

# COVID-19 RELIEF ACT 2

## AND THE SINGING COMMUNITY



— Presenters —

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Join us in fighting the fatigue!!



#FightthefatiguewithNATS



#FightTheFatigue

# SINGERS HAVE MASK APPEAL



# What we will cover

- PPP first draw and second draw
- EIDL Advance Grants
- Save Our Stages
- EIDL Loans





# Disclaimer

- Please keep in mind this information is changing rapidly and is based on our current understanding of the programs. It can and likely will change. Although we will be monitoring and updating this as new information becomes available, please do not rely solely on this for your financial decisions. We encourage you to consult with your lawyers, CPAs and Financial Advisors.



# COVID RELIEF ACT Part 2 and YOU

## Individuals:

- Economic Impact Payments (\$600) - more in 2021?
- Extends Unemployment Ins. (through March 14, 2021) provides \$300 supplement
- Extends Pandemic Unemployment Assistance (PUA) for self-employed /gig/part-time etc. extends coverage to 50 wks.
- Extends Pandemic Emergency Unemployment Compensation (PEUC) for those who have exhausted state benefits to 24 wks. (through March 14, 2021)
- Mixed Earner Unemployment compensation (if you have W-2 and self employment income). You may qualify for additional \$100 in addition to \$300 above if you lost more than \$5K in self employment income (through March 14, 2021).
- Do you have an FSA? If so you can roll over from 2020 to 2021 and 2021 to 2022. You also may be able to adjust your FSA withholding amount mid year 2021 if your employer offers.

If you previously received benefits reach out to your state unemployment office for extensions.

If you have not received benefits or were not successful previously the language regarding self-employed individuals/gig/part-time workers is more “baked-in” to the new legislation so be insistent.





# PPP Forgivable Loans

WHO can get one? YOU!!

If I did not receive PPP\$ in the Spring can I apply? YES

## FIRST TIMERS

- small businesses/self-employed/gig worker/sole proprietor/independent contractor
- Non profit 501(c)(3)
- Other types in the legislation



# How much funding can I receive?

## I am self-employed and have NO employees

- Step 1: Find your 2019 IRS Form 1040 Schedule C line 31 net profit amount. If this amount is over \$100,000, reduce it to \$100,000. If this amount is zero or less, you are not eligible for a PPP loan.
- Step 2: Calculate the average monthly net profit amount (divide the amount from Step 1 by 12).
- Step 3: Multiply the average monthly net profit amount from Step 2 by 2.5.

### DOCUMENTATION NEEDED:

Your 2019 IRS Form 1040 Schedule C

2019 IRS Form 1099-MISC detailing nonemployee compensation received (box 7), invoice, bank statement, or book of record establishing you were self-employed in 2019

2020 invoice, bank statement, or book of record establishing you were in operation on February 15, 2020.





# Example

1040 Schedule C line 31 (net profit) \$12,000  
(cap at \$100K)

Calculate avg monthly /12          /12

Monthly \$1,000

Multiply by 2.5          X2.5

Eligible Amount          \$2,500





# Paycheck Protection Program Borrower Application Form Revised January 8, 2021

OMB Control No.: 3245-0407  
Expiration Date: 7/31/2021

<b>Check One:</b> <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other	<b>DBA or Tradename (if applicable)</b>	<b>Year of Establishment (if applicable)</b>
<b>Business Legal Name</b>	<b>NAICS Code</b>	<b>Applicant (including affiliates, if applicable) Meets Size Standard (check one):</b>
		<input type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard
<b>Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)</b>	<b>Business TIN (EIN, SSN)</b>	<b>Business Phone</b>
	<b>Primary Contact</b>	<b>Email Address</b>

<b>Average Monthly Payroll:</b>	\$	<b>x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:</b>	\$	<b>Number of Employees:</b>	
<b>Purpose of the loan (select all that apply):</b>	<input type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain):	

## Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

*If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.*

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		





# How much funding can I receive?

## I am self-employed and HAVE employees

- Step 1: Compute payroll costs by adding the following
  - A. Compute YOUR personal 2019 payroll costs as in above example
  - B. 2019 gross wages and tips paid to your employees using 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c-column 1) from each quarter. No more than \$100k per employee.
  - C. 2019 employer contributions for employee health insurance
  - D. 2019 employer contributions to employee retirement plans
  - E. 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).
- Step 2: Calculate the average monthly net profit amount (divide the amount from Step 1 by 12).
- Step 3: Multiply the average monthly net profit amount from Step 2 by 2.5.

### DOCUMENTATION NEEDED:

2019 IRS Form 1040 Schedule C, IRS Form 941 and state quarterly wage unemployment insurance tax reporting form from each quarter (or equivalent payroll processor records or IRS Wage and Tax Statements)

Documentation of any retirement or health insurance contributions,

A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation and had employees on that date.



# Non Profit, S CORP, C CORP

- Calculations similar to last slide
- LLC? – follow instructions based on your tax filing status.





# Unusual Circumstances

- Seasonal businesses have alternate methods for calculation
- Summer programs
- Short term festivals
- Camps
- Workshops



# Second Draw PPP

- If you received first round funds
- Previously received a First Draw PPP Loan and will or have used the full amount only for authorized uses
- Have no more than 300 employees; and
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020







**Paycheck Protection Program  
Second Draw Borrower Application Form**

OMB Control No.: 3245-0417  
Expiration Date: 7/31/2021

<b>Check One:</b> <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other	<b>DBA or Tradename (if applicable)</b>		<b>Year of Establishment (if applicable)</b>	
	<b>Business Legal Name</b>		<b>NAICS Code</b>	
<b>Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)</b>		<b>Business TIN (EIN, SSN)</b>	<b>Business Phone</b>	
		<b>Primary Contact</b>	<b>Email Address</b>	
<b>Average Monthly Payroll:</b>	\$	<b>x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):</b>	\$	<b>Number of Employees (including affiliates, if applicable; may not exceed 300):</b>
<b>Purpose of the loan (select all that apply):</b>	<input type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain):
<b>PPP First Draw SBA Loan Number:</b>				
<b>Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):</b>	<b>2020 Quarter (e.g., 2Q 2020):</b>		<b>Reference Quarter (e.g., 2Q 2019):</b>	
	<b>Gross Receipts:</b>	\$	<b>Gross Receipts</b>	\$

**Applicant Ownership**

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

*If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.*

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		



# How do I apply?

- Contact your lender you do business with first
- Apply January 13, 2021, until March 31, 2021
- SBA Lender Match  
<https://catran.sba.gov/lendermatch/form/contact.cfm>
- **APPLY NOW! DO NOT WAIT**





# These are LOANS!

- **First and Second Draw PPP Loans** made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:
- Employee and compensation levels are maintained
- The loan proceeds are spent on payroll costs and other eligible expenses;
  - Business mortgage interest payments
  - Business rent or lease payments
  - Business utility payments:
- At least 60 percent of the proceeds are spent on payroll costs
- You can apply for forgiveness once funds are accounted for and spent for eligible expenses with an abbreviated form.



# Success in Forgiveness

- Keep meticulous records
- Consider not comingling PPP funds with your other accounts.
- You have up to 24 weeks to use the funds.





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DON'T WAIT,  
SELF-ADVOCATE



# But that's not all folks!

## \$10,000 EIDL Grants

### You must:

- Be located in a low-income community, and
- Have suffered an economic loss greater than 30%, and
- Employ not more than 300 employees
- **In addition**, the business must qualify as an eligible entity as defined in the CARES Act:
  - A small business, cooperative, ESOP Tribal concern, with fewer than 500 employees\*
  - An individual who operates under as a sole proprietorship, with or without employees, or as an independent contractor; or
  - A private non-profit or small agricultural cooperative.
  - The business must have been in operation by January 31, 2020
- The business must be directly affected by COVID-19





# \$10k EIDL Advance Grants

- If you received one in 2020 it appears you cannot apply again
- If you applied but received less than \$10k SBA should reach out to you
- More guidance and the application is forthcoming.



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# CHECK ON YOUR FRIENDS





# But that's not all Folks...

- Save our Stages (\$15B)
  - Shuttered venue grants
  - Must be live venue operator or promoter, theatrical producer, or live performing arts organization operator, a relevant museum operator, a motion picture theatre operator, or a talent representative
  - Cannot receive both PPP and SOS



# Save Our Stages

- Grant 45% of 2019 earned revenue up to \$10M
- Rolling application to serve the hardest hit first
- Must have been in operation Feb 29<sup>th</sup> 2020
- Cannot have received a second draw PPP
- SBA is developing a matrix which will soon be posted on [sba.gov](https://www.sba.gov) to help you make the right decisions.





# Shuttered Venue Grants

## Eligible Applicants May Include:

Theatrical producers

Museum operators, zoos  
and aquariums who meet  
specific criteria

Motion picture theater  
operators

Live performing arts  
organization operators

Live venue operators or  
promoters

Talent representatives

Any subsidiaries of these organizations that also meets the eligibility requirements.



SBA



## Deciding between SVOG and PPP

**PPP:** used primarily to cover payroll costs for employees rather than independent contractors; is a *forgivable loan* if certain standards & eligibility requirements are met.

**SVOG:** prove eligibility requirements are met; allows for broader use of funds; does not need to be repaid.

**COVID EIDL:** a loan; used primarily to cover working capital had the pandemic not occurred.

Applying for PPP **after Dec 27, 2020** or the SVO Grant does not have any impact on your COVID EIDL eligibility.

**Latest information:**  
**[SBA.gov/coronavirusrelief](https://www.sba.gov/coronavirusrelief)**





## Grant Application Process

After these phases:

*Supplemental Funding may be available*

- Funds may be used for **specific** expenses such as payroll, rent, utilities and other costs
  - **There are some limitations**
  - Check website for specifics

**Latest information:**  
**[SBA.gov/coronavirusrelief](https://www.sba.gov/coronavirusrelief)**



# EIDL LOANS

- Economic Injury Disaster Loans (EIDL)
- These ARE Loans and NOT Forgivable





# Upcoming Webinars in January



NATIONAL ASSOCIATION of TEACHERS of SINGING

## VACCINES, HERD IMMUNITY & HOW WE GET THERE

January 22 | 4-5 p.m. ET



William John Moss, MD  
Executive Director,  
International Vaccine  
Access Center  
Professor, John Hopkins  
University

What will summer and fall 2021 look like? The Future....

Week of January 25th

STAY TUNED for info soon



Are you a singer/voice teacher/choral conductor/  
K-12 educator and have contracted COVID?

Please help us gather data on the effects  
of COVID-19 on singers by completing  
this important survey.

[https://www.nats.org/cgi/page.cgi/\\_article.html/What\\_s\\_New/NATS\\_launches\\_survey\\_of\\_singing\\_teachers\\_who\\_have\\_contracted\\_COVID-19](https://www.nats.org/cgi/page.cgi/_article.html/What_s_New/NATS_launches_survey_of_singing_teachers_who_have_contracted_COVID-19)





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[info@nats.org](mailto:info@nats.org)



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MASK UP,  
SING ON.





# Q&A



# #FightTheFatigue



Thank you  
[Allen@nats.org](mailto:Allen@nats.org)

