

CARES ACT

WHAT YOU NEED TO KNOW

On March 25, 2020, the United States Senate passed the **Coronavirus Aid, Relief, and Economic Security (CARES) Act**. This legislation is designed to provide a wide variety of relief, benefits and economic stimulants for American individuals, businesses, local and state governments, and nonprofits alike.



\$2 TRILLION

in economic stimulus packages will provide protection to individuals and businesses alike who may lose income due to COVID-19 pandemic.

PAYCHECK PROTECTION PROGRAM (PPP)

This provides loans to organizations with less than 500 employees (per location*) to help them through the period of time between February 15, 2020, to June 30, 2020. The program would provide cash-flow assistance through **100 percent federally guaranteed loans to employers who keep their staff employed during this emergency.**

50%

Employee Retention Credit for employers closed due to COVID-19.

\$10

\$10 million is the maximum loan size available.

WHAT EXPENSES WILL THE LOAN COVER?

- 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
- 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

LOAN FORGIVENESS

The full amount of the loan could be forgiven, as long as the number of employees employed from February 2019 to June of 2019 is **equal to or greater than the number of people employed from February 2020 to June 2020**. If you have fewer employees in 2020, then you will need to complete a calculation to determine what loan percentage is forgivable. To calculate loan forgiveness, click [here](#).

HOW DOES THE CARES ACT BENEFIT SPECIFIC INDUSTRIES?



Nonprofits, Churches, & 501c3 Christian Schools

They are eligible for the Economic Injury Disaster Loan, PPP Loan and SBA Loan Forgiveness; however, there is no clarification at this time on whether pastoral housing allowances will be included in the PPP loans.



Restaurants & Hospitality

Restaurants, foodservice, caterers, and hotels that employ not more than 500 employees per physical location of the business are also eligible to receive an Economic Injury Disaster Loan or single PPP loan if they operate under the North American Industry Classification System code beginning with 72 (Accommodation and Food Services - U.S. Census Bureau).



Hospitals & Public Health Entities

Lawmakers want to supplement community and private health systems to help meet the influx of new patients. There is \$100 billion for hospitals responding to the coronavirus. The bill provides \$1.32 billion in immediate additional funding for community centers that provide health care services for roughly 28 million people.