

Apple Growth Partners' COVID-19 Webinar Series - Part 5: Navigating for Non-Profits - Answers to Questions Received

Question Asked	Answer Given
Is the 500 employees FTE's or total employees?	If we are talking simply about the eligibility requirements, then it is defined as total employees with law wording of 'full time, part time, or equivalent.' My advice is if they receive a W2 from you, count them as an employee.
Do you have to have an employee on payroll for this? We do not have a payroll system, but we do pay freelance employees.	Freelance employees would be EXCLUDED from this as those freelance employees can actually apply for the PPP themselves. You may qualify as a single member LLC or the equivalent though.
Can you apply solely for the EIDL 10k grant?	Yes. Many have and I would highly encourage this. That process should be pretty straight forward and not as cumbersome as the actual EIDL program.
Can you clarify whether forgivable expenses include just interest on a mortgage, and NOT the entire mortgage payment?	Thanks for the question. You have it correct. It is only the mortgage interest. PPP funds cannot be used for the principal itself. I would encourage you to talk to your bank, though, on potential deferral of mortgage payments if that fits into your larger cash management/cash flow analysis. We would be happy to help you through that, if needed.
Can you provide a calculation example for analyzing the Retention Credits and Social Security Deferral	Our team would love to assist you with this analysis. If you reach out to your primary contact at AGP, they should be able to get you going right away on this matter. If you are new to firm, fill out our request for more information and we can get the ball rolling.
How do you apply for the additional grants you are discussing? i.e. for substance abuse and mental health services - \$425M	This portion of the law is a bit undefined, but it appears the money is reallocated from the budget to these federal agencies and it is upon them to distribute as they seem fit.
Did you say that employees of non-profits are not eligible for unemployment? Or was that specific to employees of churches? It is not clear to me what you were saying there.	Sorry about any confusion. NFP employees are eligible to receive unemployment. Our comment was directly to certain churches.

Question Asked	Answer Given
<p>How does staff turnover work on the salary reduction? If someone quits and I hire a replacement, are they excluded from the salary reduction calculation?</p>	<p>So, this question I believe stems around the 'forgiveness' section. There are two parts that can really affect your forgiveness amount. (1) Headcount - We need to return headcount to the same levels as the prior period. Thus, if you had 30 employees last year, you would need 30 employees by the end of 6/30/20 for potential max forgiveness. (2) Salary [heart of your question] - The equation for salary forgiveness looks at the payroll expense from the prior quarter for average FTE. It's confusing. But they want total salaries for average FTE's to be basically 75% or greater of what they were in the prior quarter. Our model can help. So, to your specific example, the person that quit would more than likely be included in the benchmark prior quarter with the replacement in the forgiveness period.</p>
<p>Are private foundations eligible?</p>	<p>Without knowing more about your foundation, we cannot specifically give you any guidance. But, if your private foundation is a 501(c)(3), it therefore be eligible for a loan. You would also eligible for the Employee Retention Credit if you do not receive a PPP Loan.</p>
<p>If all administrators and ministers of our organization are independent contractors, can we still apply for assistance... they receive a regular payment for services rendered.</p>	<p>Can the organization itself apply. Without any other facts, yes. However, the independent contractors must be excluded. What you could run into, though, is a situation where you have an organization with no payroll. Thus, it would be hard to apply for this specific loan. The Main Street Loan may be more applicable (though details are still forthcoming).</p>
<p>Can a 501C7 take both the EIDL and the Employee Retention Credit?</p>	<p>Yes. Your 501(c)(7) would be able to take both an EIDL and an ERC.</p>

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