



LALLY GROUP, PC

Certified Public Accountants

"Trusted Service for a Confident Tomorrow"

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7335 Westshire Drive
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The Lally Group team is dedicated to providing our clients with trusted service for a confident tomorrow. We recognize that the current economic conditions resulting from COVID-19 may have a significant impact on the business you are working hard to grow. Below is a list of resources that may provide the relief your business needs to sustain operations in the near future. Please contact us for more detailed information or assistance.

COVID-19 Relief Funding Opportunities

Grants

[Dream Maker Small Business Emergency Relief Fund](#)

- Available to small businesses located in Jackson County
- Up to \$5,000
- Meant to bridge the gap until federal aid can be accessed

[Michigan Small Business Relief Program](#)

- Funds expected to be available by April 1, 2020
- Apply [Here](#)
- Up to \$10,000
- Working capital to support payroll, rent, mortgage payments, utilities, or similar expenses

Loans

[Michigan Small Business Relief Program](#)

- Funds expected to be available by April 1, 2020
- Apply [Here](#)
- Loans of between \$50,000-\$200,000 with interest of 0.25%
- Working capital to support payroll, rent, mortgage payments, utilities, or similar expenses

[SBA Economic Injury Disaster Loans](#)

- Available to businesses and private non-profits
- Up to \$2 million loan with interest rate of 3.75%
- Funds may be used to pay fixed debts, payroll, accounts payable, and other bills that can't be paid because of the disaster's impact
- May be eligible for a \$10,000 grant upon application

[SBA Paycheck Protection Plan Loans](#)

- Established under the CARES Act. Application Process still being developed.
- Available to small businesses and 501(c)(3) organizations with fewer than 500 employees, sole proprietors, independent contractors, self-employed individuals, and more
- Funds may be used for payroll support (including cash tips), sick and medical leave, insurance premiums, mortgage and rent payments, and utilities
- Capped at greater of \$10 million or 2.5x the borrower's average monthly payroll cost
- Up to 100% of the loan may be forgivable if business retains employees and maintains wages relative to prior year

Other Private Grant Opportunities

- [Facebook Small Business Grants Program](#)
- Amazon's [Neighborhood Small Business Relief Fund](#)
- Yelp's [Relief Fund](#)

Extended Tax Due Dates

Federal government and State of Michigan have moved Tax Day from April 15 to July 15

We're here to help. Contact us today to learn more!

Information provided as of March 30, 2020. For the latest updates or any changes to the information above, please contact us directly



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CARES Act Highlights

On Friday, March 27, 2020, the President signed the CARES Act into law. Here is a look at the highlights of this \$2 Trillion relief package:

Stimulus Payments to Individuals

- Up to \$1,200 for individuals (phase-out begins at \$75,000)
- Up to \$2,400 for couples (phase-out beginnings at \$150,000)
- \$500 per child
- Based on 2019 or 2018 tax return
- Stimulus payments are not taxable income

Expanded Unemployment Benefits

- Extra \$600 a week on top of state benefits for up to four months
- Additional 13 weeks of extended benefits
- Includes independent contractors, self-employed individuals, and part-time workers

Small Business Loans (Paycheck Protection Program)

- Available to small businesses and 501(c)(3) organizations with fewer than 500 employees, sole proprietors, independent contractors, self-employed individuals, and more
- Funds may be used for payroll support (including cash tips), sick and medical leave, insurance premiums, mortgage and rent payments, and utilities
- Capped at greater of \$10 million or 2.5x the borrower's average monthly payroll cost
- Loan forgiveness up to the entire principal amount if the business retains employees and maintains wages relative to the prior year
- Forgivable portion of loan is equal to amount spent on payroll costs, mortgage interest, certain rent payments, and utilities during a specified 8 week period
- Loan forgiveness is reduced if there is a reduction in the number of employees or a reduction of greater than 25% in wages paid to employees compared to the prior year
 - Any employer who already laid off workers (after Feb 15) will not be penalized for having a reduced payroll if the employer rehires the workers
 - Forgiven debt would not be treated as taxable income to the owner

Other Items

- Allows employers to defer payment of their portion of 2020 payroll taxes until 2021 and 2022
- Potential payroll tax credit for employers not receiving a loan under the Paycheck Protection Program
- Student loan payments deferred through September
- Required Minimum Distributions suspended for 2020
- Allows certain early IRA withdrawals of up to \$100,000 without any penalties and can spread the related income tax over 3 years
- \$300 above the line charitable contribution deduction for people who don't itemize

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COVID-19 Unemployment and Payroll Resources

Families First Coronavirus Response Act (Effective April 1, 2020)

- This FMLA expansion applies to most employers with fewer than 500 employees. Small businesses with fewer than 50 employees may claim exemption if they can show that adhering to the FFCRA would jeopardize the viability of the business
- Employers who pay benefits under FFCRA are eligible for a refundable payroll tax credit equal to 100% of the amount paid up to certain daily limits
- For employees unable to work because the employee is quarantined and/or experiencing COVID-19 symptoms:
 - Two weeks (up to 80 hours) of paid sick leave at the employee's regular rate of pay
- For employees unable to work because they need to care for an individual subject to quarantine:
 - Two weeks (up to 80 hours) of paid sick leave at 2/3 the employees regular rate of pay
- For employees unable to work because they need to care for a child (under 18) whose school or child care provider is closed:
 - Two weeks (up to 80 hours) of paid sick leave at 2/3 the employees regular rate of pay
 - Up to an additional 10 weeks of paid expanded family and medical leave at 2/3 the employees regular rate of pay (if the employee has been employed for at least 30 days)
- Leave is unpaid for the first 10 days (during which time the employee can elect to use PTO or sick time if offered by the employer)
- Does **not** cover employees whose workplace was forced to close as a result of a stay-at-home order or executive order
- Does **not** cover employees whose workplace closed as a result of lack of business

Unemployment

- Employers are encouraged to place employees on temporary or indefinite leave instead of terminating employees
- Provide employees with an [Unemployment Compensation Notice](#) to assist them in filing for unemployment
- Consider the [Work Share Program](#) if you can maintain operations but need to reduce hours for all employees

CARES and Payroll

- Employers may defer payment of 2020 payroll taxes until 2021 and 2022
- Potential tax credit for employers who retain employees who are unable to work due to the employer's full or partial cessation of business or a significant decline in gross receipts
- SBA Paycheck Protection Program offers loans that may be forgivable if employer maintains certain employment levels and avoid a reduction of greater than 25% of wages compared to the prior year