



Preparing Independent Insurance Agencies for the Paycheck Protection Program

WHY IS THIS SO URGENT?!

Here are the likely ways this **pandemic will impact your agency:**

- Delayed Revenue
- Temporary, Short-Term Lost Revenue
- Permanent Lost Revenue
- Decreased or Delayed New Business Production
- 2021 Contingency

Now are you ready to apply?

Agency CFO

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GETTING THE PAYCHECK PROTECTION PROGRAM LOAN

What is it?

Per the U.S. Small Business Administration website (www.SBA.gov) the program is described as:

The Paycheck Protection Program is a loan **designed to provide a direct incentive for small businesses to keep their workers on the payroll**. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. The Paycheck Protection Program will be available through June 30, 2020.





NOTE

The information contained on the following slides has been compiled through the U.S. Small Business Administration, several financial institutions and experts.

RD Advisory Group has gathered this information and is sharing with the intention that it helps independent insurance agencies prepare for the loan application process. However, normal caveats apply: **User beware, and you should double check the calculations with your actual lender.**



MOST IMPORTANT QUESTIONS

How large could the amount be?

A rule of thumb would be 2.5 times your average adjusted monthly payroll.

How is the money to be used?

At least 75% of the loan must be used on payroll. The remainder can be put towards payroll, rent, interest on mortgages and utility bills.

Any other fine print?

Not that we know of – there are no fees, no collateral or personal guarantees required.

How could it be forgiven?

As long as there is no decrease in your employee headcount or salaries for the first 8 weeks following approval, and the spending guidelines are met, the loan will be forgiven.

- If there is a decrease, the amount forgiven will be scaled.
- It is not an automatic process – as of now, the information states:
 - You will take the 8 weeks of detailed documentation and submit it to your lender,
 - If it meets all the criteria, then the loan will be forgiven.



OUR TEAM IS HERE TO HELP:

RESOURCES FROM RD ADVISORY GROUP

The PPP Calculator

We have been in constant contact this week with financial institutions, CPA's and other experts trying to stay ahead of the loan process. **All of you will receive the results of our efforts** – a Microsoft Excel Spreadsheet that contains the following:

- Checklist of financial items** needed for the loan application.
- Calculator to **compute your maximum** Paycheck Protection Program loan.
- This process will help **organize your data for the lender**. Making it as easy as possible for the lender, is the best way to help yourself obtain this forgivable loan!



THE CHALLENGES

Information is fluid!

- There is not a clear answer for many of the questions!
- At this point, it's best to take the approach that everyone's individual lender will ultimately have the final say.
- Important note – **there are limited funds for this program! It is first come, first served!** Don't delay!

Yes, we have said this already however we can't stress it enough: The situation is still evolving! Today, we have provided you with the most up-to-date information. Please use this as a guide but know that **there will probably be further revisions.**

Next Actions:

- Talk to your current lender as soon as possible!!!
- Get your name on their list.
- Start using the checklist to organize your documents electronically.
- Enter your compensation data into the calculator.
- Be ready to complete the application process quickly.



THANK YOU!

WE HOPE TO HAVE SERVED YOU WELL.

Please reach out with any questions.

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