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Business Sense • Legal Ingenuity

**FIVE VINE
CONSULTING**

Bridging the Gap: How to Make Payroll



Objectives & Agenda



Objectives: Our consultants will answer questions we've collected from the field about making payroll. We will cover what options are available to address your cashflow concerns including loans, grants, and payroll protection.

Agenda:

- **Welcome & Introduction** (*5 minutes*) – Emily Blistein; Director of Business Strategy, LGK
- **Answers to questions collected from the field** (*20 minutes*)
 - Brenda Metzler; Community & Program Support Specialist, LGK (facilitator)
 - Lawrence Miller; Consultant, Five Vine Consulting, LLC
 - April Tuck; Labor Relations Consultant, Downs Rachlin Martin
 - John Hollar; Attorney, Downs Rachlin Martin
 - Trey Martin; General Counsel, LGK
- **Q & A for webinar participants** (*30 minutes*)
- **Closing & Summary** (*5 minutes*) – Trey Martin; General Counsel, LGK



Welcome

Resources to know about:

- LGK has a COVID-19 webpage with up-to-date resources for parents, early educators, and employers:
<https://letsgrowkids.org/coronavirus#ECE>
- Building Bright Futures & CDD are hosting a series of forums to answer your questions about child care
 - Upcoming forum dates:
Fridays, 1-2 pm on April 10, April 17, and April 24
 - Learn more here:
<https://buildingbrightfutures.org/coronavirus/>



Early Childhood Educator LGK/VSECU Loan Program



- A collaboration with the Vermont Community Foundation and the Vermont State Employees Credit Union (VSECU)
- Fund for early educators to access loans of up to \$2,000 with low- or no-interest
- Designed to support early educators who've experienced a disruption in household income
- Let's Grow Kids is covering \$25 membership fee for non-VSECU members and their first month's loan payment
- For details: VSECU's Member Emergency Loan Page at <https://www.vsecu.com/memberemergencyloan> or call 802-371-5162 to speak with a VSECU member service consultant

Question # 1



My program is open to provide child care to essential workers, my staff are working harder than ever, and I don't want to have to tell them that I'll pay them eventually! I am not sure I can cover payroll for my 19 staff, to the tune of \$25k, not once, but twice, before the first round of state funding comes in around April 20. My subsidy payment of \$7,000 every other week just doesn't cover it... What are my options?

- ✓ Defer, defer, defer
- ✓ Go to your bank for a line of credit
- ✓ SBA Express Loans of up to \$25,000
- ✓ Personal loans available at VSECU

Question # 2



If I am seeking other options for cashflow right now, what do I need to know/do/think about before I apply for the Economic Injury Disaster grant, or the Paycheck Protection Program, or refundable payroll tax credit?

- Applying for the PPP or EIDL doesn't commit you to take the loans if you are approved
- Consider terms, conditions, and payback plan – can I really afford this new debt?
- Keep careful records and be cautious

PPP Pros:

- 2.5 average payroll
- use up to 25% on things like rent and utilities
- expected to pay out quickly

PPP Cons:

- might not be forgiven

Bottom Line: Do the math for your business.

Question # 3



Why isn't the State prioritizing invoices for Essential Care Programs that are open? How am I supposed to buy food for the children, let alone cleaning supplies and other materials recommended by the CDC?

- We encourage you to raise this and any questions about the Stabilization Program directly with CDD
 - katie.lavallee@vermont.gov
- Answers to some of the many FAQs were released by CDD on April 3, 2020, and are available on CDD's Coronavirus page: <https://dcf.vermont.gov/cdd/covid-19>
- Join the webinar tomorrow with BBF & CDD from 1-2pm – we will send you the link

Question # 4



Among the various State or Federal supports being created right now, which ones can I do while also participating in the CDD Stabilization Program? Which ones are mutually exclusive?

- Unemployment Insurance and Stabilization Program are mutually exclusive
- Refundable payroll tax credits?
- EIDL, PPP, SBA loans?

Question # 5



If I want to participate in the Stabilization Program, but I have already laid-off or furloughed my staff, what do I do now?

- Reinststate staff
- Open claim and file; stay on UI, but no future wage loss of income restored
- Remember: You are not required to participate in CDD Stabilization.

Question # 6



If am not going to use the Stabilization Program, how do I seek a waiver for the requirement to provide Sick Leave / Family Leave supports established under the Families First Act?

A business with fewer than 50 employees may be exempt from providing paid sick and family leave due to coronavirus-related closure or employee unavailability if the owner determines that:

- a. providing leave would cause the business to cease operating;
- b. the absences would create a substantial risk to the business's financial health or operational capabilities; or
- c. the employer would not be able to operate at a minimal capacity due to insufficient workers.

Question # 7



What do I do if I or any of my employees are uninsured or underinsured during this time? Is there any help out there to cover medical costs of child care workers who are providing care to the children of essential persons?

- Open enrollment ends on 4/17
- Medicaid always offers open enrollment

Question # 8



There are all kinds of changes to my cashflow situation right now – what should I do to make sure I am thinking ahead about tax filings that will be due next spring?

- Option to defer payroll trust payments
- Must have a plan for those payments over medium term

Question # 9



How do I contact LGK if I need more individualized help than I can get on these webinars or through your posted guidance?

- Webform to request 1:1 support posted, we will send you the link
- Are there topics you'd like more info on – please enter in chat for future webinar

YOUR QUESTIONS



Resources



- Let's Grow Kids [COVID-19 resource page](#)
- Fill out our web form survey to be connected with one of our consultants who can provide 1:1 support FREE of charge to you, *sponsored by LGK's Emergency Fund*
- [Vermont Early Childhood Forums](#) on child care hosted by Building Bright Futures
- CDD's FAQ: <https://dcf.vermont.gov/sites/dcf/files/CDD/Docs/COVID/Child-Care-Financial-Supports-FAQs.pdf>

THANK YOU!

