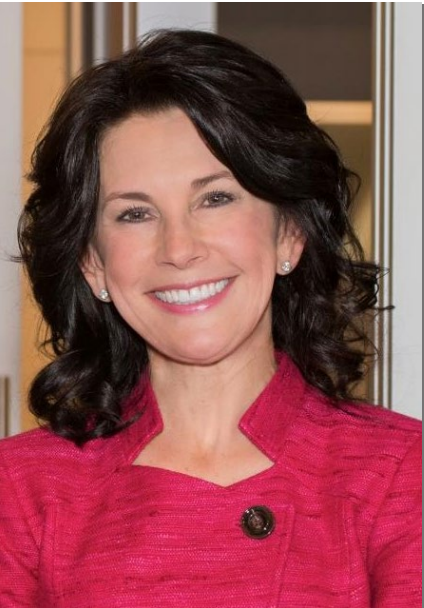


# BUSINESS BRIEFING

Emerging Clarity: CARES and Other Updates

April 16, 2020



**Tammy Miller,**  
Chief Operating  
Officer



**Michelle Kommer,**  
Commerce  
Commissioner



**Bryan Klipfel,**  
Executive Director  
Job Service & WSI



**Ryan Rauschenberger,**  
Tax Commissioner



**Lise Kruse,**  
Financial Institutions  
Commissioner



This presentation is NOT all-inclusive of all federal stimulus aid. The information you receive today does not serve as legal or financial advice. You should consult with your financial services professional before making any decisions regarding your business.

*4/16/2020*

# TODAY'S GOAL

The goal today is to PROVIDE YOU  
NEWLY AVAILABLE INFORMATION  
to help you more thoroughly  
understand the options available  
to your business, not to help you  
choose a course of action.





# ASK QUESTIONS

SUBMIT YOUR QUESTIONS TO  
[businesshelpCOVID19@nd.gov](mailto:businesshelpCOVID19@nd.gov)

# SHARE

This recording and materials will be available for later use. Please spread the word to North Dakota businesses through your social media, business and trade groups, and other ways.

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# AGENDA

- Seen and heard: financial support for small businesses – what's new since last week?
- I got the PPP loan – now what?!
- That's in the CARES Act too?
- Uh oh, the Fraudsters understand the CARES Act too – what to watch for
- What Comes Next?
- Closing Remarks



Seen and heard:  
financial support  
for small  
businesses –  
what's new since  
last week?

- EIDL
- PPP
- Unemployment Insurance
- Direct Payments

# EIDL UPDATES

- If you applied, check your status...
  - Email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov) for an update
- Emergency advance based on # FTE's
- Disbursements have begun!



# Business

PPP

PAYCHECK PROTECTION  
PROGRAM

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Commerce

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# PPP UPDATES

- 10-day Disbursement Requirement
- Additional guidance received Tuesday, April 14, 2020 for individuals with self-employment income

# 10-DAY DISBURSEMENT

- Lenders must disburse proceeds within 10 days of approval
- *If you have already been approved for and accepted the PPP, receipt of funding cannot be delayed more than 10 days*

# NEW PPP GUIDANCE

- Additional guidance received Tuesday, April 14, 2020 for individuals with self-employment income
  - Self-employment defined as a sole proprietor or independent contractor
    - In operation on 2/15
    - U.S. Resident
    - who filed (or will file) a Form 1040, Schedule C

# SIX QUESTIONS

1. Am I eligible for a PPP loan?
2. How do I calculate the maximum amount I can borrow and what documentation is required?
3. How can PPP loans be used by individuals with income from self-employment who file a 2019 Form 1040, Schedule C?
4. Are there any other restrictions on how I can use PPP loan proceeds?
5. What amounts are eligible for forgiveness?
6. What documentation is required for loan forgiveness?

A group of people are waiting in a dimly lit, industrial-style space. Some are sitting on folding chairs, while others are standing. They appear to be looking at documents or waiting for something. The background features a large window with a metal grate and a sign that says "STOP NO LEFT TURN". The overall atmosphere is somber and quiet.

# Unemployment Insurance

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# REMINDERS

- Must be unemployed for COVID-19 related reason to receive PUA or PEUC
- Cannot quit a job to receive benefits because benefit amount is higher than wages
- Review FAQ's on [jobsnd.com](https://jobsnd.com) for updated info
  - Will provide updates when PEUC and PUA processing/payments are to begin



# FPUC

- \$600/week addition to benefit payments through 7/31
- Technology programming completed
- Payments began 4/15
- Approximately \$1 million paid on 4/15

# PUA

- Expands eligibility to independent contractors, self-employed, gig workers
- Have received initial federal guidance
  - More guidance to come
- Accepting applications at [jobsnd.com](https://jobsnd.com)
  - Will process/pay when programming complete
- As of April 15 – 5,821 claims filed

# PEUC

- 13 week extension of benefits for those who exhaust regular state benefits
- Have received initial federal guidance
  - More guidance to come
- Accepting applications at [jobsnd.com](https://jobsnd.com)
  - Will process/pay when programming complete
- As of April 15 – 5,964 claims filed

# DIRECT PAYMENTS - UPDATE

- As of 4/11, \$\$\$ is moving!
- Those who haven't filed taxes in 2018, 2019 and not on Social Security should go to [IRS site](#) to provide information
- “[Get My Payment](#)” portal announced yesterday (4/15) at IRS.gov

# I GOT THE PPP LOAN – NOW WHAT?!

- What can I spend funds on?
- Documentation!
- PPP Forgiveness.



# WHAT CAN I SPEND PPP FUNDS ON?

- Payroll
- Mortgage interest
- Rent
- Utilities

8 weeks

# DOCUMENTATION

- DOCUMENT EVERYTHING
- Ideas:
  - Keep separate account
  - Create new codes in software
  - Anything that will assist you in differentiating expenses



# PPP FORGIVENESS

- The SBA and Treasury are still working on specific guidelines, but...

# THAT'S IN THE CARES ACT TOO?

- Certain Extensions (Federal and State)
- Employee Retention Tax Credit
- Deferral of Payment of Employer Payroll Taxes
- SBA Debt Relief

# NEW TAX RELIEF — NORTH DAKOTA EXEMPTIONS IN ALIGNMENT WITH IRS

- Businesses with fiscal year ends of Jan. 31 and Feb. 2
  - Extended to July 15
- Fiscal year corporations and fiduciary Qtr 1 estimated payments due May 15 and June 15
  - Extended to July 15
- Calendar year taxpayers Qtr 2 estimated payments due June 15
  - Extended to July 15
- Businesses with May 15 and June 15 filing dates
  - Extended to July 15

# EMPLOYEE RETENTION TAX CREDIT

- What is it?
- Who is eligible (and ineligible)?
- How is the credit calculated?
- How is it claimed?



# DELAY PAYMENT OF EMPLOYER PAYROLL AND SELF- EMPLOYMENT TAX

- What is postponed? 6.2% social security tax on payroll from March 27 – December 31, 2020
- New due date?
  - Business: employer share postponed - 50% due 12/31/21; 50% due 12/31/22
  - Self-Employed: ½ of self-employment tax postponed, with 25% due 12/31/22; remaining 25% due 12/31/22
- *Those who receive PPP forgiveness are only eligible until the lender decides the loan is forgiven. After the forgiveness date the employer may no longer defer taxes.*

# EMPLOYER-PAID STUDENT LOANS EXCLUDED FROM INCOME

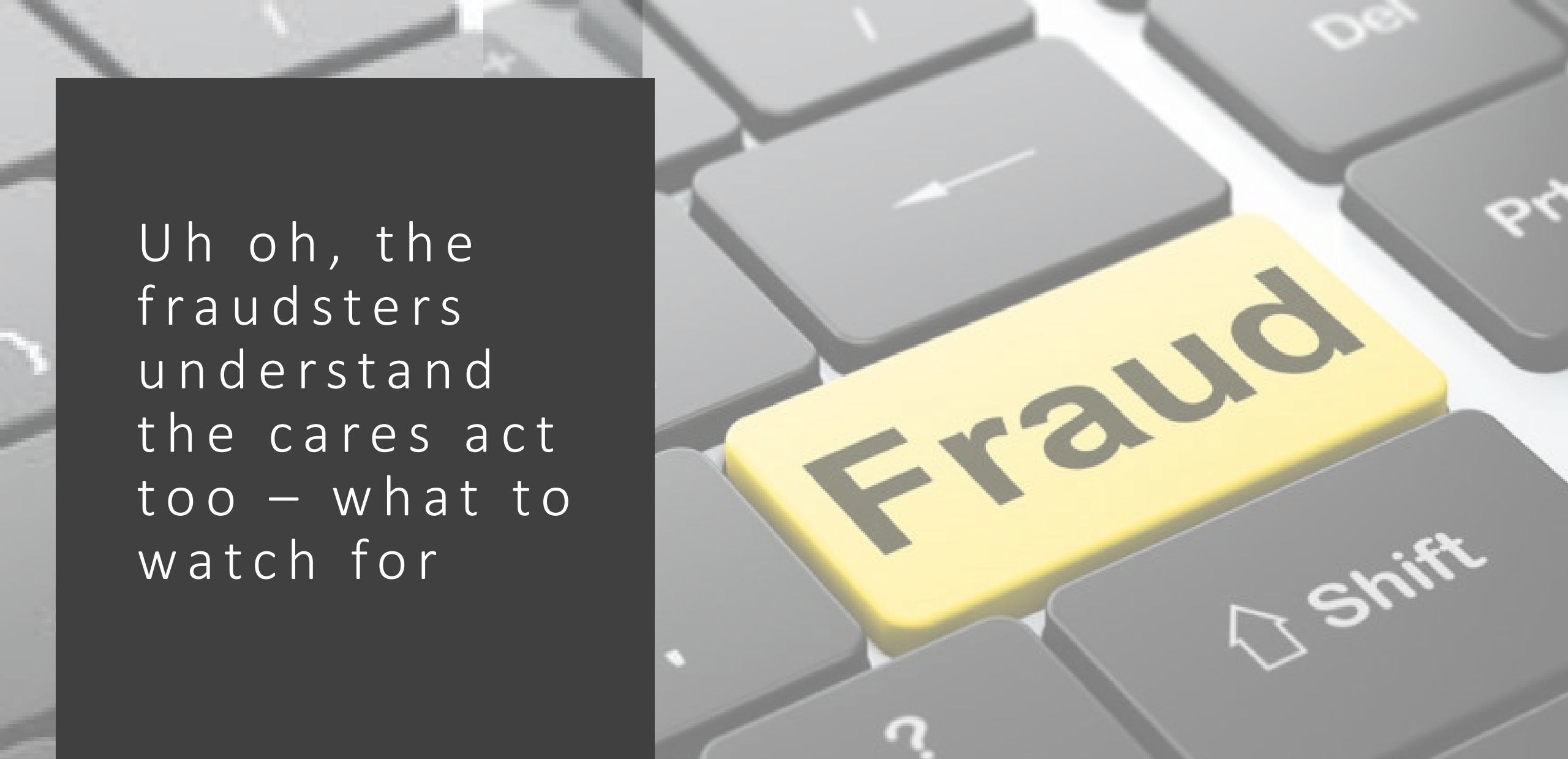
- CARES Act permits employers to pay up to \$5,250 on employees' student loan debt
  - Tax free to employee
  - Excluded from payroll taxes for employer
  - (combined limit of \$5,250 for tuition paid for employee + student debt paid)

# SMALL BUSINESS DEBT RELIEF PROGRAM

- 7(a) loans
- 504 loans
- Express loans

MORE GUIDANCE COMING....



A close-up photograph of a computer keyboard. The central focus is a bright yellow key with the word "Fraud" printed in bold, dark grey capital letters. Surrounding this key are several standard grey keys, including an arrow key, a "Del" key, a "Prt" key, and a "Shift" key with a house icon. The lighting creates soft shadows, giving the keys a three-dimensional appearance.

Uh oh, the  
fraudsters  
understand  
the cares act  
too – what to  
watch for

# FAKE OR UNREGULATED LENDERS OFFERING PPP

- Legitimate lenders are:
  - Approved by SBA
  - Licensed in North Dakota [[check licensing status](#)]
- Increase in:
  - Business email compromise
  - Ransomware
- Most commonly COVID-19 related scams:
  - Fake tests or cures
  - Illegitimate health organizations
  - Malicious websites
  - Fraudulent charities



WHAT  
COMES  
NEXT?

ND Smart Re-start

- MSI SURVEY

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# IN CLOSING

More to come –  
implementation resources  
and guidance are developing.

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# THANK YOU