



## **Q and A from the CARES Act II Webinar**

### **Governors Education Emergency Relief Fund (GEER)**

#### **1. Is the \$2.75 billion more or less than last time?**

Both. The 2.75 is a bit less than the last GEER fund, but last time, no portion was reserved for K-12 nonpublic schools. The equitable share was much less than 2.75 billion. This time however, there's no equitable services provision, so private schools won't get any ESSER funds in this bill.

#### **2. Is there a limit to the amount of funding available for each school?**

\$200,000 or 0.5% of the funds available to the SEA, whichever is higher.

#### **3. Can CARES funds be used towards teachers' salaries?**

This is a very important point for many of the questions here: The funds must remain under the control of the SEA. Salaries are only allowed for employees of the SEA or vendors contracted by the SEA. You may be able to get the SEA to contract those vendors, but only COVID-related expenses will be allowed, not salaries for regular employees. However, the vendor may higher your teachers as contractors and you may be able to cover their salaries through this means. You should be in contact with your SEA to see if this option is available.

#### **4. Could you use these funds to pay for classroom proctors while the classroom teacher taught remotely?**

Presumably, yes.

**5. Initially, many of us were allotted funding from ESSER and GEER; however, on Sept. 4, they vacated that ruling and we lost the funding. Do you envision this once again being only available based on low-income families?**

The short answer is no, but it may be up to the discretion of the governor of your state. The good news is that ruling was largely driven by the fact that public schools would get less additional money under that calculation. This new pool of funds is exclusive to private schools.

**6. Are HVAC improvements allowed?**

Yes

**7. Do we have any idea what the per-student allocation of the GEER grant would be?**

There is no per student allocation outlined in the legislation.

**8. Is there a minimum number of students a school must have to receive these funds?**

No. The only limitation in terms of eligibility is that governors are directed to prioritize schools that serve low-income students.

**9. If we qualify for the second PPP, we cannot receive GEER funds?**

If you apply, you are disqualified. But if you qualify for PPP but don't apply, you can still get this GEER funding.

**10. Will we need to lay out the funds and then be reimbursed or can we apply for specific items and receive the funds to make the purchases?**

You will be able to purchase items directly and not need to lay out first.

**11. What if we bought computers for example for hybrid learning- they were installed in our building to make it possible for students to remote in. Would that be reimbursable?**

That should work.

**12. What if the tablets are being used in school because a teacher is teaching remotely?**

Presumably, yes.

**13. Will extra busses be counted if you added busses because of COVID restrictions?**

They should.

**14. Does the number of low-income students have to be a certain percentage of total students?**

No

**15. Some of our students are from different states. Can we still get the GEER funds per student?**

It would likely come from the state that you are operating in. We don't know of anything that would prohibit that, but this is a good question that will need to be addressed as we advocate with various governors and their administrations.

**16. Are salaries for expanding COVID testing and contact tracing permitted?**

The bill allows for the expansion of COVID testing and contact tracing and presumably this would include salaries.

**17. Does that include reimbursement for hiring a nurse to do contact tracing?**

Presumably, yes.

**18. What about salaries for people involved in COVID compliance other than testing and contact tracing?**

Salaries are not included. Only materials, supplies or equipment. Note: Covid compliance is not the same as expanding testing and contact tracing. There is no allowable use for compliance. However, there is language that allows for the expansion of Covid testing and contact tracing.

## **Payment Protection Program (PPP)**

### **19. How do we qualify for a second PPP loan?**

If you have a 25% drop in revenue from one quarter in 2019 to the same quarter in 2020, you should be eligible.

### **20. Was I correct in my understanding that I can leave out the first PPP revenue (which we received in second quarter of 2020) in order to demonstrate a 25% loss? Or must I include it (which will prevent us from demonstrating that loss)?**

Yes, you can leave it out.

### **21. When gross receipts are counted to determine eligibility, does receipt of endowment funds count since they become untouchable? They are sent to a separate bank account not owned by our organization - they go to the local Federation.**

If you don't own the money, it is not considered your revenue. Once you receive distributions, it is considered revenue.

### **22. Is there a way to know about how much we can expect in second PPP loan vs. GEER?**

If you qualify for PPP, it should be roughly similar in amount to what it was last time. We don't know yet what GEER will provide on a per pupil basis and this may be up to the discretion of the governor. Using a rough estimate, it could be around or above \$500 per pupil, but it is too early to know for sure. (For a quick reference guide, please refer to Rabbi Sterns graph attached to the memo.)

### **23. Is this limited to expenditures within a specific time frame?**

Yes, from when the pandemic started in March until it is over.

### **24. How do you demonstrate revenue? Profit and loss statements or does it need to be accountant statements?**

You should discuss this with your accountant and/or SBA lender.

**25. Is revenue only actual receivables or do you include billable? The language of the bill is gross receipts. Is this revenue or receipts?**

We don't know yet. It is possible it may depend on if you operate on a cash basis or not. More information should be available soon.

**26. Are NYS ACS vouchers and UPK payments considered income for the 25% reduction?**

Government reimbursement revenue, assuming it is reflected as such on your 990, is generally not considered revenue for this purpose. However, we have to await further guidance for these specific programs.

**27. Does a loan, such as EIDL, count towards income?**

We believe they should not be. However, the SBA will likely release rules soon to clarify these questions. We will bring this question, and others like it, before the SBA through Rabbi Abba Cohen to hopefully incorporate into the latest SBA guidance.

**28. Is a summer camp, whose office staff work year-round, (e.g. Camp Agudah) considered seasonal for the sake of calculating 12 weeks as opposed to a calendar quarter?**

The language of the bill reads: "does not operate for more than 7 months of a calendar year, or had gross receipts for 6 months that was less than 33.33% for the other 6 months." This seems to imply that this would be considered seasonal.

**29. Is this round of PPP limited to \$100K annual per employee like in the first round?**

It is not clear yet. The upcoming guidance will likely address this question.

**30. If you received a PPP loan the first round, do you have to have the loan forgiven before you can apply for this round of the PPP loan?**

No.

**31. 300 employees per location - is that Full Time Employees (FTE)? If you file one 990 for multiple locations, can you apply by location?**

Unless the SBA changes their mind, we believe it is 300 employees total per location, and not necessarily Full Time Employees. We are unsure at the moment about multiple locations that file the same 990.

**32. Is parsonage included in payroll costs?**

Yes.

**33. For forgiveness less than 15k, is it PPP total, combined, or each PPP separate?**

Each one separately.

**34. We received a large payment and / or donation in 2019 which was not repeated in 2020. Can we use that quarter to be eligible for the second PPP loan?**

Presumably yes, just as having a major fundraising event moved to a different quarter. However, we will have more details when specific guidance is released.

**35. Can a school that opened mid 2019 use the quarters pre-opening for PPP eligibility?**

This likely won't help you, because you will likely have less revenue in 2019 than 2020.

**36. Being that benefits are allowed as part of this round of PPP, will QTR be allowed?**

This is an area that we may need to advocate for so that the SBA includes it.

## **Child Care Funding**

**37. What are the general requirements for a child to be eligible for CCDBG child care?**

The CCDBG Act generally stipulates that eligible children must:

- a. be under age 13 (children may be older in limited circumstances<sup>10</sup>);
- b. reside with a parent who is working or attending job training (unless the child is receiving or needs to receive protective services);
- c. have family income no greater than 85% of state median income (SMI), or lower depending on state policy; and
- d. have no more than \$1 million in family assets.

While the CARES Act waives income requirements for essential workers as noted in the presentation, it does not waive other eligibility requirements (e.g., those related to the child's age or the parent's work status).

**38. What type of child care program is eligible for reimbursement or funding?**

The child care must be an eligible provider under CCDBG standards.

Eligible child care providers generally must:

- a. be licensed, regulated, or registered by the state (though states may exempt certain providers from this requirement); and
- b. meet certain minimum health and safety standards

**39. How do child care centers apply for funds to reimburse for expenses?**

If you are in NYS, you will be receiving an email from your local health department or OCFS. Agudah will also send out emails to schools when applications are available. Other states should also receive information from their child care chapters and the appropriate Agudah representative will likely reach out to them with more information once it is available.

**40. Who should we reach out to for assistance with the child care funding?**

You can reach out to us at [Yeshivaservices@agudah.org](mailto:Yeshivaservices@agudah.org).

**41. Can a private school qualify for Child Care funding?**

Yes.

**42. Is there a child care funding equivalent for high school students?**

The GEER funding is for high schools.

**43. Is this only PreK - 12? Which sections apply to a college - a yeshiva that is only a Bais Midrash and no high school?**

A separate pool of funds is allocated to higher education.

**44. Will the child care funding be available for Legally-Exempt Providers as well?**

They should be although we have to wait for further guidance.

**45. If we are running a Pre-K program and due to the pandemic, we have not filled all our slots and therefore have not received enough funding to cover our expenses, can we tap into this funding to financially maintain our program?**

It is not yet clear whether you could use these funds for open slots as opposed to where students are absent. We hope to have more clarity soon.

**Security Funding:**

**46. Is there a minimum number of students in order to qualify for security grant?**

No. However, since it is a competitive grant, having less students will likely put you at a disadvantage if there were more applications than funds available.

**Charitable Tax Deduction**

**47. Is the \$600 deduction for 2021 or also for 2020?**

\$300 for 2020 and \$600 for 2021.

**Tax/Payroll Issues: Employee Retention Credit (ERTC) and Payroll Tax Deferral**

**48. Are their funds to cover employee COVID leave for illness/quarantine?**

There was an extension of the tax credit program to assist with paid leave. We anticipate sending out guidance in the near future.

**49. If I didn't take advantage of ERTC, can I still take advantage of it for the last few months?**

Yes.

**50. Where can we get more information about employee retention credit?**

Below is a link to prior information on this topic. Changes are still being reviewed and will be shared when ready: <https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>