



HARRISON HIGHLIGHTS

Committed to the Best Solutions



THE HARRISON GROUP, INC.

COMPANY

SERVICES

EMPLOYEE CENTER

RESOURCES

April 2, 2020

To Our Valued Clients,

In our ongoing effort to communicate and educate our clients on the recent legislation that has passed, we are highlighting additional information below that may be of interest to your business. Although our scope of service may fall outside this information, we felt as your partner, that it's important to relay it to you. Because some of the guidelines are changing on a daily basis, it's important that you be in contact with your banker and/or your accountant.

The PAYCHECK PROTECTION PROGRAM is an important Small Business program recently passed by the CARES Act. **Applications for this program will start being accepted TOMORROW, April 3, 2020.** If you are considering applying for this program, we would suggest that you contact your banking institution as soon as possible. Here are the program highlights:

- Authorizes up to \$349 billion in loans to small businesses
- You can find a list of lenders at www.sba.gov
 - Other regulated lenders will be available to make loans as soon as they are approved and enrolled in the program.
- Starting April 10, 2020 independent contractors and self-employed individuals can apply for and receive loans.
- Loan amounts for approved expenses may be forgiven if:
 - You must maintain the same number of full-time employees.
 - You must maintain a compensation level that is at least 75% of the annualized amount of what the employee made in 2019.
 - Loan proceeds are used to cover payroll costs (capped at \$100,000 for each employee), most mortgage interest, rent and utility costs over the 8-week period after the loan is made.
 - It is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
 - Loan Forgiveness is reduced if there is a reduction in employees or compensation
 - Loan payments for amounts that are not forgiven will be deferred for 6 months

How much can I borrow?

*Up to 2 months of your average monthly payroll costs from last year plus 25% of that amount. Payroll is capped at \$100,000 per employee.

*There is also a \$10 million cap.

Who can apply?

*All employers including for profit and non-profit entities with 500 or fewer employees.

*There are certain exceptions to the 500 employee provision for hotel and food service industries.

What are the terms of the loan?

*Interest Rate: .5%

*Payments are deferred for 6 months.

*The loan is due in 2 years.

*No collateral is required.

*No personal guarantees are required.

*Only 1 loan under the program is permitted.

How do I apply?

*You will need to complete the Paycheck Protection Program loan application and submit it along with the proper application by June 30, 2020 or sooner, assuming funds are available.

*You will need to provide your lender with payroll documentation.

Also available is the **EMPLOYEE RETENTION CREDIT** where Eligible Employers can receive a refundable tax credit against payroll taxes for 50% of wages paid to certain employees during the COVID-19. We suggest that you speak with your Accountant for details.

We hope that you find this information useful. We will continue to send email updates about important information in the CARES Act that may affect your business. **If you have any questions regarding this information, please contact your banker or accountant.**

Sincerely,



Richard H. Miller, Jr, CPA
President

www.theharrisingrouponline.com

3 Raymond Drive,
Suite 201
Havertown, PA 19083
(610) 853-9075 Toll Free (855) 222-5727
service@theharrisingrouponline.com



THE HARRISON GROUP, INC.

<http://www.theharrissongrouponline.com>