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Live Q&A – Coronavirus stimulus programs and your business

CORPORATE PARTICIPANTS

Julie Hyman
Yahoo Finance anchor and host of On The Move with Adam Shapiro

John M. Blackstock
Small Business Association of NJ – Deputy District Director

PRESENTATION

Julie Hyman
Welcome, everyone. I’m Julie Hyman with Verizon Media Group. I’ve been covering the financial markets for 20 years. I’m an anchor at Yahoo Finance, and I’m host of On The Move alongside Adam Shapiro. I want to welcome you back to our small business webinar series. Thank you very much for being here. Each of these webinars is going to feature experts offering professional insights and ideas about difficult times, and how small businesses can use them to cope with this pandemic that we are all dealing with right now.

For today’s guest, we’re happy to have John Blackstock. John is the Deputy Director of the Small Business Administration of New Jersey and he has a really valuable perspective about the current federal coronavirus stimulus programs. I know that a lot of you are trying to navigate them right now and John is going to give you some guidance here, so I want to hand it over to John Blackstock to give us an overview of the coronavirus stimulus programs, and then following his presentation, we will do a question and answer period. John?

John M Blackstock
Julie, thank you so much. It’s a pleasure to be here this afternoon. I’ve got two programs I’m going to discuss. I’m going to talk about the Paycheck Protection Program first. So, really quickly, the overview, it’s a loan offered through participating lenders, so you can find lenders that are participating in your area. There’s a website, it’s www.sba.gov/paycheckprotection/find. Once you go to that link, you can enter your zip code and a list of participating lenders will come on your screen. I recommend you call the banks that show up on your screen, ask them if they are accepting applications, and if they’re accepting applications from non-customers. So, this is designed to be a direct incentive for small businesses to keep their workers on the payroll.

So, a good question we get all the time, what are the funds used for? It’s designed to pay up to eight weeks to payroll costs including benefits. The funds from the PPP can also be used to pay interest on mortgages, rent, and utilities. So, small businesses, they’ve been applying for several weeks now and then April 10 we had sole proprietors and independent contractors eligible to apply starting April 10. So, really quick, PPP loans, there’s been over a million loans. Of the $349 billion, 242 billion has been allocated. We’ve got about 4,662 lenders participating in this program, so the loan terms, the maximum loan amount is 10 million, the interest rate is 1%. The first payment is deferred for six months, and the maturity is two years. For the applicants, there’s no collateral requirements, and there’s no personal guarantees required. This program is available through June 30, 2020, but I want to also say that this has a limit of $349 billion and the last number we got was 249 already approved.
So, the good thing about the Paycheck Protection Programs it’s baked in their loan forgiveness, so this loan will be totally forgiven when at least 75% of the funds are used for payroll. Forgiveness is based on the employer maintaining or quickly rehiring employees that may have been furloughed or let go and maintaining salary levels. So, who’s eligible to apply for the PPP? Small businesses with 500 or fewer employees. There are a few exceptions to that. Nonprofits, vet organizations and faith-based organizations are eligible. Sole proprietors, self-employed persons, and independent contractors can apply.

So, this is a loan. This is a two-year loan at 1%. The borrower will owe money when the loan is due if the loan amount is used for anything other than payroll costs. 75% has got to be used for the payroll costs, and that includes mortgage interest, rents, utility payments over the eight weeks after receiving the loan. If the borrower uses less than 75% of the loan, then it will be a loan. If a borrower maintains staff and payroll less than February 15, 2020 levels. To qualify for this loan forgiveness, full time employee headcount must be maintained as do the salaries and wages. The borrower has until June 30 to restore full time employment and salary levels from any changes made between February 15 to April 26 of this year. What counts as payroll costs? Salary, wages, commissions, tips, employee benefits, including costs for vacation, parental, family, medical, or sick leave, allowances for separation or dismissal, payments required for the provision of group health care benefits, including insurance premiums, and payment of any retirement benefits, so it’s a little different for sole proprietors and independent contractors. For them, payroll costs include wages, commissions, incomes or net earnings from self-employment.

That is in a nutshell the Paycheck Protection Program. I’m going to quickly shift into the first loan program the SBA came out with. It’s called the Economic Injury Disaster Loan for Coronavirus-related Economic Disruptions. So, this is a loan. It is up to... what businesses are eligible to apply? Any small business in all the states are eligible to apply and includes working capital loans that are available to small businesses, small agricultural cooperatives. It includes any business directly affected by the disaster, businesses that offer services directly related to the businesses in any of the states, and that also includes businesses indirectly related to the industry that are likely to be harmed by losses in the community.

So, how much can you borrow? For the Economic Injury Disaster Loan, the max is $2 million. Interest rates are 3.75% for small businesses, and if you're a nonprofit, there's three nonprofit groups that can apply, it’s 2.75% with terms up to 30 years, one year will be deferred. So, the nonprofits, there are three, so if you're a 501(c)3 or a 501(c)19, or with tribal concerns 31b2C, you're eligible to apply for that EIDL loan at 2.75%. You can use the loan proceeds, these can be used as working capital loans, they can be used to pay fixed debt, payroll, accounts payable and other bills that could have been paid had the disaster not occurred. I want to be clear, if you apply for the EIDL in the PPP, they cannot be both used for payroll, so it's possible you can apply for an EIDL loan and use it for non-payroll and still get the PPP and use it for payroll.

This loan to EIDL loan, the Economic Injury Disaster Loan, is through the Small Business Administration. It is a loan, again 3.75% for small businesses, 2.75 for eligible non-profits. There are filing requirements. There is some paperwork involved. There's a loan application. There's tax information authorizations; most recent federal income tax returns, schedule of your liabilities, and your personal financial statements are required. Depending upon your credit, there
might be additional filing requirements, so if you think you have bad credit mix, you have additional things that if you were going into a normal bank, outside of this COVID-19 pandemic, what you would have for the bank to approve your loan. This EIDL loan, and there's also an EIDL advance, a $10,000 advance, which is really a grant and it comes out to about $1,000 per employee, it can be accessed at this... the website is www.disasterloan.sba.gov/ela. I'll say it again, www.disasterloan.sba.gov/ela.

There's a phone number that you can use if you're having trouble. Please understand that every district office of the SBA has throughout all the states their staff, they're providing this number. The SBA's Office of Disaster Assistance is handling these calls, but they're sometimes overwhelmed, so there might be a little bit of time you're waiting. The phone number is 800-659-2955.

OK, so that's EIDL, that's EIDL advance, and that's PPP in a nutshell. I know there's been quite some interest in this, and again, we're at $242 billion already committed to the PPP program. So, Julie, that's the two presentations I have, and I'm ready to answer any questions you might have.

**Julie Hyman**

There are a lot of questions. People definitely have a lot of questions here because I know there are a lot of people out there right now who need this assistance.

So, John, I would first pick up on the last thing that you were talking about, and this is something a lot of folks have asked about. We're already almost at the authorization, and it looks like Congress has talked about another tranche, another amount of money that they're going to be adding to the PPP. However, I believe Congress is out of session until May 4, so what are you telling folks about the urgency of applying for this stuff?

**John M. Blackstock**

So, Julie, our advice is to apply early. You can apply for the EIDL, the EIDL grant, and the PPP, and as you said, this is congressionally mandated. Once that $349 billion are spoken for, we will have to wait until another congressional mandate comes out and gives us more money.

**Julie Hyman**

What... for the people who have – yes, please?

**John M. Blackstock**

So, we also have... if you... we do have resource partners, so if there's someone that has issues, we work with the Small Business Development Centers and our support counselors, and if someone applied for an EIDL loan and was declined due to a negative credit score, we have resources available to help people with negative credit, probably not now is really helpful, but we do have strategic resource partners. There are state programs, I recommend everyone check with their state, whatever your state is, just add a “.gov” and see what assistance programs are out there, but right now, Julie, what we've got is the Economic Injury Disaster Loan (EIDL), EIDL advance, and the Paycheck Protection Program.
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Julie Hyman

As you mentioned, you guys have been busy in the SBA dealing with all of these EIDL applications, as have the folks at the banks, what's the best way for people to track the applications that they have put in for EIDL in particular?

John M. Blackstock

So, that's a very good question, and we get that all the time, so in New Jersey, we've got dedicated folks, our whole focus now – we've got one person designed to do nothing but are dealing with [any] contractors. The rest, we're dealing with disaster loans. For EIDL, there's really no way that any of the New Jersey district office employees can look into the loan portal, even with an application number and give any of the applicants a status. Originally, we were recommended that they call the 800 number, but we found out that that just creates more havoc. So, in fact, the SBA, they are turning and burning these loans, people are getting emails, they look like it's a form email saying these are being processed, and then quickly thereafter, they're finding that the EIDL advance and the EIDL proceeds are being deposited into their account, so the information trying to seek what's the status of my application, it's really hit or miss. I know that the Office of Disaster Assistance, those folks are working around the clock tirelessly to get these loans out, and I think they're doing the best they can, but you have to understand this is not a localized disaster. This has affected every state, so the SBA and the Office of Disaster Assistance, they're really doing the best they can.

To answer your question, there is really not one easy phone call or email, so you're going to get an email, and it will tell you look in your account, and hopefully you'll find funds dispersed into your account. That's the case, I've had several applicants send me emails saying, hey, I've got my EIDL advance and my EIDL loan, so the process does work.

Julie Hyman

And I suppose it's tough to give an answer on an average turnaround time at this point too.

John M. Blackstock

Originally, we were telling it's about 21 days, and, again, nationwide, folks are applying, so that 21 days turns into more than that, almost four weeks, but we're not going to apologize. We're doing the best we can and we just... everyone's patient, the small businesses, our whole goal is to get them back up, putting money into their hands. The Paycheck Protection Program is designed to get those people who are furloughed or let go, get them back. Get them off unemployment, get them back on the payroll, to get this economy somewhat moving in a forward motion.

Julie Hyman

Speaking of unemployment, I've seen several questions from folks who are themselves collecting unemployment, or perhaps some of their employees who have been temporarily or permanently laid off are collecting unemployment. How does that affect, in particular, the PPP application process? Are people still eligible if they're collecting unemployment?

John M. Blackstock
So, unemployment really is a state issue, but for the PPP, the purpose of this program is paycheck protection, so the whole purpose is to get people back on the payroll, so the way this works, you apply, there's a methodology to determine for the small businesses how much money they can apply for. Again, the max is 10 million, but most loans are not even near that, so you take the number of employees you have, and then you add up all their payroll costs, and that includes your benefits, but it can't go past $100,000 per employee, and then if you have more than one business, you do this for each of the businesses, you're only entitled to one Paycheck Protection Program loan, so please make sure you have all your businesses rolled up into one. Once you get the aggregate of your payroll costs for the year for all your employees, you divide by 12, then you multiply by 2.5 and that determines how much you can apply for. It's on the small business owner to come up with that number. The small business owner will sign and attest on the application that this is in fact true and accurate payroll costs for the year. The banks will not do that math for you, but there's also a calculation for a lot of the seasonal businesses, so obviously they don't have 12 months, so they'll do a time period less than that, and they can work with their bank too for the seasonal businesses.

Julie Hyman

I've seen a lot of questions as well about the timing of either hiring employees back or keeping them on the payroll because, of course, a lot of businesses are shut right now. June 30, it's my understanding, is the deadline for the PPP in order to hire your employees back, what if we still have a state mandated shutdown at that point? How does that work in terms of keeping people on the payroll or putting them back on the payroll and still being eligible for forgiveness, or are they not then in that case?

John M. Blackstock

So, that is a very, very good question, Julie. We don't have the guidance on that. I know that is a major concern with a lot of the applicants that have applied for the PPP, because the PPP, just straight out, it says they want you to rehire at the staff levels before February 15, or at February 15 levels, so if your state has some sort of restriction or a stay at home where cannot come back to work, there's got to be something where they can work remotely, the intent is to get them back on the payroll, so how that process unfolds, I don't know how that is, but I know that we've got a lot of folks, federal workers, our whole office, everyone's working remotely, so although we're not going into an office per se, we're capable of working from home, and it doesn't affect... that might not be the case for a lot of businesses, but that's an option, but the overall goal is to get people back onto the workforce, and if some people are on unemployment, they choose not to, then maybe rehire new people, but again, if your state has some sort of restriction, I don't know. I don't have guidance on that.

Julie Hyman

How about part-time employees? How are they classified in PPP or in EIDL for that matter? Are they still eligible to be counted towards the total payroll expenses?

John M. Blackstock
So, employees, you're looking at the totality at the time that they're there. I don't see anything in the PPP. I'm searching our interim rule now. I don't see anything in there, so if you have part time, or if you're a seasonal business, you just take the sum of the employees, so how much that person makes, you want to get a monthly, depending on if you're sort of... if you're open year-round, then you're going to take 12 months and come up with that payroll for that employee. I'm not really sure if it affects full time employees, so I am unable to answer that.

Julie Hyman

And you mentioned the 12-months also, so I've seen a number of questions also about seasonal businesses, and how that's defined and whether those kinds of businesses are eligible.

John M. Blackstock

So, yes, seasonal businesses are eligible, and in this state of New Jersey we have a lot of seasonal businesses, and how the business is structured – I mean, we've got sole proprietors, seasonal business with W-2 employees, they're eligible to apply, so it's easy to count your employees, your W-2s, so when you're tracking for the PPP, your accountant or whoever's handling your books can prove that eight weeks after the PPP was dispersed into your account, 75% was used for payroll, and for the sole proprietors who maybe take a draw or don't have W-2, there's got to be some sort of proof that they were receiving this compensation, and they look at their records, the bank records, so there is a process and the banks will... I would definitely talk to the banks when you're applying, let them know that you've got full time, part time, and you're a sole proprietor because you do want to have that... if you want the loan forgiven, you have to use 75% of the proceeds for the payroll. And again, if you do not use... if you use less than 75% of the Paycheck Protection Program, if you use less than 75%, it will be a loan, it's not forgiven, but it's a 1% loan.

Julie Hyman

So, still at a very low rate. We're going to end up repeating ourselves a little bit so for forgive us for those who are listening, but I think that there are some overlapping questions and this is one example of that. So, this person who writes in says their particular bank, the bank they bank with, has not produced a PPP loan application yet, and that's true of some banks out there. Should they wait for their bank or look elsewhere? It feels like from what you were saying about the authorization and how much funds are left that they should probably look elsewhere.

John M. Blackstock

That is a great question. I was dealing with two small business owners earlier today. The bank that they initially applied with, one applied on 3 April, a phone call was made this morning and the bank has 600 applications and they're still trying to work the process, so our lender relations specialist team, they're injecting themselves, they are calling the bank. The presidents, the CEOs are asking, hey, what can we do to help speed up this process? Some banks really know, they're dialed in with the process, and so when the banks, the PPPs submit their applications, the SBA they turn that around, and so that's why we can tell we've got over a certain number of dollars already committed. For the banks that are sitting there, talk to your banks if you've applied... so I would talk to them. The banks are approved, the [loans] are approved, the banks have 10 days to release those funds into your account, so if you're coming up on that tenth
day when you've talked to the banks saying I've got your application, please give them a call. That's a decision that the small business owner is going to have to make. What do you want to do? Do you want to stay with this bank or do you want to look for another bank? There's several places you can look, not all banks are taking applications, but if you are interested, there's a website, it's [www.sba.gov/paycheckprotection/find](http://www.sba.gov/paycheckprotection/find) and that will list banks that are participating... you put in your zip code and it will tell you what banks are near you. So, that's a decision the small business owner has got to make. Are they willing to stay with the bank that's dragging its feet for whatever reason, not getting your application processed and approved and money into your account, because yes, that is a huge concern? You realize this fund is limited, $349 billion, it's going rather quickly.

**Julie Hyman**

You mentioned for the folks who are sole proprietors that they need to provide proof that they've paid themselves a certain amount. What kind of documentation are you looking for in that particular case and, especially at a time when, perhaps, some documentation is challenging to get, because various offices are closed, notaries are closed etc?

**John M. Blackstock**

For the sole proprietor, they've got to have some sort of bank account, something saying funds were submitted from this business to the sole proprietor, some sort of wage or compensation, so banks will use that. They will accept that. When the sole proprietor for a PPP and he/she is trying to prove that they got it, the documentation necessary to establish, we're talking payroll processing records, payroll tax filings, some may or may not have a 1099 or income expenses. Hopefully, they've got records and the operative word is “hopefully” because you're right, they're not going to be able to go down to their local accountant and say, 'show me this'. Julie, hopefully, again hopefully, in eight weeks after they get their loan, the economy is going to be open, they'll have the ability to reach back and show that documentation, get those processor records, the payroll tax filings or income expenses. I think a lot of people will have the ability, they might not have right now, but a few weeks down the road, I think that options is going to be open to them.

**Julie Hyman**

People are also curious what constitutes other expenses versus payroll expenses, also utility, rent etc. How does all of that factor into the equation that people have to provide and have to justify?

**John M. Blackstock**

OK, so for payroll and it's probably easier if I explain what constitutes payroll expenses. I am going to get this right from the SBA's interim rules, so there is no misunderstanding. One second, almost there. Sorry.

**Julie Hyman**

That's OK, John. Listen, I want to thank you again for doing this, because as you know, because I know you folks are getting so many requests, people are really hungry for information right now, so it's great that you could take the time and do this for us.
John M. Blackstock

Well, we want to make sure that we provide accurate information. So, payroll costs, Julie, consists... if it’s not in this, I’m not a lawyer, but if it’s not defined in the SBA’s interim rule, it probably doesn’t count. So, what qualifies as payroll costs, compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions or similar compensation, that includes cash tips or the equivalent based on employer records of past tips, or in the absence of such records a reasonable good-faith employer estimate of such tips. That also includes payments for vacation, parental, family, medical or sick leave, allowance for separation or dismissal, payment for the provision of employee benefits consisting of group healthcare coverage, including insurance premiums and retirement, payment of State and local taxes, assessed on the compensation of employees and for the independent contractor or sole proprietor, that includes wage, commission, income or net earnings from self-employment or similar compensation.

Julie, it’s key that when we start talking about PPP, payroll costs cannot exceed $100,000 per employee and that includes sole proprietors and independent contractors. If you have 10 employees or one employee, the payroll costs cannot exceed $100,000 per employee. I hope that definition of what qualifies as payroll costs sticks. If it’s anything outside of those, it’s probably not going to count.

Julie Hyman

Can you talk to me a little bit more again about PPP versus EIDL, versus the EIDL grant and how people should be strategizing when applying for the various programs?

John M. Blackstock

So, the easiest one is the EIDL grant—

Julie Hyman

By the way folks, for those of you who missed the beginning of the presentation, EIDL is not I-D-L-E, it’s E-I-D-L (Economic Injury Disaster Loan) and that’s one that is administered by the SBA. Sorry, John, please.

John M. Blackstock

That’s right, EIDL (Economic Injury Disaster Loan), so EIDL Advance, and both EIDL and EIDL Advance, you can find them at www.disasterloan.sba.gov/ela. So, if you look at the advance, consider it as a grant. Technically, it’s $10,000, but really it equates to about a thousand dollars per employee. You go to the www.disasterloan.sba.gov/ela, get on the portal, and apply. There’s a box you check for the EIDL Advance. It’s called an Advance, it’s really a grant. You get that money; you can use that for whatever you want.

The Economic Injury Disaster Loan (the EIDL), it’s up to $2 million, it’s at www.disasterloan.sba.gov/ela, you can use it for payroll, you can use it for non-payroll, you can use it for any business expense you desire. You cannot take an EIDL loan and a PPP and use those both for payroll. If you decide to apply for all three, which I encourage everyone to do, I would use the PPP to cover your payroll, use at least 75% for your payroll costs, and that loan will be forgiven.
You have to do 75% within eight weeks. That’s the first tip, and to me, it makes the most economic sense. You can use an EIDL loan for non-payroll costs, and then you can use the EIDL grant for whatever you want. You can use that for payroll, you can use it for whatever you want.

**Julie Hyman**

When you talk about the eight weeks, I’ve also seen a lot of questions about whether any of that eight week stretches backwards. In other words, can you sort of... if you’ve borrowed money already to pay people on the payroll going back, can you use some of the PPP money to repay that, or if you’ve borrowed money from family, for example to pay your employees, can you use this money to pay them back.

**John M. Blackstock**

I don’t have the answer for that, Julie. It’s the date that you get that loan disbursed, it’s the eight-week clock, that’s when it starts. It’s great that you’re getting these people back onto the workforce. That’s maybe something – I don’t have an answer. I really don’t.

**Julie Hyman**

That’s OK. Here’s an interesting one, “What would be the reasons that you would be turned down for EIDL or for PPP for that matter?” let’s say you’ve fulfilled the requirement, is it a matter of credit, your credit score at that point, or are there other things that would disqualify you?

**John M. Blackstock**

For the Economic Injury Disaster Loan, credit is something that is definitely looked at. It is a loan. There have been folks that were declined, but they are... if they were declined for an EIDL, an Economic Injury Disaster Loan, they’re entitled to apply for the EIDL grant. There is no declination, there is no credit score for that.

For PPP, if you have employees working outside the United States, that would disqualify you. Maybe you have a felony within the last five years or if you defaulted on an SBA loan in the past, that’s an automatic disqualifier.

Some businesses are just not eligible. Charitable... I’m going to get the... gambling establishments with more than 30%, those are ineligible, any type of operation that is illegal at the Federal, State or local level, that would make you ineligible.

**Julie Hyman**

Makes sense. I think people are also curious about where does responsibility lie in terms of getting the updates that they want. I have one person who wrote in here and said they applied for the PPP, they are asking the bank for a status update and the bank is sort of kicking it back and saying, well, it’s up to the SBA, when they get the underwriting they need, then that’s when they’ll get more information. The jurisdictions, I think, in all of this are confusing to people, and I think they’re probably confusing to you as well since all of this is so new. But what can you tell us about that?

**John M. Blackstock**
Sure, that’s a great question. There are a few people that have posed that question. So, the banks are the ones that are approving the – I’m sorry, the PPP applications. The conditions are all the same, it’s 1%, it’s two years, so the banks get their information and when they are ready, they roll it up, they submit to the SBA. The SBA is turning that around really quick, getting that money disbursed to the banks and the banks have then 10 days to disburse those funds into the person who applied.

What I’m seeing, hearing, and watching, some banks are still processing and there’s a backlog and that might be due to unfamiliarity of the process. We’ve got our lending relationship specialists, we’ve got three in the State that are assisting the local banks, trying to unblock whatever is blocked. There’s really no reason once someone submits an application, the bank should have that application submitted to the SBA for funds. We want to get those funds into the hands of the small business owner and anything beyond a few days is really alarming to me and our staff. Our folks are working with these banks.

It’s not really the SBA sitting their holding. Once there’s an application, the SBA is remitting the funds to that bank to deposit into that account. If someone is concerned that their application – if it’s been several days, the best advice I can give you is contact that bank who you applied them and ask them, point blank, what is the status of my PPP loan and when do you expect it to be approved and money in my account. Put the ball in their court and make them provide you with the answers. They’re getting commissions on every loan they approve, the SBA is... there’s not a stack of loans that the SBA is sitting on, and there’s no preferential treatment. The SBA is approving these, first-in/first-out.

**Julie Hyman**

“What is the detail or the guidance that you guys and/or the Treasury on the forgiveness portion of the PPP?” This is what somebody is asking, and they give an example. If they reduced employee salaries, would that be compared on an employee by employee level or on a company level? Frankly, I don’t know if that guidance is out there already from Treasury or from you guys as to what the reimbursement rate or the forgiveness rate, I should say, is going to be.

**John M. Blackstock**

There is discussion. The idea is to have your employees return to the workforce at the levels of February 15, whatever their salary was, whatever their compensation package was. That’s the goal and if you choose to reduce their pay, I don’t really know the legal ramifications for that, Julie. I just know the intent is to have the small business owner, to have his workforce return at the level that it was in the past, before this pandemic. That is for the loan forgiveness, 75% of this, that loan has got to be used for payroll.

Is it a complete system? That’s the interim rule that Treasury and the SBA agreed upon, and that’s the information that we’re putting out for everyone, the applicants, and the bank, that’s our understanding.

**Julie Hyman**

If people have more than one small business, presumably they can still apply for any of this for any of the businesses at the same time?

**John M. Blackstock**
Absolutely, Julie, so if you have more than one business, please understand that you can only have one Paycheck Protection Program loan, so if you have multiple businesses, and your folks that are in your [methodology] are in the United States and you are eligible to apply, roll up your businesses in one loan.

**Julie Hyman**

You mentioned a little bit about nonprofits at the top. Can you come back to that, for a moment, and just remind folks if they have a nonprofit, what would... which nonprofits are eligible to apply for any of these loans?

**John M. Blackstock**

The nonprofits, there are three groups, Section 501(c)(3), the veterans 501(c)(19), and the tribal concerns, the 31b2Cs, those are the nonprofits that are eligible.

**Julie Hyman**

I'm just scrolling through some of these other questions, a lot of people just want to hear back from whether they—

**John M. Blackstock**

Julie—

**Julie Hyman**

—or not, but as you said, there's backlog.

**John M. Blackstock**

I want to go back, my director, Al Titone, who, I swear to God, this guy never sleeps, he's listening, and he's sending me emails. He has been a mentor to me. For the question about getting employees back, the number of employees must be the same, the money should be the same, but there's a 25% leeway, so there is a little bit of flexibility in that. I just want to make sure that's out there.

**Julie Hyman**

And does the eight weeks of the payroll period, does that start upon the grant date, when does that clock start?

**John M. Blackstock**

Julie, that starts the moment the bank disburses those funds into your account. You cannot go back, as we discussed. It's great that people are really helping the economy and getting these people back on the payroll, but it starts the moment those funds are disbursed into your account. That's when your eight-week clock starts.

**Julie Hyman**

I think some people also are concerned if they've put an application in for any of this and they haven't heard back, should they then resubmit. Some people, I think, also have gotten it kicked back to them with various further requirements.

**John M. Blackstock**
If you apply for the Economic Injury Disaster Loan or the grant and you’ve hit submit, that’s all you do. You can’t get past each screen unless all that information is present. When you hit submit, that application is going to be processed and you’re going to get a declination pretty soon. Someone is going to reach out and decline you for the EIDL or the EIDL Advance. For the PPP, you’re dealing with the bank, so it’s incumbent on the applicant to submit that application and follow-up, please don’t just submit it and think in 10 days you’re going to have money. Call the bank, ask them, put the ball back in their court, ask them if they’ve got everything, what can you do to help speed this up, you really need this money and make them earn this commission.

**Julie Hyman**

I’ve gotten a couple of other questions. I know you covered this earlier about what counts as payroll and sort of by process of elimination, everything else is not payroll. But I have still seen a couple of other questions about things like utilities and rent.

**John M. Blackstock**

I should have included that. Mortgage, rent, utility payments, that’s all part of the payroll definition.

**Julie Hyman**

If you divided it by number of employees, you can count that in your calculation.

**John M. Blackstock**

75% should be used to get those employees back, but you can use mortgage, utility, rent, as a payroll.

**Julie Hyman**

When you’re trying to consider keeping that number of employees constant, is that effective date as well as when you get the money? That wouldn’t seem to make sense, right, because if you’ve laid some people off and you want to hire them back. How do you determine the number – because you said it should be, it’s to cover the same number of employees, correct?

**John M. Blackstock**

Right, so you go back... from February 15 to April 26, you want to start getting these employees back on your payroll, even though you haven’t got the funds, let them know you’re going to get them back to work.

**Julie Hyman**

John, I think we can start to wrap it up here. Is there anything that you think that people haven’t asked or that you have thought of that you want to make sure people come away from this with?

**John M. Blackstock**

I just think patience is key. This pandemic is nationwide, so all these call centers... the folks that are answering the phones, if they answer, they’re probably going to take a name and number, it’s patience. We’re working as hard as we
can and I want to get back... mortgage interest inly for that PPP for the payroll. I just want to make sure it's... so payroll, you can include your mortgage interest only.

So, if you have issues, you can reach out to your local SBA within whatever State you're in, reach out to the staff there, local resources included in the Small Business Development Centers and SCORE counselors. And most importantly, if you apply for the PPP program, check with the banks, contact them early and often, and ask them for updates. That's your best conduit to find out when your PPP is going to get approved.

Julie Hyman

John, thank you so much for this. John Blackstock is working tirelessly here, as you mentioned, as is his one of his colleagues there. He's the Deputy Director of the Small Business Administration of New Jersey. I also just wanted to let everyone know that you can continue to replay this webinar at the same link. You can also go to www.verizon.com/business/resources/webinars to view it again, as well as viewing some of the PowerPoints and other attachments and utilities here. You can view them in the link that you see on this BrightTALK link, or following this, at the Verizon link as well. Hopefully, some of that resource information will be helpful to you because some of what was included in John's PowerPoint presentation, I know there was some questions about it, and some of it was addressed in the presentation. Hopefully, you have some resources and I want to wish everyone out there a lot of luck at this very difficult time. My thoughts are with you and I wish everyone the best. John, to you the best as well and thank you very much and you can check out our other webinars, by the way, in this series on our BrightTALK channel page.

Thanks very much.

The statements and opinions by John Blackstock do not reflect the views or opinions of Verizon and its affiliates.