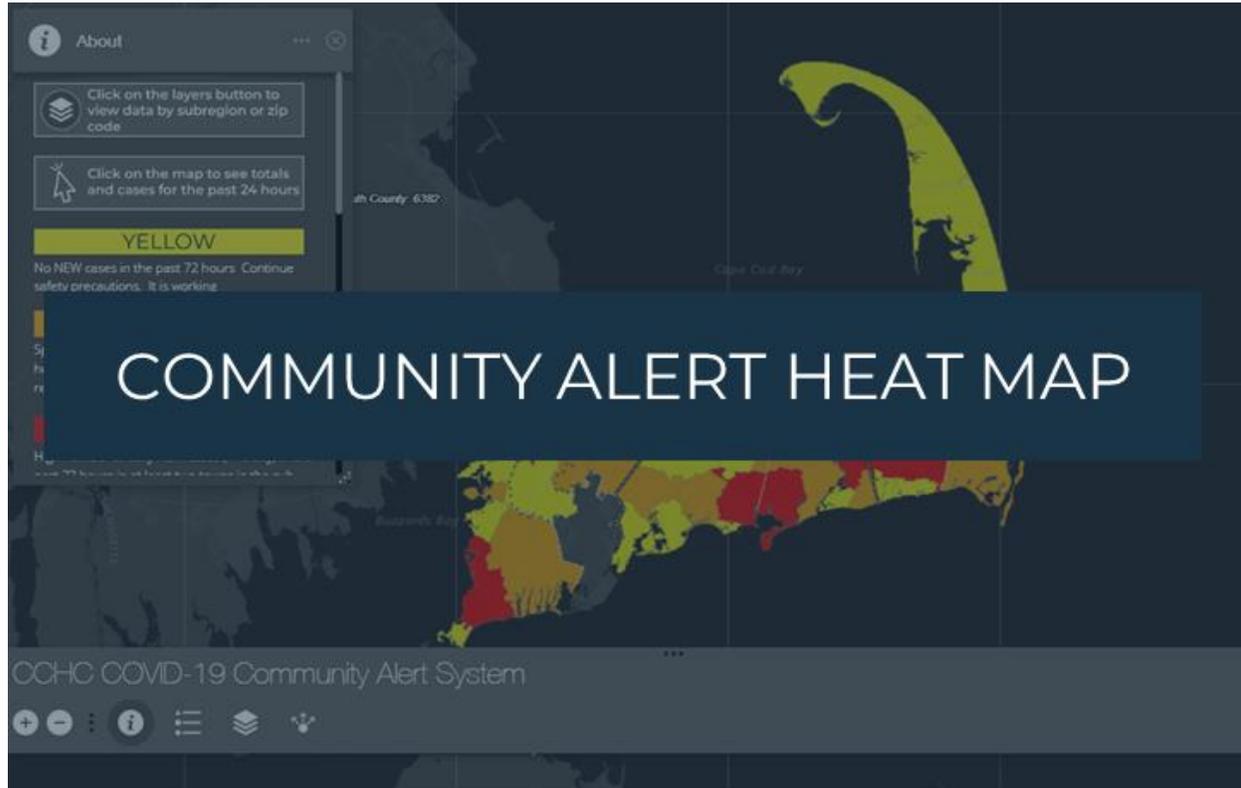


Tracking Pandemic Impacts

Economic Recovery and
COVID-19

COVID-19 Resources

capecodcommission.org/our-work/cape-cod-covid19



LOCAL, STATE, AND
NATIONAL RESOURCES

*health and safety information, resources for
small businesses, details on tax-relief and
unemployment programs*

CAPE COD COVID-19 DATA DASHBOARD

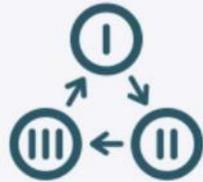
MENU 

The Cape Cod Commission created the Cape Cod COVID-19 Dashboard to provide demographic and economic data for Cape Cod towns, non-profit organizations, and businesses recovering from the economic impacts of COVID-19. The dashboards include regional and town data (when available) on population demographics, unemployment trends, rooms and meals tax revenues, employment, housing, and seasonality.



CCHC COVID-19 COMMUNITY ALERT SYSTEM

Map of confirmed COVID-19 cases on Cape Cod by zip code and subregion.



VACCINE PLANNING REPORT

This dashboard is for modeling purposes only and is not intended to determine vaccine eligibility or availability.



BUSINESS IMPACT SURVEY

Visualization of results from the Business Impact Surveys issued by the Cape Cod Commission and Cape Cod Chamber of Commerce



CAPE COD TRAFFIC TRENDS

Year-over-year daily and monthly traffic information for select Cape locations.



CAPE COD COMMISSION

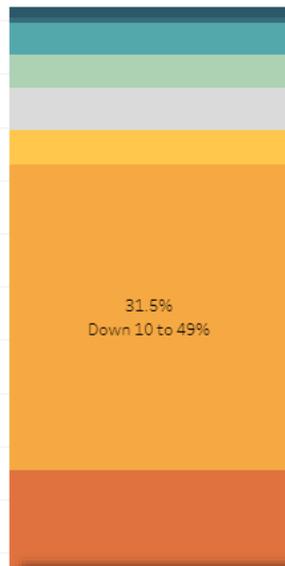
Town

(All)

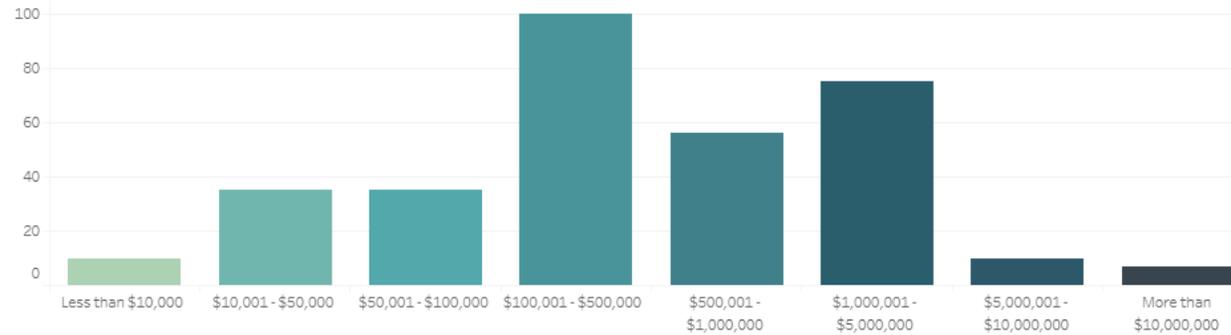
Financial Impacts to Businesses and Organizations

Impacts of COVID-19 on Cape Cod Businesses - August Survey

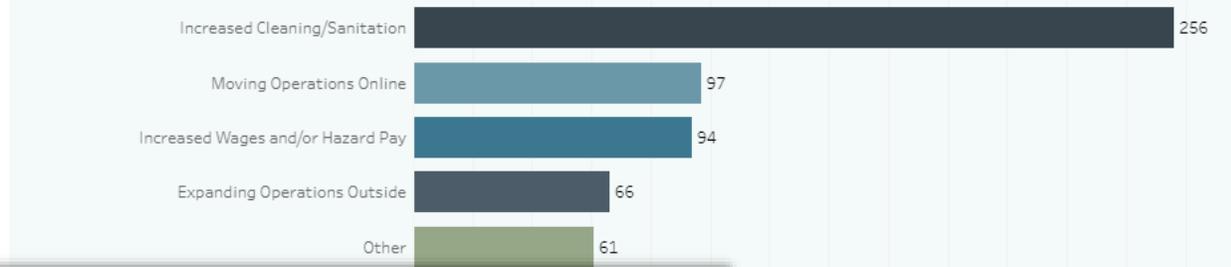
Year-Over-Year Change in Business Revenue Q1 and Q2



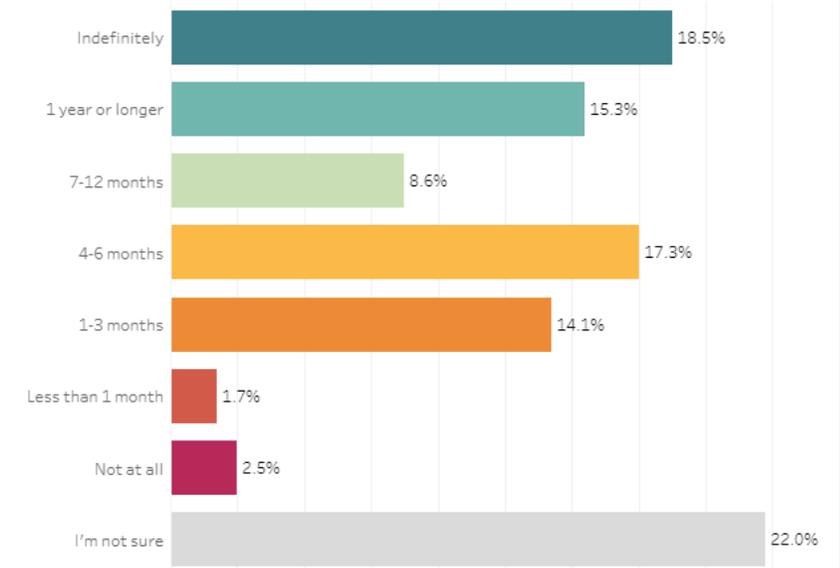
2019 Annual Gross Revenues



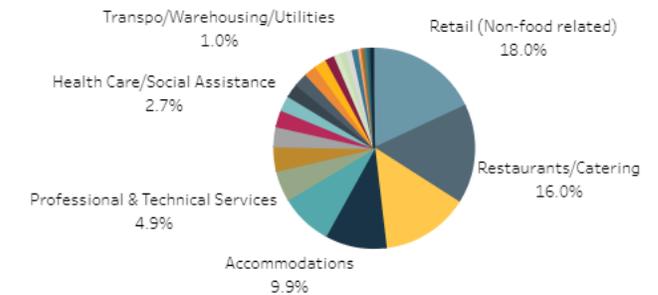
New Costs During Pandemic



Length of Time Business or Organization Can Operate with Current Cash Flow and Reserves



Responses by Industry



- Insurance
- None
- Prefer Not to Answer
- Rent
- Taxes
- Utilities
- Vendor/Supplier Bills

Business Impact Surveys

The Cape Cod Commission and the Cape Cod Chamber of Commerce issued 3 business impact surveys to evaluate the timing and extent of the impacts of the COVID-19 pandemic on the local business community.

Data on missed payments and new costs not available at industry level in order to maintain confidentiality.

Survey Trends

450 respondents

TEMPORARILY
CLOSED

10%

PERMANENTLY
CLOSED

4%



INCREASED
CLEANING &
SANITATION
COSTS

84%

LOSS OF 50% OR MORE
IN 2020 VS. 2019

Q2

54%

Q3

29%

Q4

30%

Need support in marketing/social media, business disaster planning, and shifting operations online



Navigating Pandemic- Relief Funding Programs

Help with PPP Round 2 and other
funding opportunities for Cape Cod
small businesses

Please submit questions in the Q&A box

"A resilient business is...

one with a capacity to **absorb**
stress, **recover** critical
functionality, and **thrive** in altered
circumstances."

-- Harvard Business Review 2020



Poll
Question
#1

Does your business have a resiliency or continuity plan in place?

- Yes, we have a well thought out plan
- Yes, partially but could still use some help
- No, we don't have a formal plan in place, but we feel prepared anyway
- No, we don't have a plan and need help preparing one

Please select the best answer in the pop-up window



Business Resilience & Continuity



FINANCIAL

- Access to capital during business disruption
- Ability to restructure budgets and commitments to align with new operations



PEOPLE

- Leadership and staff's ability to adapt through incremental and sudden change
- Crisis communication plan for employees, customers, vendors, and partners



PHYSICAL ASSETS

- Storefront or office
- Inventory
- Equipment



OPERATIONS / SYSTEMS

- Digital infrastructure & supply chain alternatives
 - Diversified revenue channels
 - Data backups
- 

What we will cover today



FEDERAL LEVEL PANDEMIC RELIEF FUNDING

- Re-opened Paycheck Protection Program (PPP)
- Economic Injury Disaster Loan (EIDL)
- Shuttered Venues Operators (SVO) Grant



LOCAL FUNDING OPTIONS

- Covid-19 relief grants provided by local towns
- Other grant programs and resources



RESOURCES TO SUPPORT FINANCIAL RESILIENCE

- Bookkeeping & tax accounting services
- Local organization resources

Please note: Pandemic relief funding programs are fast changing. We recommend that you to verify the latest information and guidance for your circumstances with your lender or respective loan/grant administrator.





The PPP re-opened for a second round on January 11, 2021

Deadline is **March 31, 2021** (or until funds run out)

Forgive-able loan to help cover payroll and certain other eligible expenses over an 8 to 24 week period

For small businesses open as of February 15, 2020 (including sole proprietors, self-employed and non-profits)

Apply with an SBA-approved lender

First Draw

- New, first time borrower
- Modify first loan to obtain rest of qualified amount

Second Draw

- A second loan for those who already received a first loan



Eligibility

A woman with curly hair and glasses, wearing a blue denim shirt, is seated at a desk in a bright, modern office or retail environment. She is focused on reviewing a document in her hands. On the desk, there is a laptop, a pen holder with several pens, and a woven basket. In the background, a clothing rack is filled with various garments, and a window with blinds is visible, letting in natural light. The overall atmosphere is professional and organized.



Am I Eligible to apply?

FIRST DRAW

- In operation on or before February 15, 2020
- Small business, 500 employees maximum
- Non-profits, sole-proprietors, self-employed individuals, and independent contractors
- EXPANDED: 501(c)(6)s, housing cooperatives, direct marketing organizations
- Still open and operational

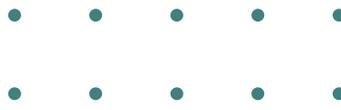
SECOND DRAW

- Same as first draw, EXCEPT:
- Less than 300 employees only
- Must demonstrate or attest that there is at least a 25% reduction in gross receipts between at least one quarter in 2019 and 2020
- Already obtained and used all first-draw PPP funds

Some businesses that qualified under the first draw may not qualify in the second draw



How can I spend PPP funds?



QUALIFIED PAYROLL EXPENSES

- Salary, wages, commissions, payment of cash tips
- Employee benefit payments (employer paid)
- Payment of state and local payroll taxes

At least 60% of total loan to maximize forgiveness.

QUALIFIED NON-PAYROLL EXPENSES

- Business rent or mortgage interest
- Business utilities
- New:
 - Certain operations expenditures (software / cloud computing, product or service delivery, payroll tracking costs, inventory)
 - Property damage costs
 - Supplier costs
 - Worker protection costs (i.e. PPE)

Up to 40% of total loan to maximize forgiveness.



Loan Calculation





How much can I apply for?



FIRST DRAW

- 2.5 times average monthly payroll costs
 - U.S. annual employee salaries, including wages, commissions, tips, and state and local payroll taxes. Each employee is capped at \$100,000 annually.
 - Employer paid benefits
- 2.5 times average self-employment or sole proprietorship net income (Schedule C, line 31). Annual income capped at \$100,000
- You can base your numbers on 2019 full year, 2020 full year, Jan-Feb 2020, or a 12-week period*
- Accommodation & Food businesses may calculate 3.5 times instead of 2.5 times payroll costs

SECOND DRAW

- Same as first draw, EXCEPT:
- \$2 million cap instead of \$10 million



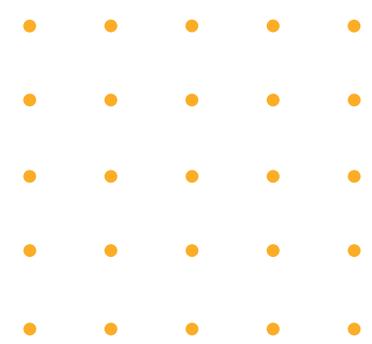


How about seasonal businesses?



THE LATEST PPP GUIDANCE PROVIDES ADDED FLEXIBILITY FOR SEASONAL BUSINESSES

- May now utilize any consecutive 12-week period between February 15, 2019 and February 15, 2020
- Calculate 2.5X payroll costs over your selected 12-week period to maximize your qualified loan amount.
- Accommodation & Food businesses may calculate 3.5 times instead of 2.5 times payroll costs



PPP Loan Calculator

<https://aidassist.intuit.com>



The screenshot shows the Intuit Aid Assist website. At the top, it says "intuit Aid Assist" and "Make the most of the federal relief you deserve". Below this, a sub-header reads "Intuit Aid Assist offers free, easy-to-use estimators to help you understand which relief programs make the most sense for your business." The main content area features a three-step process: 1. "Check your loan relief eligibility" (STEP 1) with a "Check your eligibility" button and a note "I've applied already, skip this step"; 2. "Calculate your potential loan amount" (STEP 2); and 3. "See how much of the loan may be forgiven" (STEP 3). A "Go back" link is at the bottom left of the process area.

Intuit® Aid Assist: Navigate Government Relief Programs

A free tool that helps small business owners navigate the complexity of federal relief to get access to help when they need it most during the COVID-19 pandemic.

aidassist.intuit.com

A close-up photograph of a person's hands holding a receipt. The person is wearing a blue button-down shirt and a watch. The desk is cluttered with various papers, including a long receipt with a table of numbers, a laptop, and a tablet. The scene is dimly lit, creating a moody atmosphere. A semi-transparent white box is overlaid on the left side of the image, containing the word "Paperwork" in a teal font.

Paperwork

What documentation do I need?

- Proof of business open on February 15, 2020
 - Bank statement, invoice, or other record
- Document(s) to support calculation of average monthly "payroll expense" for your PPP loan
 - Form 941 (quarterly payroll)
 - Reports from your payroll processor
 - Form 1040 Schedule C (self-employed)
 - Schedule K-1 (partnership)
 - Form 1099 (independent contractors)

First Draw Application



Second Draw Application



sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program



Where do I apply?

- First, check where you do your business banking
 - Cape Cod 5
 - The Cooperative Bank of Cape Cod
 - Seamen's Bank
 - Rockland Trust
 - National banks such as TD, Santander, Bank of America, or Chase
- Fintech lenders
 - Bluevine 
 - Fundera 
 - Square 
- Need access to a bank? Need help with the process?
 - MA Equitable PPP Access Initiative

<http://bit.ly/equitableppp>





Loan forgiveness

WHEN TO APPLY

Apply for forgiveness with your lender once loan proceeds have been used. This would be anytime between 8-24 weeks.

Deadline: 10 months after end of covered period.

LOANS UNDER \$150K

Simplified process with a special form, Form 3508S

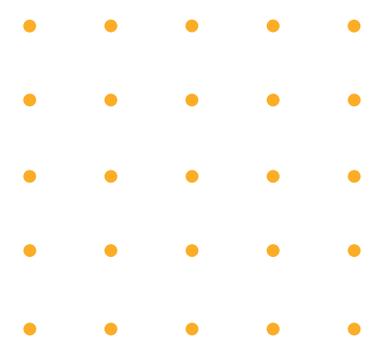
NOT AUTOMATIC

You must apply for forgiveness to avoid having to pay the amount back under loan terms.

Terms: 1% interest / 5 years

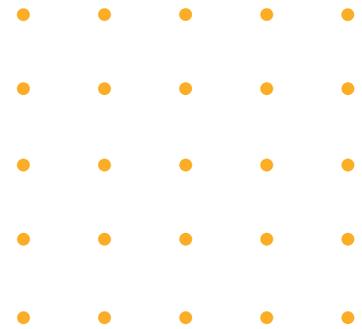
Full details and links for Forgiveness Forms 3508, 3508EZ, and 3508S





PPP Forgiveness Calculator

<https://aidassist.intuit.com>



The screenshot shows the Intuit Aid Assist website. At the top, it says "intuit Aid Assist" and "Make the most of the federal relief you deserve". Below this, there is a sub-header: "Intuit Aid Assist offers free, easy-to-use estimators to help you understand which relief programs make the most sense for your business." The main content area features a three-step process: 1. "Check your loan relief eligibility" (STEP 1), which includes a "Check your eligibility" button and a link for those who have already applied. 2. "Calculate your potential loan amount" (STEP 2). 3. "See how much of the loan may be forgiven" (STEP 3). A "Go back" link is visible at the bottom of the process flow.

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aidassist.intuit.com

PPP FAQ



Are forgiven PPP funds taxable?

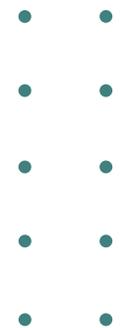
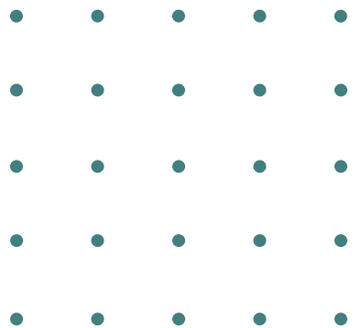
No, SBA guidance clarified it is not considered taxable income.

Do amounts paid to contractors count toward PPP loan calculation?

No, not for your business's PPP amount. Your 1099 contractors can apply themselves.

Can I get a PPP as an S-Corp with no payroll?

Unfortunately, no. There needs to be a payroll expense



Poll
Question
#2

Which of the following pandemic relief funding have you applied to?

- Paycheck Protection Program (PPP)
- Economic Injury Disaster Loan (EIDL)
- Mass Growth Capital Corp (MGCC) grant
- A local grant with my town or city
- A private grant / other grant program
- Other debt funding through a bank (loan, line of credit, etc.)

Please select all that apply in the pop-up window

Economic Injury Disaster Loan (EIDL)

Qualified Uses: Working capital and normal operating expenses
Example: continuation of health care benefits, rent, utilities, fixed debt payments.

Deadline is **December 31, 2021**

3.75% for businesses (fixed) 2.75% for nonprofits (fixed)
30 years

Payments deferred one year; interest still accrues

No pre-payment penalty or fees

For small businesses with 500 or fewer employees (including sole proprietors, self-employed and non-profits)

Apply directly with the SBA
<https://covid19relief.sba.gov>



1-800-659-2955.





Shuttered Venue Operators (SVO) Grant

New grant for shuttered venues

Priority application schedule (90% loss, 70% loss, 25% loss)

Eligible applicants may qualify for SVO Grants equal to 45% of their
2019 gross earned revenue

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization operators
- Relevant museum operators, zoos and aquariums who meet specific criteria
- Motion picture theater operators

Must have been in operation as of February 29, 2020

Venue or promoter **must not have applied for or received
a PPP loan** on or after December 27, 2020

Prepare now:

- Employee and revenue data
- Register for a DUNS number
- Register with SAM: sam.gov



sba.gov/svogrant



SVOG FAQ



sba.gov/svogrant



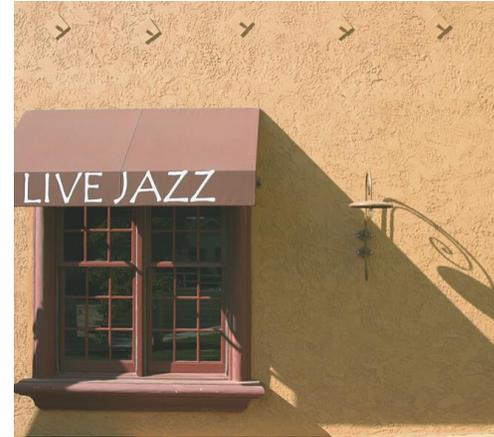
How can I use SVO grant funds?

- Payroll (incl. independent contractors)
- Rent, utilities
- PPE
- Refund customers



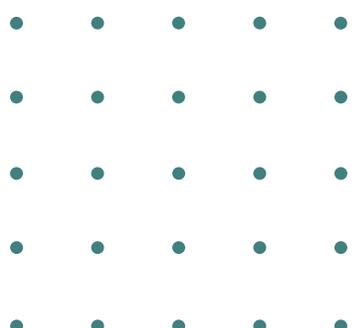
Do I qualify if my live entertainment business is mobile with no fixed space?

No, must have a fixed performance space



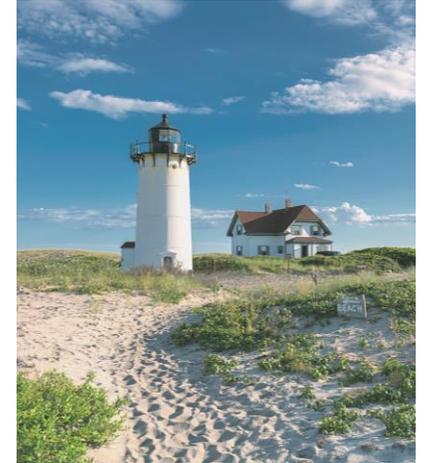
Is a restaurant that features live music eligible to apply?

No, if the principal line of business is restaurant operation rather than live venue operation, the business would not be eligible



Local Funding & Assistance Resources on Cape Cod

- Check your local town for possible Covid-19 related grant opportunities
- Community Development Partnership
 - <https://capecdp.org/covid-19-emergency-resources-1>
- Cape Cod Arts Relief Fund
 - <https://artsfoundation.org/cape-cod-arts-relief-fund-criteria-and-application/>
- Love Live Local: Cape Cod Resilience Fund
 - <https://lovelivelocal.com/resilience/>
- Cape Cod Foundation
 - <https://www.capecodfoundation.org/community-response-to-covid-19/>
- Cape Cod Commercial Fishermen's Alliance
 - <https://capecodfishermen.org/item/covid19#FishAssist>



Poll
Question
#3

Which of the following have been barriers to obtaining pandemic relief funding?

- Lack of a reliable banking relationship
- Incomplete business and/or personal financial records, including tax returns
- Time involved in completing applications
- Need of assistance with the application process
- Lack of access or awareness of programs
- Other barriers
- I don't have any significant barriers

Please select all that apply in the pop-up window

Financial Resilience

Lessons Learned



BANKING
RELATIONSHIP

CURRENT
FINANCIALS

CONNECTED TO
KEY AGENCIES

RESOURCES FOR
CONTINUITY

We're here for you. See what we're building for small businesses, at gusto.com/covid-19.

gusto

Why Gusto

Payroll and more ▾

Pricing

For Accountants ▾

Resources ▾

Starting a business?

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Sign in

Supporting small businesses through the ups and downs.

Interested in easy, modern payroll and benefits? Start with a few questions about your business.

Get started

Does your company use Gusto today? [Sign in here.](#)

Payroll Service

Consider a third party payroll service that provides an easy to use online platform to download payroll documents

Examples:

- Gusto
- Paychex

gusto.com

You run your business. We'll do your bookkeeping.

Get a professional bookkeeper at a price you can afford,
and powerful financial reporting with zero learning curve.

Start a Free Trial

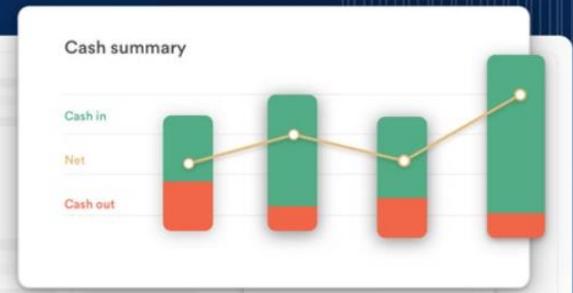
No credit card required.



Hey! Kaitlyn here.
Your monthly books are good to go 🎉

Awesome! Thanks so much!

No problem 😊
Let me know if I can help with anything else.



Sign up for Bench Tax and 2020 historical bookkeeping today and we'll complete your 2020 tax return for free. [Learn More](#)

Bookkeeping Service

Consider a bookkeeping service that can maintain your business transactions and key financial reports, such as your income statement, cash flow, and balance sheet.

Examples:

- Bench
- Quickbooks Live

bench.co

Business is better with a ProAdvisor.

A ProAdvisor is a QuickBooks-certified independent accounting pro who can provide strategic insights to drive small business success.

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United States

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Access free bookkeeping tutorials on YouTube

- Bench Accounting
- Quickbooks
- Xero Accounting Software

https://youtu.be/W-ajzzE_upM



Poll
Question
#4

Which of the following need attention or have caused you stress recently?

- Bookkeeping
- Payroll
- Business Taxes
- Income, expense, and cash flow tracking / forecasting
- None of the above, I feel on top of my financials

Please select all that apply in the pop-up window

Key Points on the Employee Retention Tax Credit (ERTC)

- “ERTC is a refundable tax credit that is typically claimed when eligible employers report their qualified wages for the purposes of the ERTC for each calendar quarter on their federal employment tax returns”
(i.e., Form 941: Employer’s Quarterly Federal Tax Return).
- Key Changes to ERTC Qualification in the Second Round of Covid-19 Relief:
 - A business must have experienced a decline in gross receipts by **at least 20%** in any quarter in 2020 compared to the same quarter in 2019 [it was 50% in 2020]
 - Unlike in the first round, you can now obtain a PPP loan and claim the ERTC. Must be careful not to combine PPP and ERTC for the exact same payroll expense
- How to claim: See the IRS FAQ page / IRS Form 7200 to request a credit advance

IRS.gov FAQ page on
Claiming ERTC



<https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-how-to-claim-the-employee-retention-credit-faqs>

See entrepreneur.com article for
more info & qualification examples



Recommended Resources

Cape Cod Commission
Covid-19 Resources & Links
to Town Websites



Mass.gov
Covid-19 Funding and
Resources



Small Business Strong
Free Small Business
Technical Assistance



Upcoming Workshops



Cape Cod Business Recovery Planning, 2-part Series

Mon, March 1

3pm

Food Service and
Restaurants



Tue, March 2

3pm

Accommodations
Businesses



Wed, March 3

6pm

Retail and Product-based
Businesses



Thu, March 4

3pm

Arts, Culture, and
Recreation



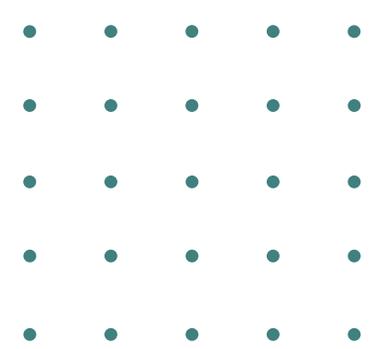
Mon, March 8

3pm

Service-based
Businesses



Please select the workshop that best fits your business type or schedule.



Q&A

THANK YOU!
TIME FOR QUESTIONS

CONTACT:
businessrecovery@capecodcommission.org

