Agenda

- Receiving loan
- Dealing with banks
- Pitfalls of loan forgiveness
- Ensure NFP survival
- Questions and answers
No Loan Yet?

- Clarifications and hot-button issues
  - PPP Interim Final Rule and FAQs
  - Certifications to the bank and SBA
  - Payroll costs
  - Borrowers with existing SBA 7(a) loan
  - www.AxisHelps.org
Dealing With Banks

- Stay engaged with your bank
- Try a community bank
- Apply with multiple banks
- Be ready to provide supporting documentation immediately
## List of Banks

### MIAMI-DADE HEADQUARTERED BANKS
- BANKUNITED
- BANK LEUMI
- BENWORTH
- CITY NATIONAL BANK OF FLORIDA
- AMERANT BANK N.A. (formerly Mercantil Bank)
- OCEAN BANK
- BAC FLORIDA BANK
- BANESCO USA
- US CENTURY BANK
- PROFESSIONAL BANK
- FIRST NATIONAL BANK OF SOUTH FLORIDA
- HELM BANK USA
- INTERNATIONAL FINANCE BANK
- APOLLO BANK
- GROVE BANK & TRUST
- TERRABANK

### MIAMI-DADE HEADQUARTERED CREDIT UNIONS
- SOUTH FLORIDA EDUCATIONAL F.C.U.
- DADE COUNTY FEDERAL CREDIT UNION
- UNIVERSITY CREDIT UNION
- JETSTREAM FEDERAL CREDIT UNION
- MIAMI POSTAL SERVICE CREDIT UNION
- MIAMI FIREFIGHTERS F.C.U.
- BAPTIST HEALTH SOUTH FLORIDA F.C.U.
- UNITED POLICE FEDERAL CREDIT UNION
- MIAMI FEDERAL CREDIT UNION
- COMPASS FINANCIAL F.C.U.
- HIALEAH MUNICIPAL EMPLOYEES F.C.U.
- SHAW-ROSS EMPLOYEES CREDIT UNION
- ELECTRICIANS LOCAL 349 C.U.

### BROWARD HEADQUARTERED BANKS
- AMERICAN NATIONAL BANK
- DESJARDINS BANK N.A.
- NATBANK N.A.
- OPTIMUM BANK
- HOME FEDERAL BANK OF HOLLYWOOD

### BROWARD HEADQUARTERED CREDIT UNIONS
- POWER FINANCIAL CREDIT UNION
- TROPICAL FINANCIAL CREDIT UNION
- BRIGHTSTAR CREDIT UNION
- WE FLORIDA FINANCIAL CREDIT UNION
- PRIORITY ONE CREDIT UNION
- SUN CREDIT UNION
- CONNECT CREDIT UNION
- BROWARD HEALTHCARE F.C.U.
- MEMORIAL EMPLOYEES F.C.U.
- CORAL COMMUNITY F.C.U.
- POMPANO BEACH CITY E.C.U.

### PALM BEACH HEADQUARTERED BANKS
- SYNOVUS BANK (GA BANK, BUT MUCH PRESENCE IN PB COUNTY)
- FLORIDA COMMUNITY BANK
- CENTER STATE BANK
- SEACOAST BANK (JUPITER-BASED)
- LEGACY BANK
- VELOCITY COMMUNITY CREDIT UNION
- CENTENNIAL BANK
- VALLEY BANK
- FIRST REPUBLIC BANK (PRESENCE, BUT NOT HQ IN PB)
- FLAGLER BANK
- ANCHOR BANK
- NEWTEK SMALL BUSINESS FINANCE
- PARADISE BANK
Most important part of the loans is forgiveness

- 100% forgiveness is possible
- Guidance still not out
- Start planning the cashflow now
- Make adjustments as needed
- Moving target
Allowable expenses for loan forgiveness

- Amounts incurred and paid on the following expenses during the 8-week period beginning on PPP loan funding date are eligible to be forgiven:
  - Non-payroll expenses can only compose 25% of the amounts forgiven
  - Payroll costs
  - Mortgage interest incurred in the ordinary course of business.
  - Payments for utilities.
  - Rent on a leasing agreement.
Nuts and Bolts and Pitfalls of Forgiveness

Certifications

- Loans in excess of $2M will be reviewed by SBA
  - Lesser loans may be looked at
- SBA released guidance for returning loan
- Safe-harbor (May 7th)
75% payroll test

- At least 75% of the loan proceeds must be used for payroll costs
- Employees should not be paid less than 75% of their average payroll
- Payroll costs are defined as cash compensation (housing allowance now included), employer 403B contributions, employer health insurance premium payments and state reemployment insurance
- Cash compensation capped at $100,000 per employee
Nuts and Bolts and Pitfalls of Forgiveness

- Full time equivalent requirement
  - Uncertainty
  - How should it be calculated?
  - June 30 – final date for FTE headcount
  - Follow DOL guidelines for FTE
  - Rehiring/new hires
    - Catch up pay?
  - Shouldn’t be a problem but want to spread awareness
Nuts and Bolts and Pitfalls of Forgiveness

- Discussion of shortfall/windfall for forgiveness
  - One month vs. eight weeks issue
  - Payroll schedule change
  - 10 months vs. 12 months for a school
  - Bi-weekly vs. semi-monthly
  - Timing of employer retirement funding
  - Cover higher portion of medical insurance
  - Seasonal employees
  - Housing allowance now considered included in payroll costs
Nuts and Bolts and Pitfalls of Forgiveness

Documentation

- 941s
- Payroll company reports
- Internal accounting records
- If separate account- bank statements
- Lease agreements, mortgages, utility bills
- Cancelled checks
How Can NFPs Ensure Survival?

What does your management team need to do operationally?

- Budget and cash flow projections become more critical
  - Tap into board resources as needed

Grants/Endowments

- Current grants
  - Evaluate grant restrictions
  - New grant writing opportunities
  - Consider whether endowments can be used and restrictions released
How Can NPS Ensure Survival?

- Reevaluate fundraising and revenue streams
  - Directly engage with the Board and their contacts
  - How have the needs of your constituents changed?
  - Innovate programming based on a new reality

- Expense reduction/deferral strategies
  - Banking relationships/loans
  - Landlords/lease negotiations
  - Other expense deferrals
  - Payroll
How Can NPFs Ensure Survival?

What does your CEO and the Board need to discuss strategically and tactically?

- Think beyond two months and loan forgiveness
- How will you make-up for money you are missing?
- What will programs and structure look like in the future?
- Merge with another non-profit
- Borrowing options to fill funding gaps
- Go back to your donor list for last five years - do direct outreach
- Consider Board recruiting and filing any gaps considering new needs
- Re-examine mission; consider joint ventures (official or unofficial)
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