

TWO-PART WEBINAR SERIES

Friday, January 15 & 22, 2021 @ 2:00pm ET

NEW PPP Loan Second Draw

NEW PPP Loan Forgiveness Rules

NEW EIDL Loans & Advances

NEW Shuttered Live Venue Grants

NEW Pandemic Unemployment Assistance

NEW Direct Stimulus Payments

NEW NEA General Operating Grants



Register for this **FREE** interactive live event through [ArtsU](https://www.ArtsU.org).
You can also watch on [Facebook.com/ArtsActionFund](https://www.facebook.com/ArtsActionFund).



Welcome to the Webinar!



Closed Captions are available. To activate, click on the CC button at the bottom of your screen and then press “Show Subtitle.”



To ask a question, please use the Q & A function located at the bottom of your screen.



You can upvote questions by clicking on the “thumbs up” symbol. Questions with the most upvotes will be prioritized during the Q & A today.



This webinar is being recorded, and the recording will be available in 1-2 business days on the event page.

Resources for today's event can be found on the  tab of the event page



Nina Ozlu Tunceli

Executive Director, Arts Action Fund

Chief Counsel, Government & Public Affairs
Americans for the Arts

ntunceli@artsusa.org



Today's Agenda

- Welcome Remarks and Overview with Nina Ozlu Tunceli and Nolen Bivens to 1,000 ArtsU registrants and everyone joining live on the Arts Action Fund's Facebook.
- Today's webinar focus is on PPP loan and forgiveness, EIDL, Unemployment, Stimulus Checks, NEA, early SVO information, and preview of Biden's American Rescue Plan to be introduced into Congress next week.
- Next webinar's focus will be exclusively on Shuttered Venue Operators Grants and will have an SBA representative. Application portal does not open until later this month.
- Q&A



Nolen Bivens

Interim President and CEO
Americans for the Arts

Brigadier General (U.S. Army Ret.)

nbivens@artsusa.org



Direct Taxpayer Stimulus Payments

\$166 Billion

- **Direct Payments** - Economic relief via IRS stimulus payments of **\$600** for individuals with a 2019 Adjusted Gross Income (AGI) of up to \$75,000 per year. **\$1,200** for married filing jointly taxpayers with an AGI of up to \$150,000, and an extra **\$600** for each dependent child who are under 17 years old.
- **Phase Out** - \$600 for single or \$1,200 for married filing jointly payments would be phased out by 5% for every \$1,000 above the AGI's listed above. (ie - a single taxpayer with an AGI of \$80,000 on her 2019 tax return and claiming 3 dependent children under the age of 17 years old would receive \$1,900 (\$100 for herself and \$1,800 for her 3 kids)
- **IRS Recovery Rebate Credit** - If you didn't get any payments or got less than the full amounts from last year's or this year's payments, you may qualify for the credit when you complete your 2020 tax return. See [Recovery Rebate Credit](#)
- **Track your IRS Payment** - www.irs.gov/coronavirus/get-my-payment



Pandemic Unemployment Assistance

\$120 Billion

- **FPUC** - Extends the Federal Pandemic Unemployment Compensation 11 weeks through 3/14/21, and increases benefits amount above the state base by additional \$300 per week.
- **PUA** - Extends and phases out the Pandemic Unemployment Assistance that allows self-employed workers to be eligible to both state unemployment benefits to March 14 (after which no new applicants) through April 5, 2021.
- **PEUC** - Extends but also phases out the Pandemic Emergency Unemployment Compensation, which extends the maximum of weeks an unemployed worker can collect benefit to April 5, 2021, but no new application after 3/14/21. All benefits end 4/5/21.
- **Mixed Income Workers** - Provides an additional \$100 per week to the \$300 per week (total \$400 per week) for up to 11 weeks through March 14, 2021, for unemployed "mixed income" workers who have at least \$5,000 a year in self-employment income but are disqualified from receiving PUA because they are eligible for regular state unemployment benefits. This benefit is added to FPUC and will terminate with it on March 14, 2021.
- **Maximum number of weeks** - a worker may claim unemployment benefits for a total of 50 weeks (includes 2020 and 2021 period).



Narric Rome

Vice President of Government Affairs
& Arts Education
Americans for the Arts

nrome@artsusa.org
@NarricAFTA



NEA & NEH

\$167.5 Million Each

- Congress appropriated each of these federal agencies in the FY21 Omnibus bill with a budget increase to \$167.5 million that allows them to award general operating grants with FY 2021 funds, rather than restrict these funds to project-specific grants that cannot be produced because of COVID-19. Nonprofit and governmental arts organizations are eligible.
- Congress also made it retroactive for NEA and NEH to re-classify those previously awarded project-specific grants using FY 2019 and FY 2020 funds that were unable to be completed because of COVID-19. This could unlock more than \$100 million of additional funds for nonprofit and governmental arts organization grantees.
- Regularly check their websites for upcoming grants guidance:
 - www.Arts.gov
 - www.NEH.gov



Putting Creative Workers to Work Proposal

TO REBUILD AND REIMAGINE THE UNITED STATES POST-PANDEMIC, WE MUST PUT CREATIVE WORKERS TO WORK

There can be no recovery without creativity.

If you are authorized to endorse this proposal for your organization, or wish to endorse as an individual, please [visit and complete this Endorsement Form](#). Submissions are moderated for content, so there may be a lag in appearing. You can view the [current list of organizations and individuals](#) who have endorsed this proposal as of September 29, 2020 at 9 AM at the bottom of this document. There are currently over 2,200 endorsements of this proposal.

ENDORSE THE PROPOSAL



AmericansForTheArts.org/creativework

Creativity Has Always Been Essential To Recovery.

To thrive post-pandemic, the United States must leverage our creative power, putting creative workers to work rebuilding, reimagining, unifying, and healing communities in every state and territory, as well as within tribal lands. Below, we propose 16 specific actions that the next Administration can take to activate the creative economy within a comprehensive national recovery strategy.

In 1935, facing 20% unemployment, President Roosevelt created the Works Progress Administration (WPA). In 1973, at a moment of similar crisis, President Nixon signed the Comprehensive Employment and Training Act (CETA). These audacious federal policy efforts—one by a Democrat, one by a Republican—sparked national recovery at two crucial moments, and should inspire action now.^[1]

In each previous workforce effort, investment in the creative economy has proven essential. Similar investment now will heal the soul of America, create unity, expand and improve infrastructure, address community health, and drive innovation, recovery, and reimagination. The next Administration must draw upon the creative energies of the country's 5.1 million creative workers to energize a downtrodden citizenry, reimagine how communities can thrive, and improve the lives of all. We stand ready to answer the call.^[2]

Activating the creative economy to stimulate recovery just makes sense. Creative workers are a part of every local economy in the United States and, like others who are un- and underemployed, creative workers have much to offer in healing, recovery, and beyond. Paying artists and other creative workers for their contributions to the health, equity, and well-being of our communities rebuilds our economy. These workers uniquely engage communities to contribute to well-being and connectivity, reflecting back local history, amplifying the unique character of places, and renewing the civic and social lives of community members through their work. To thrive tomorrow, we must create a jobs ecosystem for creative workers today.

The next Administration must boldly activate the nation's 5.1 million arts and cultural workers to address critical infrastructure, community development, innovation, and public health needs. Creative workers, and the hundreds of thousands of creative businesses they drive, have been devastated by Coronavirus more than almost any other sector^[3]—one study pegs the creative worker unemployment rate at 63% and a collective income loss of over \$60 billion^[4]—but stand ready to heal, strengthen, rebuild, and reimagine our communities.



Putting Creative Workers to Work Proposal

Components of Proposal

AmericansForTheArts.org/creativework

- 1) Arts & Culture Representation within the Executive Office
- 2) Federal Commissioning and Residencies
- 3) Incentivizing Local, State, Tribal, and Private Investment
- 4) Protecting Arts Educators (Pre-K-12, out of school, and higher ed)
- 5) Addressing Inequities in Existing Policies
- 6) Digital Skill-Building and Access



Biden American Rescue Plan

\$1.9 Trillion

www.ArtsActionFund.org/BidenAmericanRescuePlan

- \$160 billion in funding for national vaccine program.
- \$50 billion in mass testing.
- Authorize OSHA to issue COVID-19 protection standard.
- \$130 billion in **funding for schools** to safely reopen.
- Emergency paid leave to cover COVID-19 leave for employers with >500 and <50 employees
- 14 paid weeks of paid sick and family and medical leave
- \$1,400 in direct payments
- \$400/week in unemployment insurance supplement
- Eviction and foreclosure moratorium through September 30
- \$15 minimum wage
- \$350 billion in emergency **state/local funding** for frontline public workers



Biden American Rescue Plan

\$1.9 Trillion

www.ArtsActionFund.org/BidenAmericanRescuePlan

“Provide small businesses with the funding they need to reopen and rebuild. Small businesses sustain half of the private sector jobs in America, and they have struggled in the wake of COVID-19. Black- and Brown-owned small businesses, and those in hard-hit industries like restaurants, hotels, and **the arts**, have suffered disproportionately.” [page 17]



Biden American Rescue Plan

\$1.9 Trillion

www.ArtsActionFund.org/BidenAmericanRescuePlan

- Provide \$15 billion in grants to more than 1 million of the hardest hit small businesses.
- “Leverage \$35 billion in government funds into \$175 billion in additional small business lending and investment. With a \$35 billion investment in successful state, local, tribal, and non-profit small business financing programs, Congress can generate as much as \$175 billion in low-interest loans and venture capital to help entrepreneurs -- including those in the clean energy sector -- innovate, create and maintain jobs, build wealth, and provide the essential goods and services that communities depend on.” [page 17]



Phase II – A Biden Recovery Plan

\$TBD

- Phase II, a recovery proposal, expected in February.



Nina Ozlu Tunceli

Executive Director, Arts Action Fund

Chief Counsel, Government & Public Affairs
Americans for the Arts

ntunceli@artsusa.org



2021 COVID Arts Resources Table (Enacted 12-27-20)

PPP Forgivable Loans	Eligibility	Uses
<p>SBA Paycheck Protection Program (PPP) Forgivable loan to grant 1st Draw or Request Increase</p> <p>Application: SBA Form 2483 Opens: 1/8/21 Closes: 3/31/21</p> <p>Apply to banks, not to the SBA Max Amount: Monthly payroll x 2.5 up to \$10 million Apply to banks, credit unions, online financial institutions like Paypay. Do not apply to SBA.</p>	<p>Topline Overview Guidance of 1st Draw</p> <p>500 or fewer W2 employees, but cannot include 1099 workers.</p> <p>C-Corps; S-Corps; LLCs; Partnerships; 501(c)(3) nonprofits; 501(c)(6) nonprofits; 501(c)(19) veterans organizations; Sole Proprietors; Independent Contractors; Self-Employed Individuals; Housing cooperatives; Tribal Businesses</p> <p>Borrower or its employees cannot also receive Unemployment Assistance during the same period. Borrower cannot also receive a Shuttered Venues Operator grant.</p>	<p>To secure forgiveness, PPP must use a minimum of 60% of loan for payroll and employee insurance benefits and maximum of 40% on rent, utilities, and new covered operation and PPE expenses.</p> <p>Covered period can be 8 to 24 weeks. Covered payroll amount can be up to \$100K/employee.</p> <p>Borrowers should not include as taxable income the amount of the forgiven PPP loan. However, Congress has confirmed that borrowers can still deduct the business expenses that the PPP grant paid for.</p>
<p>SBA Paycheck Protection Program (PPP) Forgivable loan to grant 2nd Draw</p> <p>Application: SBA Form 2483 SD Opens: 1/13/21 Closes: 3/31/21</p> <p>Apply to banks, not the SBA. Max Amount: Monthly payroll x 2.5 (or multiply by 3.5 for restaurants and hospitality) up to \$2 million</p>	<p>Topline Overview Guidance of 2nd Draw</p> <p>300 or fewer W2 employees, but cannot include 1099 workers.</p> <p>Experienced 25% reduction in gross receipts comparing one quarter in 2019 to same quarter in 2020.</p> <p>C-Corps; S-Corps; LLCs; Partnerships; 501(c)(3) nonprofits; 501(c)(6) nonprofits; 501(c)(19) veterans organizations; Sole Proprietors; Independent Contractors; Self-Employed Individuals; Housing cooperatives; Tribal Businesses</p> <p>Borrower or its employees cannot also receive Unemployment Assistance during the same period. Borrower cannot also receive a Shuttered Venues Operator grant.</p>	<p>Must be able to certify that first PPP loan was fully used according to the 60-40 rule by the time of the 2nd draw.</p> <p>To secure forgiveness, PPP must use minimum of 60% of loan for payroll and employee insurance benefits and maximum of 40% on rent, utilities, and new covered operation and PPE expenses</p> <p>Covered period can be 8 to 24 weeks. Covered payroll amount can be up to \$100K/employee.</p> <p>Borrowers should not include as taxable income the amount of the forgiven PPP loan. However, Congress has confirmed that borrowers can still deduct the business expenses that the PPP grant paid for.</p>

Click to add text

PPP Forgiveness Form Choices

<p>SBA PPP Forgiveness Form 3508 S (To be updated) No longer reduce forgiveness by EIDL Advance Amt! Use Form 3508S if your PPP loan amount was \$50,000 (and now \$150,000) or less. With this simplest of forgiveness forms, your loan will be fully forgiven even if you had a reduction in FTE headcount or salary/wages. But, you must still certify that loan funds were used correctly based on the 60-40 formula.</p> <p>Note: On 12/27/20, Congress increased the threshold for this forgiveness form to \$150,000 but SBA has not updated the form yet as of 1/15/21.</p>	<p>SBA Forgiveness Form 3508 EZ (To be updated) No longer reduce forgiveness by EIDL Advance Amt! Use Form 3508EZ if your PPP loan amount is over \$50,000 (and now over \$150,000) and you are either:</p> <ol style="list-style-type: none"> 1. Self-employed with no employees; or 2. You do have employees but you did not reduce wages by more than 25% and you did not reduce employee FTE headcount or their hours during the covered period; or 3. You do have employees but you did not reduce wages by more than 25% and reduction of FTE headcount and hours not counted against you if you could not operate as normal as a result of reduced business activity due to COVID-19 health guidance compliance. 	<p>SBA Forgiveness Long Form 3508 (To be updated) No longer reduce forgiveness by EIDL Advance Amt!</p> <p>Use this form if you don't qualify to use Forms 3508 S or 3508 EZ.</p> <p>The long form 3508 will primarily be used by companies who reduced employee salaries by more than 25% and were not prevented from continuing to operate your business as normal during the covered period.</p>
---	--	--

www.ArtsActionFund.org/2021CovidArtsResourcesTable



2021 COVID Arts Resources Table (Enacted 12-27-20)

SBA COVID-19 Emergency Injury Disaster Loan (EIDL)

On December 27, 2020, Congress replenished this SBA loan program with \$20 billion. It is NOT a second draw. Only those who did not successfully receive an EIDL loan before 12/27/20 can apply.

EIDL loans are NOT forgivable. These loans must be repaid over a 30-year term at low interest rates of 2.75% for nonprofit organizations and 3.75% for all other entities and self-employed/sole proprietors. Loan repayments are deferred by one year from origination of the loan.

Application: <https://covid19relief.sba.gov/#/>

You can have an EIDL loan simultaneously with any other federal resource including a PPP loan, Pandemic Unemployment Assistance, and a Shuttered Venue Operator Grant.

It appears that EIDL Advances have again run out of funds. New funds were used to pay older applications first. In case the EIDL Advance program is replenished in the future, you are still encouraged to request it, which happens automatically when you apply for a COVID-19 loan. Note: Self-employed and sole proprietors should count themselves as one employee (do not say zero).

Loan funds can be used for working capital & normal operating expenses, such as payroll, independent contractors, health care benefits, rent, utilities, fixed debt payments, repairs, and personal protection equipment.

Only loans of \$25,000 or more require collateral. You can accept or reject the loan offer or only take a portion of it.

Loan amount based on 2019 business expenses and borrower's credit score.

SBA Shuttered Venue Operators (SVO) Grants

On December 27, 2020, Congress established a new grant program Shuttered Venues Operators (SVO) grants for the hardest hit performing live arts venues, movie theaters, museums, zoos, aquariums, and talent representatives. This is a grant, not a loan, and it does not have to be repaid.

The SBA is in the process of setting up the grant program and is not yet accepting applications. Preliminary guidelines and future application will be posted at

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/shuttered-venue-operators-grant>

Entity must have been in operation as of Feb. 29, 2020 Venue or promoter must not have received a PPP loan on or after Dec. 27, 2020

Grant amounts:

For an eligible entity in operation on 1/1/19, it can apply for the lesser of an amount equal to 45% of their 2019 gross earned revenue OR \$10 Million.

An eligible entity who began operation after 1/1/19 can apply for the lesser of the average monthly gross revenue for each full month you were in operation during 2019 multiplied by 6 OR \$10 Million.

Several priority rounds of funding during the first 60 days is limited to eligible entities with **50 or fewer employees**. You can apply as soon as the application opens because SBA will route your application into the correct priority round based on available funds.

- **First Priority** grants available in first 14 days for entities who suffered a **90%** or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.

- **Second Priority** grants available in second 14 days for entities who suffered a **70%** or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.

- **Third Priority** grants available after the first 28 days for entities who suffered a **25%** or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.

- **Second draw Supplemental** grants for who were eligible for first and second round priority grants and who also suffered a 70% or greater revenue loss in 2021 for the most recent calendar quarter (as of 04-01-21 or later)

Unrestricted, Non-Priority Round begins 61 days after initial priority grant awards and is available for **eligible entities of any size** can apply who suffered a **25%** or greater revenue loss.

Funds may be used for specific expenses, which include:

- Payroll costs
- Rent payments
- Utility payments
- Scheduled mortgage payments (not including prepayment of principal)
- Scheduled debt payments (not including prepayment of principal) on any indebtedness incurred in the ordinary course of business prior to 02-15-20)
- Worker protection expenditures
- Payments to independent contractors (not to exceed \$100K in annual compensation per contractor)
- Other ordinary and necessary business expenses, including maintenance costs
- Administrative costs (incl. fees and licensing) State and local taxes and fees
- Operating leases in effect as of 02-15-20
- Insurance payments
- Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production. (May not be primary use of funds.)

www.ArtsActionFund.org/2021CovidArtsResourcesTable



2021 COVID Arts Resources Table (Enacted 12-27-20)

[www.ArtsActionFund.org/
2021CovidArtsResourcesTable](http://www.ArtsActionFund.org/2021CovidArtsResourcesTable)

Federal Pandemic Unemployment Assistance

FPUC - Extends the Federal Pandemic Unemployment Compensation 11 weeks through March 14, 2021, and increases the benefits amount above the state base benefits by an additional \$300 per week.

PUA - Extends and also phases out the Pandemic Unemployment Assistance that allows self-employed workers to be eligible to both state unemployment benefits to March 14 (after which no new applicants) through April 5, 2021.

PEUC - Extends but also phases out the Pandemic Emergency Unemployment Compensation, which extends the maximum of weeks an unemployed worker can collect benefit to April 5, 2021, but no new applications after March 14, 2021.

Mixed Income Workers - Provides an additional \$100 per week to the \$300 per week (total \$400 per week) for up to 11 weeks through March 14, 2021, for unemployed "mixed income" workers who have at least \$5,000 a year in self-employment income but are disqualified from receiving PUA because they are eligible for regular state unemployment benefits. This benefit is added to FPUC and will terminate with it on March 14, 2021.

www.CareerOneStop.com
Review information on filing for unemployment compensation and use the CareerOneStop Unemployment Benefits Finder to learn about applying for benefits in your state.

Maximum number of weeks - a worker may claim unemployment benefits for a total of 50 weeks (includes 2020 and 2021 period).

Direct Taxpayer Stimulus Payments

Direct Payments - Economic relief via IRS stimulus payments of \$600 for individuals with a 2019 Adjusted Gross Income (AGI) of up to \$75,000 per year. \$1,200 for married filing jointly taxpayers with an AGI of up to \$150,000, and an extra \$600 for each dependent child who are under 17 years old.

Phase Out - \$600 for single or \$1,200 for married filing jointly payments would be phased out by 5% for every \$1,000 above the AGI's listed above. (ie - a single taxpayer with an AGI of \$80,000 on her 2019 tax return and claiming 3 dependent children under the age of 17 years old would receive \$1,900 (\$100 for herself and \$1,800 for her 3 kids)

IRS Recovery Rebate Credit

If you didn't get any payments or got less than the full amounts from last year's or this year's payments, you may qualify for the credit when you complete your 2020 tax return.

Learn more at [Recovery Rebate Credit](#)

Track your IRS Payment:

www.IRS.gov/coronavirus/get-my-payment

National Endowment for the Arts

National Endowment for the Arts and National Endowment for the Humanities

Congress also made it retroactive for NEA and NEH to re-classify those previously awarded project-specific grants using FY 2019 and FY 2020 funds that were unable to be completed because of COVID-19.

Regularly check the websites of these federal cultural agencies for upcoming guidance:

Congress appropriated each of these federal agencies in the FY21 Omnibus bill with a budget increase to \$167.5 million that allows them to award general operating grants with FY 2021 funds, rather restrict grants to project-specific grants that cannot be produced because of COVID-19. Nonprofit and governmental arts organizations are eligible to apply.

This could unlock more than \$100 million of additional funds for nonprofit and governmental arts organization grantees.

www.Arts.gov

www.NEH.gov



Sarah Mercer

Attorney Shareholder
Brownstein Hyatt Farber Schreck

smerc@bhfs.com



Q & A

