Summary of Webinar for Child Care Providers
April 7, 2020

Please note this is NOT an official document from the State of Ohio.

Families First Coronavirus Response Act (FFCRA) – Family leave and sick leave requirements
https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave
https://www.dol.gov/agencies/whd/ffcra
The links above provide guidance on requirements related to sick leave and FMLA for businesses with fewer than 500 employees, and for exemptions for businesses with fewer than 50 employees. The rules took effect April 1, 2020. The provisions are not retroactive to before April 1.

Please seek guidance from an attorney relative to your specific circumstances. If you do not already have an attorney, Jyllian Bradshaw at Porter Wright in Dayton can be contacted at: jbradshaw@porterwright.com.

- Currently, there does NOT appear to be a blanket FFCRA exemption for businesses with fewer than 50 employees.
- You are obligated to post this poster in a prominent place at your program.
- If you cannot comply with the expanded sick leave and FMLA requirements, begin documenting your reasoning. An authorized officer should document circumstances such as:
  -- Your expenses exceed your available revenue; complying, therefore, would compromise your financial viability.
  -- Compiling would create a substantial risk because your workforce has a specialized skill set you must have to operate.
  -- There are insufficient workers with the required skills available to staff your business.
- Take detailed notes regarding your situation. But do not send your explanation to the Department of Labor. Just keep your documentation on file.

Unemployment — Here is the link for you or your employees to file for unemployment:
https://unemployment.ohio.gov/

- We still do not know if employees at faith-based nonprofits are eligible for unemployment benefits during the COVID-19 pandemic. However, you and/or your employees should apply and let the State determine eligibility. (Note: SBA Loans are now available to faith-based nonprofits. See more below.)
- We still do not know if an employee who is concerned about contracting the virus and declines to work is eligible for unemployment benefits.
- Employees whose wages have been substantially reduced (but who are still working) may be eligible for unemployment benefits.
- We do not know when federal supplemental unemployment benefits ($600/week for up to 4 months) will start to be paid to laid-off employees.

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- Family child care providers should apply for unemployment benefits. Because of changes in how unemployment benefits are being administered during the pandemic, business owners who traditionally would not receive unemployment may be eligible.

Small Business Administration Support

In the wake of the pandemic, there are two main types of assistance available to small businesses from the Small Business Administration. It's critical to talk with an accountant/CPA, a lawyer and a banker about which of the following options MAY be best for you.

There are pros and cons to each type of assistance. Be sure to ask whether accepting this help will make you INELIGIBLE for certain tax credits that may be more advantageous.

Here is a link to Ohio’s Small Business Development Centers that offer free business advice. There are 26 locations across the state, and they have a large clientele of child care centers. They can help you analyze your cash flow and develop strategies to help you re-open post crisis. Here is their COVID-19 page.

Here is a link to an 11-minute video that compares the Paycheck Protection Program (PPP) Loan and the Economic Injury Disaster Loan (EIDL).

Paycheck Protection Program (PPP) Loan: The intent of Paycheck Protection Program loans is for businesses to keep employees on their payroll through the duration of the COVID-19 pandemic – payroll is defined as your employees as of February 15, 2020.
Some portion of this loan MAY be forgivable when used for payroll within 8 weeks of the awarding of the loan; 75% of the loan must be used for payroll to be forgivable.

Here is a link to a 10-minute YouTube video on the PPP.

Again, seek guidance from your bank for more details and for specific instructions about applying for a PPP loan. Most banks are working with the SBA to administer PPP loans. It’s best to go to the bank with whom you already have a relationship.

Here is a link to information provided by PNC:

- This SBA help is a loan, though up to $10,000 of certain expenses MAY be forgivable. The interest rate for a PPP loan is 1%.

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- This loan is not designed for businesses that have laid off all or most of their employees and are not continuing to pay them; rather, it is designed to encourage businesses to continue paying employees even if they are not working.
- These first-come-first-serve loans are available (currently) only through June 30.
- This loan must be paid back over 2 years, and payments are deferred for the first 6 months.
- Even though you apply for a PPP loan via a bank, the SBA, not your bank, must approve your loan. Participating banks (which include most large and regional banks) are merely administering PPP loans.
- Non-profits and faith-based employers are eligible for PPP loans.
- There are no fees to participate.
- There are no prepayment penalties.
- **Do not pay individuals offering to help you apply.**

**Economic Injury Disaster Loan (EIDL):** The intent of this loan program is to provide loans for expenses such as payroll, rent, mortgage payments, utilities, insurance, etc., to small businesses with fewer than 500 employees. It **MAY** include up to a $10,000 grant, in addition to a loan.

This is the [link to apply](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance) for and EIDL loan.

Here is more information.

*Seek guidance from your accountant regarding whether this loan option is right for you.*

- The awarding of a $10,000 grant (as part of this loan) is not automatic.
- The loan has a fixed interest rate of 3.75% for up to 30 years.
- There are no prepayment penalties.
- Faith-based programs and Type A and Type B family care providers are eligible to apply.
- Funds are supposed to be deposited within 3 days of the SBA approving an application, not 3 days from the date you apply.
- If you get denied an EIDL loan but receive a grant, that money does not have to be repaid.
- You may not just apply for a grant – you must apply for a loan. It’s not clear if you must then accept a loan if it’s approved and a grant is awarded. **ASK if you must repay the grant if you decline the loan.**
- **Do not pay individuals offering to help you apply.**