

CARES Act Payroll Protection Program

FARMC
April 6, 2020

**THE
GREEN
WAY**

Overview of CARES Act Payroll Protection Program (PPP)

- \$349 billion for federally-guaranteed loans administered by banks to help small business and nonprofits preserve jobs during the coronavirus pandemic
- Loans (up 2.5x payroll) for payroll, plus mortgage interest, rent, utility costs
- Loans forgiven if headcount and pay levels are maintained
 - for 8-week window following receipt of funds
 - per-employee reimbursement capped at \$100,000/year
 - 1% fixed interest rate on any portion not forgiven; payments deferred for 6 months; no prepayment penalty
- Simple application form with minimal backup; fast processing promised but roll-out is rushed
- Issued on a first-come-first-served basis

PPP expected to be a ~\$0.5M payroll grant for Conservancy

- Applying today via Citizens Bank as soon as application portal opens
- ~\$460K for only payroll, as other eligible costs are in-kind
- Current expectation is 100% forgiven
 - Loan-forgiveness provisions to inform personnel decisions during 8-week window
 - Will make one planned Hort hire (despite hiring freeze) to offset one retirement
 - Redeployment of staff under consideration to match work needs
- Funds held unspent until forgiveness ratio is clear
 - Illustrative interest risk: \$1,150 interest if fully repaid in 3 months