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Below are further comments from Bob Goolrick on the small business loans.

Bryan

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Sent: Monday, March 30, 2020 11:31 AM

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Subject: Coronavirus relief for Elks Lodges

The SBA this morning put on its website “STREAMLINED PROCESS REQUIREMENTS FOR COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION.” This is a form to be filled in online. SBA estimates it will take about two hours.

The website is <https://covid19relief.sba.gov/#/>

As I have indicated, I see no reason why Elks Lodges cannot apply for this relief for their “business operations” – that is operation of restaurant and bar.

But, the Lodge must be able to show that it has had “payroll costs” during the past 12 months. (I do not know but expect there may be Lodges which have no payroll, depending on volunteer workers.) The loan amount is based on those payroll costs.

It needs to be emphasized that this relief will be in the form of a loan, the repayment of which will be forgiven to the extent that the loan proceeds are used for the recognized purposes. Those purposes are (I) payroll costs; (II) costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums; (III) employee salaries, commissions, or similar compensations; (IV) payments of interest on any mortgage obligation (excluding any prepayment of principal); (V) rent (including rent under a lease agreement); and (VI) utilities including electricity, gas, water, transportation, telephone, or internet access.

At the end of the applicable period (now set as June 20, 2020), the loan recipient will be required to report and document the expenditures from the loan proceeds. Only that part of the loan used for the recognized purposes will be forgiven. Any balance will continue to be classified as a loan, to be repaid over a period of time. (I expect it is probable that the present deadline of June 20, 2020 may be extended.)

Needless to say, a Lodge needs to set up a separate account for the loan proceeds and disbursements in order to keep track of them. I do not think that needs to be an actual separate bank account as long as there is a way to track the expenditures.

I would recommend that Elks Lodges be encouraged to fill in this online form. (I have not yet gone through the process myself so do not know what is all the information called for.)

Bob Goolrick