

# Nonprofits: Get Ready to Apply for Round Two of the Paycheck Protection Program

You've likely heard the Paycheck Protection Program is no longer available because existing funds are already committed. There are currently discussions at the federal level about a second set of aid that may become available. We are encouraging all nonprofits that did not apply for the first round of funds to be ready in case more funds are made available for the program.

## Why apply?

We know grants from foundations and other charitable organizations will be unable to fully address the impact of COVID-19 on our community. The largest amount of funding assistance for nonprofits will likely be federal aid in the form of loans (some forgivable). We encourage organizations to explore these different opportunities and apply EARLY – the funds are first come, first served. Nonprofits should visit with the organization's bank and CPA for advice and support.

## What to Know about the Paycheck Protection Program (PPP)

- Paycheck Protection Program covers operations from 2/15/20 – 6/30/20
- The interest Rate is 1%
- Two year term with all initial payments deferred for 6 months (interest continues to accrue)
- No collateral is required
  - Credit Elsewhere requirements are waived
  - Only one loan is allowed under this program
  - Any outstanding EIDL COVID-19 Loans (less initial \$10k advance) are added to the eligible PPP loan amount
  - May be 100% Forgiven (subject to certain qualifications)
  - Applications must be submitted through a SBA Lender Bank
  - Loan Amount – 2.5 x average monthly payroll cost
    - Payroll Cost Include:
      - *Salary, wages, commissions or tips (capped at \$100k on an annualized basis per employee)*
      - *Employee Benefits*
      - *State and local taxes assessed on compensation*
    - Most banks have a sample calculator to aid applicants
    - Copies of payroll reports for 2019 including IRS Quarterly 940, 941 or 944 will be requested



As Community Support Organizations we are committed to understanding how COVID-19 is affecting you, our nonprofit partners. We encourage you to take a few minutes to complete this brief [survey](#). The information we are asking you to share will provide valuable insights that are important to our community as we work to address the greatest needs.