



**CENTRAL  
TEXAS  
FOOD  
BANK**

# **The Paycheck Protection Program and SBA Loans**



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# Presenters

---

- ▶ Alan Robinson, Chief Financial Officer
- ▶ Thomas Foster, Controller



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# Agenda

---

- ▶ Overview of the CARES Act and Paycheck Protection Program (PPP)
- ▶ PPP Loan Application
- ▶ Loan Forgiveness
- ▶ Q & A ?



# Legal Disclaimer

---

*The information in this presentation is not a substitute for legal advice or other professional counsel.*

*Please ensure you are seeking the proper legal and professional counsel before making any decisions.*



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# The CARES Act

---

**March 27**

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) is signed into law

**April 3**

Lenders begin accepting and processing thousands of PPP applications

**April 16**

The SBA officially runs out of initial \$349 Billion



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# The CARES Act

---

Good News?



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# The CARES Act

---

Good News?

an additional \$310 Billion was  
approved on April 24<sup>th</sup>



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# The CARES Act

---

Good News?

the SBA is now accepting new applications  
as of Monday the 27<sup>th</sup>



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# The CARES Act

---

- ▶ **What is the Paycheck Protection Program (PPP)?**
  - Paycheck Protection Program (PPP) allows organizations with fewer than 500 employees to apply for a forgivable loan through lenders in order to continue to pay their employees through June 30<sup>th</sup>
  - Loan amount is up to 2.5 times monthly payroll costs at 1% for 2 years with payments deferred for 6 months



# PPP Loan Application

---

## ▶ How do I apply for the PPP Loan?

- Review the Application at [SBA.gov](https://www.sba.gov)
- Compile Payroll Information from 2019
- Talk to your Banker!



# PPP Loan Application

---

- ▶ What payroll information will I need?
  - General Ledger from 2019 for ‘Payroll Costs’
    - *payroll costs will be defined on the next slide*
  - 941s or 944s for 2019



# PPP Loan Application

---

## ▶ What are payroll costs?

- Salaries, Wages, Commissions, Bonuses, Tips
  - *capped at \$100,000 annually for each employee*
- Employee Benefits
  - *including health care, PTO, retirement*
- State and Local Taxes



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# PPP Loan Application

---

## ▶ What are next steps?

- Talk to your banker!
- Banks will be given the tools and funds to fulfill these loans.
- Leverage your relationship with your current banker and get to the front of the line.



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

# PPP Loan Forgiveness

---

## ▶ What will be forgiven?

- Qualified Payroll Costs (*must 75% or more of the total forgiven*)
  - *employer's portion of payroll taxes are not included in forgiveness*
  - *capped at \$100,000 annually per employee*
- Rent, Utilities, and qualifying Interest (*no more than 25%*)
- Cash or Accrual? Paid or Incurred? *It is unclear.*



# PPP Loan Forgiveness

---

## ▶ What will be forgiven?

- Full-Time Employees (*FTEs*) must stay the same
  - *loan forgiveness will be reduce if FTEs are reduced from previous levels – such as 1/1/20 – 2/29/20*
- *Disclaimer* – *waiting on additional guidance to determine more details*



# Summary

---

- ▶ If you qualify, use your current bank to your advantage. **Funds will be used up fast.**
- ▶ PPP Loan will be for 2.5 times monthly payroll costs at 1% interest for 2 years. *(no prepayment penalties)*
- ▶ PPP Loan will be forgivable if you maintain your FTEs and payroll. More guidance on the process is still to come.



# Resources

---

▶ [www.SBA.gov](http://www.SBA.gov)

▶ Central Texas Food Bank PPP Fact Sheet

– E-mail to follow



*The mission of the Central Texas Food Bank is to nourish hungry people and lead the community in the fight against hunger.*

**QUESTIONS?**



**THANK YOU!**

**CENTRAL TEXAS FOOD BANK**

