ADVOCACY ALERT: IMPORTANT UPDATE ON THE PAYCHECK PROTECTION PROGRAM FOR NYS ARTS NONPROFITS

Friday, April 3, 2020

Advocacy Alert: Important Update on the Paycheck Protection Program for NYS Arts Nonprofits

By New York State Council on the Arts

The Paycheck Protection Program (PPP) is part of the Federal Coronavirus Aid, Relief and Economic Security (CARES) Act, the federal stimulus package passed on March 27. The PPP provides loans of up to $10 million to support small businesses, including not-for-profit organizations, and other eligible entities to pay workers, interest on mortgage obligations, rent, insurance, paid sick or medical leave, utilities, and payroll related costs incurred from Feb. 15, 2020 – June 30, 2020.

- Loan amounts are based on previous payroll and covered cost amounts.
- Up to eight weeks of eligible expenses during the covered period can be forgiven from the loan principal as long as the employer maintains previous payroll counts during this emergency.

Click here for Empire State Development's general FAQs on the PPP.

1. When should we apply? Immediately. Lenders will be accepting applications starting April 3, 2020. The program is first come first served and therefore timing for NYS arts and cultural organizations to apply now is critical. A sample of the application document is here.
2. Where should we apply? Any authorized small business administration lender, which includes most banks, is eligible to process applications. You may save steps if you apply to the bank where you have your current organizational accounts. One option is to contact your regular bank today to find out if they are participating and who is the contact for accepting applications.
3. What do we need to apply? Please see here for a checklist of items you should have ready for your bank. You should be gathering them today.
4. Can not-for-profit organizations apply? Yes.
5. We are a small arts group that is not formally incorporated or is fiscally sponsored, can we apply?Yes. You may qualify as either a sole proprietor or independent contractor. If you are fiscally sponsored, we suggest you contact your fiscal sponsor immediately to discuss options for applying to the PPP through the sponsor or independently.
6. We've never had a bank loan before, can we apply?Yes. Applying to your regular bank if they are participating may be possibly helpful in the process because they have already confirmed your corporate identity and other basic checks. However, the program does not require you to do so.
7. How should we prepare our costs for artists or workers who are paid contractual fees and/or aren't on our payroll full time but who are on short term payroll for events and programs during the loan period? We recommend you prepare the documentation on all of these costs now and discuss these cost areas with the bank.
8. We own a building that has no current mortgage, will we have to mortgage the property to get this loan?No. The PPP does not contemplate the lender taking any security interests in real property.
9. How can non-for-profit organizations obtain technical support? They may obtain technical support from the New York State Council on Nonprofits at https://www.nycon.org/about-nycon/contact-us