TELLURIDE FOUNDATION

Community Relaunch Project

Draft v 1.0 April 7, 2020

Goal - Relaunch will capture the maximum financial support opportunities available for our region from the federal CARES Act, as well as state stimulus programs.

Strategy – Telluride Foundation staff will become experts in understanding CARES Act opportunities for regional stakeholders and help business, entrepreneurs, and nonprofits pursue those funding opportunities.

Playbook - This Playbook is a collection of resources that have been previously published in various forms to the general and regional business community. We recognize that this situation is fluid and that businesses are getting overwhelmed with data and links to more websites from various organizations that are all trying to assist and disseminate information. With this in mind, we have curated the best resources that are centric to businesses and divided them into a few high-level categories to help navigate the existing programs.

Telluride Foundation Points of Contact for Profit:

- Bonnie Watson – SBA, EIDL and PPP
- Carla Reams – Unemployment
- Nichole Zangara – SBA, EIDL and PPP

Telluride Foundation Points of Contact for Nonprofit:

- April Montgomery – Telluride Foundation Grants and Programming
- Elaine Demas – PPP/EIDL for Nonprofits
- Carla Reams – Unemployment

Format of Telluride Foundation Community Relaunch Project:

1. Telluride Business Recovery Council will build a list of businesses located in San Miguel, Ouray and west Montrose Counties and Rico.
2. Both for-profits and nonprofits businesses can schedule appointments with the above people based on entity structure and needs by sending an email to the following address:

   C19bizresources@telluridefoundation.org

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

For-profit and Nonprofit Resources:

CARES Act - The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated $350 billion to help small businesses keep workers employed amid the pandemic and economic downturn.

AVAILABLE LOANS

Paycheck Protection Program

Perhaps the most popular programs included in the CARES Act is the Paycheck Protection Program (PPP) The initiative provides 100% federally guaranteed loans to small businesses. Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward. The administration has released initial guidelines; they are available at https://www.sba.gov/funding-programs/loans/coronavirus-relief-options. The U.S. Chamber of Commerce has issued this guide to help small businesses and self-employed individuals check eligibility and prepare to apply for a PPP loan. Small businesses could begin applying on April 3. Independent contractors and self-employed individuals can apply beginning on April 10.

The PPP provides cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, a portion of the loan may be forgiven, which would help workers remain employed, as well as help affected small businesses and the economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. **Loans are available through June 30, 2020.**

1.) Am I Eligible? You are eligible if you are:

- A small business with fewer than 500 employees (including 501(c)(3)s)
- A small business that otherwise meets the SBA's size standard
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business
- A tribal business concern that meets the SBA size standard
- A 501(c)(19) Veterans Organization that meets the SBA size standard; in addition, some special rules may make you eligible:
    - If you are in the accommodation and food services sector (NAICS 72), the 500-employee rule is applied on a per physical location basis
    - If you are operating as a franchise or receive financial assistance from an approved Small Business Investment Company the normal affiliation rules do not apply. REMEMBER: The 500-employee threshold includes all employees: full-time, part-time, and any other status.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

2.) What will lenders be looking for?

- Borrowers will need to complete the Paycheck Protection Loan Application (which is available HERE) as well as provide payroll documentation. Lenders will also ask you for a good faith certification that:
  - The borrower will use the loan proceeds to retain workers and maintain payroll or make mortgage, lease, and utility payments. for forgiveness, it is restricted to these items.
  - Borrower does not have an application pending for a loan duplicative of the purpose and amounts applied for here
  - 4. From Feb. 15, 2020 to Dec. 31, 2020, the borrower has not received a loan duplicative of the purpose and amounts applied for here (Note: There is an opportunity to fold emergency loans made between Jan. 31, 2020 and the date this loan program becomes available into a new loan) You can apply for EIDL at the same time to cover OTHER operating costs not covered by PPP.

- **If you are an independent contractor, sole proprietor, or self-employed individual, lenders will also be looking for certain documents (final requirements will be announced by the government) such as payroll tax filings, Forms 1099-MISC, and income and expenses from the sole proprietorship**

3.) How much can I borrow?

- Loans can be up to 2.5 x the borrower's average monthly payroll costs, not to exceed $10 Million.
- Payroll costs are calculated as follows: SUM of INCLUDED payroll costs – SUM of EXCLUDED payroll costs = payroll costs

INCLUDED Payroll Cost for employers: The sum of payment of any compensation with respect to employees that is a:	EXCLUDED Payroll Costs:
salary, wage, commission, or similar compensation	Compensation of an individual employee in excess of an annual salary of $100,000, as prorated for the period February 15 to June 30, 2020
payment of cash tip or equivalent	Payroll taxes, railroad retirement taxes, and income taxes
payment for vacation, parental, family, medical, or sick leave	Any compensation of an employee whose principal place of residence is outside of the United States
allowance for dismissal or separation	Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116– 5 127); or qualified family leave wages

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

	for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act
payment required for the provisions of group health care benefits, including insurance premiums	
payment of any retirement benefits	
payment of state or local tax assessed on the compensation of the employee	

- **For Sole Proprietors, Independent Contractors, and Self-Employed Individuals: 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 and that is in an amount that is not more than $100,000 in one year, as pro-rated for the covered period.**

Non-Seasonal Employers:	Seasonal Employers:
Maximum loan =	Maximum loan =
2.5 x Average total monthly payroll costs incurred during the year prior to the loan date	2.5 x Average total monthly payments for payroll costs for the 12-week period beginning February 15, 2019 or March 1, 2019 (decided by the loan recipient) and ending June 30, 2019
For businesses not operational in 2019:	• Principal and interest payments deferred for six months
2.5 x Average total monthly payroll costs incurred for January and February 2020	• 1.0% fixed interest rate; Loan is due in two years
* Also subject to payment deferral and 1% interest	

4.) Will this loan be forgiven?

- A borrower is eligible for loan forgiveness equal to the amount the borrower spent on the following items during the 8-week period beginning on the date of the origination of the loan:
- Payroll costs (using the same definition of payroll costs used to determine loan eligibility) must constitute 75% of the total loan forgiveness requested. After the 75% threshold is met, borrowers can add the following expenses to their loan forgiveness request.
- Interest on the mortgage obligation incurred in the ordinary course of business • Rent on a leasing agreement
- Payments on utilities (electricity, gas, water, transportation, telephone, or internet)

- For borrowers with tipped employees, additional wages paid to those employees
- **How could the forgiveness be reduced?**
  - If there is a reduction in the number of employees
  - If there is a reduction of greater than 25% in wages paid to employees
  - If your average # of Full Time Equivalent Employees in 2019 is higher than your average # of FTE Employees in 2020 – your forgiveness will be reduced by the percentage difference
  - Any portion of any employee's salary that exceeds $100,000 cannot be included in the amount requested to be forgiven.
  - IMPORTANT: if you received any EIDL Advance grant money, your forgiveness of PPP will automatically be reduced by the amount of the EIDL grant

payroll costs
Calculated on page 2

×

Average Number of Full-Time Equivalent Employees (FTEs) Per Month for the 8-Weeks Beginning on Loan Origination

÷

Option 1:
Average number of FTEs per month from February 15, 2019 to June 30, 2019

Option 2:
Average number of FTEs per month from January 1, 2020 to February 29, 2020

For Seasonal Employers:
Average number of FTEs per month from February 15, 2019 to June 30, 2019

payroll costs
Calculated on page 2

−

For any employee who did not earn during any pay period in 2019 wages at an annualized rate more than $100,000, the amount of any reduction in wages that is greater than 25% compared to their most recent full quarter.

5.) What can the funds be used for?

- Payroll costs
- Costs related to continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
- Employee salaries, commissions, or similar compensation
- Payments of interest on any mortgage obligation (does not include prepayment of or payment of principal)
- Rent
- Utilities
- Interest on any other debt obligation that was in place prior to February 15, 2020

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

6.) What are the terms for this loan?

- Any loan balance not forgiven will be termed out for 2 years at no more than 1% A.P.R.
- Other terms: NO (credit elsewhere) test required, no personal guarantee required, no collateral

Application Process: Lenders started accepting Paycheck Protection Loan (PPP) applications, April 3rd, for small businesses. Independent contractors and self-employers can begin submitting applications on April 10th. This program provides potentially forgivable loans in amounts to cover 2.5 months of payroll or $10 million (whichever is less). Contact your bank for additional info on PPP application.

To apply for a PPP:

- Review the application and gather the necessary materials such as payroll tax filings, proof of lease payments, proof of mortgage payments, and proof of utility payments.
- Get in contact with your accountant and/or bank that processes your business's payroll.
- Ask your lender if they are authorized to process your PPP loan application
- If you are not connected to an authorized lender, you can search for an eligible lender here. (which currently shows headquartered bank locations).
- If you are unable to find an eligible lender, you contact the local Colorado SBA District Office. We are also working on a list of eligible lenders to share and post in the near future.

SBA Emergency Loans

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

Economic Injury Disaster Loans & Emergency Economic Injury Grants

These loans (aka EIDL) provide an emergency advance of up to $10,000 to small businesses and nonprofits harmed by COVID-19 within three days of applying for the loan. To access the advance, you first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance, and it may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

The EIDL program is administered by the Small Business Administration. Click HERE to apply.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

Telluride Regional Loan Fund COVID-19 Emergency Loan Fund

TRLF COVID-19 ELF: The COVID-19 Emergency Loan Fund has been established to offer low-interest loans to rural businesses affected by the COVID-19 crisis. The loans are designed to support businesses during this difficult period, with the goal to enable them to continue operations and support their employees.

Use of Funds:
- Working Capital
- Business Continuity
- Loans CANNOT be used for refinancing debt

Eligibility to Apply:
- Any business or startup in the following counties may apply Dolores, Montrose, Ouray, San Juan and San Miguel counties with at least 1 year of operation

Loan Terms:
- Loan Amount: $5,000 - $10,000
- 3% interest rate with 7-year amortization
- $100 loan fee
- No loan payments for first 180 days

Layoff Assistance\Workforce Reductions\Unemployment

Through the CARES Act, many guidelines for Unemployment, for both workers and employers, are currently being changed, or have been changed, to address the current emergency. Below is a guideline outlining options and information relating to the new changes as they may apply to your situation.

Work-Share Program (Not established through CARES Act)
The Division of Unemployment Insurance offers a Work-Share Program as an alternative to laying off your employees. It allows you to let your employees keep working, but with fewer hours. While they are working fewer hours, they can be paid part of their regular unemployment benefits. You figure out how many hours you can continue to pay. Your employees share those hours as part of the work-share plan. All your employees can be in the Work-Share Program, or employees from a certain unit can be in the Program. It depends on your needs for your employees.

ADVANTAGES AND DISADVANTAGES OF THE WORK-SHARE PROGRAM
The advantages of using the Work-Share Program include:
- The ability to continue production and maintain quality levels.
- Retention of experienced staff.
- Ease of returning to full production when economic conditions are better.
- Lower costs for hiring and training new employees.
- Protection of your affirmative-action gains.
- An atmosphere of higher employee morale.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

•The opportunity for employees to keep their skills and chances to move up in your business.
•Spending less money on public assistance and unemployment benefits because your employees are still working.
Some disadvantages to using a Work-Share Program might be the following:
• Your employees may lose their chance to find full-time jobs with another company.
• It might be harder to schedule your employees' work hours.
• Your senior employees have fewer hours and less income.

ABOUT THE PLAN

Your work-share plan is effective on the date it is approved and runs for 12 months, or 52 weeks, from that date. The plan can end early if requirements are not continued to be met. Your application will be reviewed within a week after receiving it.

HOW TO APPLY FOR THE WORK-SHARE PROGRAM
Fill out the Request For Approval of Work-Share Plan application via the Apply for Work-Share button located at: https://www.colorado.gov/pacific/cdle/layoffassistance
Submit your completed form by email to cdle_employer_services@state.co.us or send it to us at the address on the bottom of the application. The application will be reviewed, and you will receive letter notifying whether your plan is approved.

Employee Retention Tax Credit

A recently created program in the CARES Act is the Employee Retention Tax Credit available to all businesses and tax-exempt organizations. It allows a 50% refundable tax credit on up to $10,000 in wages per employee, per quarter.

CRITERIA

1. Business is fully or partially suspended due to a government order during COVID-19 outbreak, OR
2. Decline of 50%+ of gross receipts, until gross receipts recover to 80% of a quarter in a prior year (2019)

CALCULATION

The amount of the credit is 50% of ***qualifying wages*** paid up to $10,000 in total. Wages paid after March 12, 2020, and before Jan. 1, 2021, are eligible for the credit. Wages taken into account are not limited to cash payments, but also include a portion of the cost of employer provided health care.

Qualifying wages are based on the average number of a business's employees in 2019.

Employers with less than 100 employees*:* If the employer had 100 or fewer employees on average in 2019, the credit is based on wages paid to all employees, regardless if they worked or not. If the employees worked full time and were paid for full time work, the employer still receives the credit.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

Employers with more than 100 employees*:* If the employer had more than 100 employees on average in 2019, then the credit is allowed only for wages paid to employees who did not work during the calendar quarter.

RECEIVING CREDIT

Eligible employers can be immediately reimbursed for the credit by reducing their required deposits of payroll taxes that have been withheld from employees' wages by the amount of the credit.

Eligible employers will report their total qualified wages and the related health insurance costs for each quarter on their quarterly employment tax returns or Form 941 beginning with the second quarter. If the employer's employment tax deposits are not sufficient to cover the credit, the employer may receive an advance payment from the IRS by submitting Form 7200, Advance Payment of Employer Credits Due to COVID-19.

Eligible employers can also request an advance of the Employee Retention Credit by submitting Form 7200.

Updates on the implementation of this Employee Retention Credit, Frequently Asked Questions on Tax Credits for Required Paid Leave and other information can be found on the Coronavirus page of IRS.gov.

Unemployment

If a layoff is necessary here is how the Department of Labor and Employment can assist you:

Employers experiencing a reduction in workforce are eligible for support services including: consultation on layoff aversion strategies, onsite workshops for employees in transition, job placement assistance, and information on unemployment benefits. The Rapid Response program provides more information here:

https://www.colorado.gov/pacific/cdle/layoff-separations

Employees whose hours have been reduced can file for unemployment benefits. The best option is to file online at coloradoui.gov. Because of the volume of people starting claims as a result of the COVID-19 pandemic, an alphabetical process has been implemented.

If you are a traditional employee who has stopped working or whose hours have been reduced and:

- If your last name begins with the letter A - M, file a claim on Sunday, Tuesday, Thursday, or after 12 noon on Saturday.
- If your last name begins with the letter N - Z, file a claim on Monday, Wednesday, Friday or before 12 noon on Saturday.

Note: Because of the volume of people starting claims as a result of the COVID-19 pandemic, a process was set up to better allow the system to handle that volume. The system is set up to only

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

allow you in if you meet the parameters set up for that day of the week. Controlling the load on the system through last names allows customers to successfully submit claims and not run into system issues.

Unemployment benefits are approximately 55 percent of a person's average weekly wage over a 12-month time period.

If the reason for the reduction in hours is a result of the COVID-19 pandemic, benefits will not be charged to your account. If you are a reimbursing employer who only pays for benefits paid, you will be charged for 50 percent of the benefits charged. The Coronavirus Aid, Relief, and Economic Security Act or the CARES Act provides for the Federal Treasury to pay the other half through 12/31/20.

An employee who has been temporarily laid off or furloughed should file an unemployment claim and indicate that he or she expects to return to work, which would make them job attached.

If you plan to bring your employees back to work, you are not required to pay PTO or vacation pay. You may require them to take vacation time or PTO, however, if you pay them for this time, it may affect when unemployment benefits can start.

Employers may continue to pay for employees' health care benefits and it will not have an impact on their unemployment benefits because it is not counted as earnings.

If your employee tested positive for Coronavirus and filed for unemployment while quarantined, those benefits will not be charged to your account, in order to receive regular unemployment benefits, the worker must be able and available to return to work. However, a federal law went into effect on April 2 requiring many employers to pay sick time. Review this fact sheet for more information.

If the employee remains sick or under quarantine beyond the time that Emergency Sick Leave or Family Medical Leave runs out, the individual may be eligible for the expanded unemployment benefits available through the CARES Act. Any benefits paid under those programs will not be charged to your account.

If you are unable to submit quarterly unemployment reports and premium payments because you or my family members are in quarantine or your business operations are severely affected by the COVID-19 pandemic the Unemployment Insurance Division will consider your reports timely and waive any late fees or interest accrued. Contact them at cdle_employer_services@state.co.us or 303-318-9100 and submit the reports when you can.

For unemployment insurance, the employer receives at least two forms after a claim is filed. One shows the wages reported for the named employee and also the potential charges to your account; please review this form against your wage records and make sure wages are correct for the time period shown. Follow the instructions if a correction is needed.

The second form asks for the reason the named employee is not working. Complete the form and return it by the deadline. If an employer is signed up for SIDES, the requests for these forms may be sent electronically.

Employers can sign up for e-Response Notifications and choose which responses they would like to do electronically. See the MyUI Employer User Guide for more detailed instructions.

Exempt UI Employers

A business that is normally exempt from paying unemployment premiums may voluntarily elect to provide coverage for their employees during the COVID-19 pandemic. To voluntarily elect, an employer needs to complete an Application for Unemployment Insurance Account and Determination of Employer Liability (UITL-100) and Voluntary Election to Become a Liable Employer, (UITL-27). If also a nonprofit 501c3, the employer needs to complete the UI Payment Election (UITR-13). All forms can be downloaded from the Employer Forms & Publication page. Send the completed forms to cdle_employer_services@state.co.us. We can backdate the election to 1/1/19. The election is in place for a minimum of two calendar years.

The employer will then be sent the premium and wage reports for all four 2019 calendar quarters. Complete and submit the quarterly reports with premium payments to make wages available for claims. The employer will need to submit reports for all of 2020 to complete the two calendar years.

Employees that are paid by their employer in accordance with the new Family Sick Leave through the Families First Coronavirus Recovery Act (FFCRA) will not be paid unemployment benefits. If the employee runs out of the paid Family Medical Leave and/or Emergency Sick Leave, the employee may then be able to file a claim for the expanded unemployment benefits made available through the CARES Act.

The FFCRA amends the Family and Medical Leave Act of 1993 to provide up to 12 weeks of job protected leave —10 of which are paid, subject to a cap — to employees who have a ‘‘qualifying need related to a public health emergency.” This new type of leave can be used by an employee who is unable to work due to a need to care for an employee’s child under 18 years of age. The FFCRA does not provide leave to an employee who is still able to telework.

For more information about the Families First Coronavirus Response Act, please review this fact sheet.

Pandemic Unemployment Assistance

We are waiting on federal guidance. In general, individuals who are not eligible for regular unemployment benefits, extended benefits, or federal expanded benefits called Pandemic Emergency Unemployment Compensation (PEUC), and are not receiving pay from an employer, including individuals who:

- Are self-employed, 1099 workers, independent contractors, gig workers, or otherwise not a traditional employee.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

- Have been diagnosed with COVID-19.
- Have a member of their household who has been diagnosed with COVID-19;
- Are providing care to a household or family member.
- Have primary caregiving responsibility for a child or other person who is unable to attend school or another facility as a result of COVID-19.
- Are unable to reach the place of employment because of an Executive Order or other shelter-in-place order imposed as a result of the COVID-19 public health emergency.
- Are unable to go to work because the place of employment is closed as a result of an Executive Order or other shelter-in-place order.
- Are unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine.
- Were scheduled to start work and do not have a job as a result of COVID-19.
- Have become the major support for a household because the head of the household died as a direct result of COVID-19.
- Have to quit their job because of COVID-19.

Federal Pandemic Unemployment Compensation

We are awaiting more information to be released about this program. In general, this is an additional payment of $600, regardless of your unemployment benefit amount, paid for each week a regular, extended, Pandemic Unemployment Assistance, or Pandemic Emergency Unemployment Compensation benefit is paid. It can be paid only for weeks that end before July 31, 2020.

Pandemic Emergency Unemployment Compensation

We are awaiting more information to be released about this program. In general, this would allow an additional 13 weeks of unemployment benefits to individuals who have run out of regular unemployment benefits. Individuals must be able to work, available to accept work, and actively seeking work to collect this benefit.

Foundation Grants, Initiatives & Nonprofits

The PPP and EIRL, as described above may be appropriate resources for many nonprofits and Foundation staff is happy to help nonprofits with questions about these programs. The Foundation is monitoring other resources for nonprofits and will share this information through weekly nonprofit informational calls. (Visit the Foundation's Community Resources website page to register).

The CARES Act has some specific benefits to nonprofits, including the "Charitable Giving Tax Deduction," an "above-the-line" (reduces income) charitable giving incentive for contributions made in 2020 of up to $300. This deduction allows all non-itemizer taxpayers (close to 90% of all taxpayers) to deduct charitable contributions from their tax return; the rule applies to charitable contributions made in 2020 and taxpayers will be able to claim the deductions on their tax forms

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

next year. In addition, the Act increases the existing cap on annual contributions for itemizers from 60 percent of adjusted gross income (AGI) to 100 percent of AGI

The CARES Act provides additional money for new federal & state grant programs. Colorado will receive 2.233 B in state aid and numerous agencies will receive additional dollars, including Economic Development Agency, National Endowment for the Arts, etc. The Foundation will be looking for federal grant opportunities as the result of this increased funding.

As an immediate response to the coronavirus pandemic, the Foundation created the regional Coronavirus Response Fund, focused on three emergency funding areas, including:

- Additional money for the Good Neighbor Fund (including behavioral health treatment costs).
- Emergency grants to nonprofits, focusing on health and human service nonprofits impacted by relief efforts.
- Funds to help expand internet access necessary for students and teachers to participate in on-line learning.

Nonprofits experiencing financial hardship due to the coronavirus are welcome to apply for an Emergency Grant. Before submitting an application, please read our Emergency GUIDELINES and if you feel you qualify, download and complete the APPLICATION. Also feel free to reach out to April Montgomery if you need assistance or have questions @ april@telluridefoundation.org

Governor Polis has announced the creation of the COVID Relief Fund, which will be providing grants to community-based organizations that have experience and a history of providing people and families with services and support. Through this Fund, eligible community-based organizations across Colorado may receive a general operating grant of up to $25,000. If your organization is in need of emergency funding to mitigate the effects of COVID-19 in Colorado, please click this link to find out if you are eligible and to apply.

Families and individuals struggling financially during this health crisis, may apply for support through the Good Neighbor Fund (GNF), which can provide financial assistance to help pay your rent, utility bills, medical expenses, or food costs. Please read the GNF CRITERIA and use this APPLICATION to apply. Send completed applications and required documentation to GNF@tchnetwork.org. Residents of Ouray County have access to the Ouray County Response Fund, which allows an additional $2,000 in relief funding. Ouray County residents should use this same Good Neighbor Fund application and refer questions to the GNF email above.

Bright Futures for Early Childhood & Families Children has gathered a solid list of resources for regional families. From finding out about lunch programs being offered during school closures to info on regional food banks and social services, visit their WEBSITE for up to date information on the resources available across the region.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

Appendix

Legislative Verbiage:

The PPP is a part of the CARES act enacted by the federal government. We encourage you to apply for this program and also encourage you to review all of the grants and loans that are now available to you through this Act.

- Increases the government guarantee of loans made for the Payment Protection Program under section 7(a) of the Small Business Act to 100 percent through December 31, 2020.

- Provides the authority for the SBA to make loans under the Paycheck Protection Program. Requires the Administrator to register each loan using the taxpayer TIN, as defined by the Internal Revenue Service, within 15 days.

- **Eligibility:** Defines eligibility for loans as a small business, 501(c)(3) nonprofit, a 501(c)(19) veteran's organization, or Tribal business concern described in section 31(b)(2)(C) of the Small Business Act with not more than 500 employees, or the applicable size standard for the industry as provided by SBA, if higher. Applies current SBA affiliation rules to eligible nonprofits. Includes sole-proprietors, independent contractors, and other self-employed individuals as eligible for loans. Allow businesses with more than one physical location that employs no more than 500 employees per physical location in certain industries to be eligible and is below a gross annual receipts threshold in certain industries to be eligible. Waives affiliation rules for businesses in the hospitality and restaurant industries, franchises that are approved on the SBA's Franchise Directory, and small businesses that receive financing through the Small Business Investment Company (SBIC) program.

- **Terms:** Defines the covered loan period as beginning on February 15, 2020 and ending on June 30, 2020. Establishes the maximum 7(a) loan amount to $10 million through December 31, 2020 and provides a formula by which the loan amount is tied to payroll costs incurred by the business to determine the size of the loan.

- **Use of Funds:** Specifies allowable uses of the loan include payroll support, such as employee salaries, paid sick or medical leave, insurance premiums, and mortgage, rent, and utility payments.

- **Borrower Eligibility:** Provides delegated authority, which is the ability for lenders to make determinations on borrower eligibility and creditworthiness without going through all of SBA's channels, to all current 7(a) lenders who make these loans to small businesses, and provides that same authority to lenders who join the program and make these loans. For eligibility purposes, requires lenders to, instead of determining repayment ability, which is not possible during this crisis, to determine whether a business was operational on February 15, 2020, and had employees for whom it paid salaries and payroll taxes, or a paid independent contractor.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

- **Lender Approval:** Provides an avenue, through the U.S. Department of Treasury, for additional lenders to be approved to help keep workers paid and employed. Additional lenders approved by Treasury are only permitted to make Paycheck Protection Program loans, not regular 7(a) loans.

- **Double Dipping Rule:** Provides a limitation on a borrower from receiving this assistance and an economic injury disaster loan through SBA for the same purpose. However, it allows a borrower who has an EIDL loan unrelated to COVID-19 to apply for a PPP loan, with an option to refinance that loan into the PPP loan.

- **Grant Provisions and Loan Forgiveness:** The emergency EIDL grant award of up to $10,000 would be subtracted from the amount forgiven under the Paycheck Protection Program. Requires eligible borrowers to make a good faith certification that the loan is necessary due to the uncertainty of current economic conditions caused by COVID-19; they will use the funds to retain workers and maintain payroll, lease, and utility payments; and are not receiving duplicative funds for the same uses from another SBA program.

- **PPP Program Terms**: Waives both borrower and lender fees for participation in the Paycheck Protection Program. Waives the credit elsewhere test for funds provided under this program. Waives collateral and personal guarantee requirements under this program. Outlines the treatment of any portion of a loan that is not used for forgiveness purposes. The remaining loan balance will have a maturity of not more than 10 years, and the guarantee for that portion of the loan will remain intact. Sets a maximum interest rate of four percent. Ensures borrowers are not charged any prepayment fees. Increases the government guarantee of 7(a) loans to 100 percent through December 31, 2020, at which point guarantee percentages will return to 75 percent for loans exceeding $150,000 and 85 percent for loans equal to or less than $150,000. Allows complete deferment of 7(a) loan payments for at least six months and not more than a year and requires SBA to disseminate guidance to lenders on this deferment process within 30 days. Provides guidance for loans sold on the secondary market. Provides the regulatory capital risk weight of loans made under this program, and temporary relief from troubled debt restructuring (TDR) disclosures for loans that are deferred under this program. Requires the Administrator to provide a lender with a process fee for servicing the loan. Sets lender compensation fees at five percent for loans of not more than $350,000; three percent for loans of more than $350,000 and less than $2,000,000; and one percent for loans of not less than $2,000,000. Includes a sense of the Senate for the Administrator to issue guidance to lenders and agents to ensure that the processing and disbursement of covered loans prioritizes small business concerns and entities in underserved and rural markets, including veterans and members of the military community, small business concerns owned and controlled by socially and economically disadvantaged individuals. Provides an authorization level of $349 billion for the 7(a) programs through December 31, 2020. Increases the maximum loan for an SBA Express loan from $350,000 to $1 million through December 31, 2020, after which point the Express loan will have a maximum of $350,000. Requires Veteran's fee waivers for the 7(a) Express loan programs to be permanently waived.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717

Loan Forgiveness:

- **Terms for Forgiveness:** Establishes that the borrower shall be eligible for loan forgiveness equal to the amount spent by the borrower during an 8-week period after the origination date of the loan on payroll costs, interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020.

- **Amount of Forgiveness:** Amounts forgiven may not exceed the principal amount of the loan. Eligible payroll costs do not include compensation above $100,000 in wages. Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8-week period compared to the previous year or time period, proportionate to maintaining employees and wages: Payroll costs plus any payment of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation + and any covered utility payment. The amount forgiven will be reduced proportionally by any reduction in employees retained compared to the prior year and reduced by the reduction in pay of any employee beyond 25 percent of their prior year compensation.

- **Re-hire of Employees:** To encourage employers to rehire any employees who have already been laid off due to the COVID-19 crisis, borrowers that re-hire workers previously laid off will not be penalized for having a reduced payroll at the beginning of the period. Allows forgiveness for additional wages paid to tipped workers. Borrowers will verify through documentation to lenders their payments during the period. Lenders that receive the required documentation will not be subject to an enforcement action or penalties by the Administrator relating to loan forgiveness for eligible uses. Upon a lender's report of an expected loan forgiveness amount for a loan or pool of loans, the SBA will purchase such amount of the loan from the lender. Canceled indebtedness resulting from this section will not be included in the borrower's taxable income. Any loan amounts not forgiven at the end of one year is carried forward as an ongoing loan with terms of a max of 10 years, at max 4% interest. The 100% loan guarantee remains intact.

Emergency EIDL Grants

- **Eligibility:** Expands eligibility for access to Economic Injury Disaster Loans (EIDL) to include Tribal businesses, cooperatives, and ESOPs with fewer than 500 employees or any individual operating as a sole proprietor or an independent contractor during the covered period (January 31, 2020 to December 31, 2020). Private non-profits are also eligible for both grants and EIDLs.

- **Terms of EIDL:** Requires that for any SBA EIDL loans made in response to COVID-19 before December 31, 2020, the SBA shall waive any personal guarantee on advances and loans below $200,000, the requirement that an applicant needs to have been in business for the 1-year period before the disaster, and the credit elsewhere requirement. During the covered period, allows SBA to approve and offer EIDL loans based solely on an applicant's credit score, or use an alternative appropriate alternative method for determining applicant's ability to repay. Establishes an Emergency Grant to allow an eligible entity who has applied for an EIDL loan due to COVID-19 to request an advance on that loan, of not more than $10,000, which the SBA must distribute within 3 days.

- Establishes that applicants shall not be required to repay advance payments, even if subsequently denied for an EIDL loan. In advance of disbursing the advance payment, the SBA must verify that the entity is an eligible applicant for an EIDL loan. This approval shall take the form of a certification under penalty of perjury by the applicant that they are eligible. Outlines that advance payment may be used for providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses. Requires that an advance payment be considered when determining loan forgiveness, if the applicant transfers into a loan made under SBA's Paycheck Protection Program. Terminates the authority to carry out Emergency EIDL Grants on December 30, 2020. Establishes that an emergency involving Federal primary responsibility determined to exist by the President under Section 501(b) of the Stafford Disaster Relief and Emergency Assistance Act qualifies as a new trigger for EIDL loans and, in such circumstances, the SBA Administrator shall deem that each State or subdivision has sufficient economic damage to small business concerns to qualify for assistance under this paragraph and the Administrator shall accept applications for such assistance immediately.

220 E. Colorado Avenue, Suite 106 | PO Box 4222 | Telluride, CO 81435 | 970-728-8717