



JLC COVID-19 Task Force Guidance (as of April 8, 2020)

During this time of unprecedented national health and financial disaster caused by the pandemic coronavirus (COVID-10), the JLC leadership established a task force to assist the memberships of the JLC groups in identifying resources to provide financial assistance to their operations. This guidance is an overview of resources available as of this date and the task force will endeavor to update it as federal government websites update their information and/or additional funds or programs are made available. Please continue to review the linked websites for updates. This guidance should not be taken as business, legal, or tax advice. **Please work immediately and directly with your existing lenders, banks, accountants, and tax and legal advisors to determine the best course of action for your specific financial and business situation. BE AWARE OF SCAMS OR SCHEMES THAT OFFER TO ASSIST YOU – ESPECIALLY IF THEY ARE ASKING FOR MONEY OR BANK ACCOUNT INFORMATION FROM YOU UP-FRONT!!**

Economic Impact Payments

- The C.A.R.E.S. Act passed by Congress and signed into law by the President provides for direct payments to every person - \$1,200 per adult (\$2,400 per couple filing jointly) and \$500 per child under 17. These payments are reduced for individual's gross adjusted incomes above \$75,000 (\$150,000 jointly) and eliminated for incomes above \$99,000/\$198,000.
- If you have filed your tax return for 2019 (if not for 2019, but you did for 2018) and the IRS processed a direct deposit refund to your bank account, the IRS will automatically deposit the funds *into that bank account* in April. If you fit into this category, you don't need to do anything.
- If you did not file a return in either 2018 or 2019 and/or you did not receive a direct deposit refund – **you will need to take action to avoid a long wait for a paper check.**
 - **Action Steps** (subject to consultation with your tax advisors about any overriding issues; e.g., overdue tax payments):

- File an individual/joint tax return for 2019 if none was filed for 2018; provide bank information even if no refund is due
- Update your bank account through the “coming soon” IRS web portal (not available as of 4/8/20) – check for updates: <https://www.irs.gov/coronavirus>

IRS Tax Credits

- Certain businesses may be able to claim credits against their payroll and income tax liability for sick and other family leave and for employee retention. These are complicated computations and should be reviewed with your accountant to determine whether you can or should take advantage of these programs (either alone or in conjunction with other federal programs).
<https://www.irs.gov/coronavirus/new-employer-tax-credits>

Small Business Administration (SBA) Programs

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

To get started with this confusing tangle of programs: meet first with your existing banks where you have deposit or lending relationships. They will know you and your situation and will be able to offer you the most assistance. You should not need a “broker” or “advisor” to apply for these loans and grant programs.

Be aware that you will need some documentary support for the funds you are seeking. For PPP Loans, you will need your recent payroll tax forms (940s, 941, and W-3). A recent “profit and loss” statement or federal tax return will provide information about your mortgage interest, rent, and utility expenses. Gathering these documents now will prepare you – whether you are applying for funds now, or later if additional funds or programs are added.

Paycheck Protection Program (PPP) Loans

- The C.A.R.E.S. Act provides for loans to small business (corporations, partnerships, sole proprietorships, limited liability companies, 501(c)(3) and 501(c)(19) tax exempt organizations (generally with less than 500 employees)) to fund their payroll, interest on mortgage or rent, and utilities expenses for 8 weeks.

- Applications can only be made to approved lenders.
 - **Action Steps:** Although all federally insured banks and credit unions can make these loans, you should contact your existing bank or credit union. (Financial institutions have strict regulations about “know your customer” which could delay lending action if the borrower is not already in their “system.”)
- The loan will be fully forgiven if the funds are used for eligible expenses: 75% of the expenses should for payroll for the loan to be fully forgiven. Loan payments will also be deferred for six months. No collateral or personal guarantees are required. **Neither the government nor lenders will charge small businesses any fees.**
- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.
- This loan has a maturity of not more than 2 years at an interest rate of 1%.
- [PPP borrower application form](#) contains the information your lender will need to process your loan application.
- Paycheck Protection Loans are only available until June 30, 2020, or until the allocated funds (approximately \$349 billion) are disbursed. On April 7th, the U.S. Treasury Department announced that an additional \$200 billion will be sought from Congress to add to this program in the next COVID-19 funding bill.
- Additional summary information from the U.S. Department of Commerce: https://c3a76899-c349-48e3-8b4b-0bce73154d04.filesusr.com/ugd/d6bbc4_fd18e0a7571f4bbd81ad8e11c3082069.pdf

Loans for Economic Injury

- This “loan advance” (grant) of *up to* \$10,000 is processed directly through the SBA in approximately 3 days and does not have to be repaid. *However*, this program is **not currently available** to be available to “agricultural enterprises (e.g. farms).” Your business may not be classified as a farm, and there are lobbying efforts underway to change this restriction. Other horse businesses (lesson programs, blacksmiths, tack shops, horse show officials, etc.) should be eligible. The online application can be accessed here: <https://covid19relief.sba.gov/#/>

SBA Economic Injury Disaster Loans

All states have been declared disaster areas and businesses in all states are eligible to participate. This loan program also currently excludes “agricultural enterprises (e.g., farms),” apparently due to the jurisdiction of farm assistance under the USDA.

- Loans are made using the same application process as “Loans for Economic Injury.” <https://covid19relief.sba.gov/#/>
- The SBA’s Economic Injury Disaster Loans offer up to \$2 million in assistance to help overcome the temporary loss of revenue.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.
- The SBA offers loans with long-term repayments, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower’s ability to repay.
- Express Disaster Bridge Loans of up to \$25,000 can be processed and funded (if your regular bank is an SBA Express Lender) quickly while awaiting a decision on the Economic Injury Disaster Loan.

SBA Debt Relief

- The SBA is offering temporary relief from existing SBA loans. <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>

U.S. Department of Agriculture

- While the FDA is not offering any new loan or support programs, it is offering forbearance on existing loans. https://www.rd.usda.gov/files/USDA_RD_SA_COVID19_ProgramImmediateActions.pdf

Other Sources of Money

- The C.A.R.E.S. Act modified early withdrawals from IRA and 401(k) accounts:
 - The 10% penalty on early withdrawals up to \$100,000 has been waived.
 - The income tax payable on early withdrawals can be spread over 3 years (or you can redeposit the money over a 3-year period).
 - Applies to withdrawals during 2020 only.
- Your existing bank may be able to extend credit through traditional loans using real and personal property collateral and personal guaranties.

- State, local, corporate, and charitable assistance may be available to you to meet certain expenses. Consider the use of the SNAP program for food assistance for you or your employees.
- [UPHA Dewey Henderson Benevolent Fund Grant Application](#) (for current UPHA Professional Members of 2+ years)
 - *UPHA Professional Members that meet the minimum two consecutive years active membership requirement need to apply for aid using the UPHA Dewey Henderson Benevolent Fund Application.*
- The Joint Leadership Council (AHHS, AMHA, ARHPA, ASHA, and UPHA) is raising funds for direct grants to two categories of UPHA and Association members <https://www.jlccares.com/helpful-resources>
 - [JLC Horsemen's Relief Fund Grant Application](#) (for non or new UPHA Members)
 - *Horse trainers, instructors, independent contractors, and other members who are financially distressed, such as horse show staff, that do not meet the minimum two-year active UPHA Professional membership criteria for the UPHA Dewey Henderson Benevolent Fund, you will need to apply using the JLC Horsemen's Relief Fund Application.*

Other Considerations

Protect Yourself

- Review and follow CDC and state-level guidance on social distancing and use of face coverings when in public. <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/summary.html>
- Adhere to state limitations on the conduct of business and social activities.
- Watch out for scammers on all levels – fraud will be rampant in providing treatment and prevention of the coronavirus, soliciting funds and payments, and defrauding both taxpayers and government programs. The U.S. Departments of Justice and Treasury, as well as the Federal Trade Commission have posted warnings and tools for reporting: <https://www.justice.gov/disaster-fraud> <https://www.ftc.gov/coronavirus> <https://www.ic3.gov/default.aspx> Your state law enforcement may have other resources.

Protect your Business

- Contact your mortgage lender or landlord, other creditors (car/truck/equipment lenders), and your vendors (feed and hay, shavings, veterinarians and blacksmiths) to let them know your small business has been affected by the shutdowns and seek reductions or deferrals in payments. Don't just skip or make short payments – they do want to hear from you directly.
- Contact your utility companies (especially water) to be sure they know you are caring for animals and that utility service should not be cut off.
- Communicate regularly with your clients about the progress of their training and breeding horses. Videos/pictures and other communication ensure their continued support of your business. Riding lesson programs can continue the education (and engagement) of their students through virtual riding camps, etc.

Reduce Expenses

- Subject to the considerations for “Payroll Protection Plan” applicants, evaluate your staffing needs and reduce accordingly. The C.A.R.E.S. Act extended unemployment benefits to classes of workers not previously covered, extended the time of coverage (up to a maximum of 39 weeks), and added a \$600 per week payment to the benefits previously available. Your accountant can assist you with the analysis of whether your business would be better off laying off employees versus taking on more debt that will only fund operations for a limited period of time.
- Reduce or delay unnecessary expenses that are typically associated with the beginning of show season. (Your clients will also appreciate not getting bills for “horse show supplies” if they aren't going to horse shows!) Consider deferring routine painting, arena footing changeout, etc.

If You Can – DONATE!

- If your circumstances permit, please give money directly to support your local lesson programs, horse trainers, caretakers, etc.
- Donations are being accepted through the UPHA Dewey Henderson Benevolent Fund for both the UPHA and JLC Relief Funds at the JLC website:
<https://www.jlccares.com/>
- Continue to support animal and humane/welfare organizations. If past disasters and economic crises are predictive, these organizations will be needing funds to rescue and care for abandoned and surrendered horses and household pets.