



KAUFMAN & ASSOCIATES, LLC OFFERS FREE ASSISTANCE FOR CARES ACT SMALL BUSINESS INTERRUPTION LOANS

During this time of crisis, we at Kaufman & Associates, LLC are doing everything we can to help our clients and our country manage, survive and recover. From now through June 15, 2020, we will assist for FREE all of our existing clients and newly engaged clients with their applications for Small Business Interruption Loans under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”).

Under the CARES Act, businesses with 500 or fewer employees may be eligible for unsecured, non-recourse loans in an amount up to 2.5 times average payroll costs (subject to a maximum of \$100,000/year per employee) during the previous 1 year period, up to \$10 million. The loans may be used for payroll, health insurance, retirement plan contributions, rent, mortgage interest and utilities (including telephone and internet access) for the 8-week period after getting the loan. If used for a permitted purpose, the loans may be eligible for tax-free forgiveness subject to limits on payroll reductions and other restrictions.

Based on the latest news reports, the U.S. Small Business Administration is expected to release the regulations for this program by Friday, April 3, 2020. In the meantime, in order to prepare to participate in this program, you should (1) contact your banker, and (2) start accumulating the following information:

- If you were in business on February 15, 2020 and are not a seasonal employer and, then for the 1-year period before the date on which the loan is made, documentation showing the sum of payments of any compensation with respect to employees with respect to:
 - salaries, wages, commissions, or similar compensation;
 - payment of cash tips or equivalent;
 - payment for vacation, parental, family, medical, or sick leave;
 - dismissal or separation payments;
 - payment required for the provisions of group health care benefits, including insurance premiums;
 - payment of any retirement benefit;
 - payment of State or local tax assessed on the compensation of employees; and
 - the sum of payments of any compensation to or income of a sole proprietor or independent contractor that is a wage, commission, income, net earnings from self-employment, or similar compensation up to \$100,000 per year, as prorated for the covered period.
- If you are not a seasonal employer, documentation verifying the number of full time equivalent employees on payroll and pay rates for the period you select (the “Selected Period”):
 - The period beginning on February 15, 2019 (or March 1) and ending on June 30, 2019; or
 - The period beginning on January 1, 2020 and ending on February 20, 2020;
- Payroll tax filings reported to the Internal Revenue Service for the Selected Period; and
- State income, payroll, and unemployment insurance filings for the Selected Period.

You should also start retaining copies of cancelled checks, payment receipts, transcripts of accounts, or other documents verifying payments on covered mortgage obligations, payments on covered lease obligations, and covered utility payments for the 8-week period commencing on the date of the origination of the loan.

We are here to help you navigate these fast-moving and challenging times. Feel free to call us at (631) 972-0042 or email at nkaufman@kaufman-associates.com

KAUFMAN & ASSOCIATES, LLC

We concentrate in:

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- business formation
- corporate structure and reorganizations
- investment funds & firms
- due diligence analysis