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SOUTHWEST FLORIDA AND TAMPA BAY**[View this email in your browser](#)

IT'S TIME TO SHARE WHAT WE KNOW (OR DON'T KNOW!!)

JOIN OUR FACEBOOK GROUP PAGE TODAY

A Message from John Good -- Can we open? Should we stay open? What happens if I stay open? Can I launch Boats? Can I operate my storage facility? How about boat rentals? Can I sell on-line? Can I deliver a sold boat? Can we get an expert opinion (my personal favorite!)?

Confusion reigns and the questions go on and on. You know what they say about opinions and while mine is at the top of the list of the non-expert variety, I do strongly believe that boating responsibly, within CDC guidelines is a life-line for many. A way to enjoy family and enjoy a safe getaway and we need to do everything within our power to see it continue.

As of today (subject to immediate change), and after many conversations with others in the industry, the consensus is that the answer to most of the above questions is yes, as long as you can practice required social distancing. We pretty much agree that on-site boat sales are not part of the exemptions, but many are shifting to on-line sales and follow-up.

We are all being bombarded with informational e-mails and while we do not want to add to the pile, SWFMIA / TBMIA, does want to be there for our members and the marine industry. We will continue to send information, and as we settle into what will surely be many weeks of "Stay at Home" we need to come together as a community to share questions, ideas, and information.

I share the optimism of many that the marine industry will bounce back. Whenever the virus subsides and restrictions ease, there will be a pent-up demand to get outdoors and get back to some semblance of normal. There may be some hesitancy to go on a cruise or visit a big resort, but getting out on a boat will be one of the very best remedies and there will be heightened consumer demand for boating for those that can afford it.

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of the best things we can do for each other is share. What are you doing to maximize your operation? What are you doing for employees? What kind of information or support are you receiving from your manufacturers or suppliers? What are you hearing from other businesses? What are you hearing from local government authorities?

So, Share!! To make it easy to share info and prevent an overload of e-mails, we are going to begin using our SWFMIA Facebook Group as our informational focal point moving ahead. **This is a private group shared only with members who opt in.** I suspect that many of you are like me. You might look at Facebook occasionally, you might use it to promote your business, but you don't really post or share. For us dummies, you will see below that Kyle has put together a short tutorial on joining our Marine Industry Group. We will begin to post regular updates and I urge you to do the same and to use this page to ask questions of other members.

We are a community of boaters and a community of businesses, so let's help each other get through this!

JOIN OUR FACEBOOK "GROUP" TODAY

[What is the difference between the GoBoatingFlorida \(GBF\) Facebook page and the SWFMIA Industry Facebook Group?](#)

A Facebook page by nature is used to promote/educate a brand which GBF effectively does to our base of over 20,000 followers with a message of promoting boating and protecting the waterways of SWFL.

A Facebook page is controlled by an administrator, and Posting on the page can only be done by the administrator. The GBF Facebook page has been a great resource in educating the boating public on responsible boating during the current pandemic, we encourage you to share this Facebook Page with your customers as well.

A Facebook group on the other hand is directed more to a niche group of people and allows for equal levels of participation. The SWFMIA Industry Facebook group has 170 participants (All SWFMIA Members) and provides a great opportunity for marine businesses in Southwest Florida to communicate between one another. This is a



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group, <https://www.facebook.com/groups/SWFMIA/>

We will continue to e-mail as we feel needed but we plan to shift a lot of focus and post industry updates and news to our Facebook Group, and we encourage our membership to post and comment as well to keep everyone informed on the current state of the marine industry.

If you need additional help with using Facebook, feel free to reach out and we will be happy to provide additional guidance- kyle@swfmia.com

HOW TO OBTAIN AN SBA CORONAVIRUS PPP LOAN AND HAVE IT FORGIVEN

Our good friend Norm Schultz put this together for his blog in Soundings Trade for next Tuesday but offered to share with SWFMIA/TBMIA members in advance. It is a great synopsis.

Thanks Norm!!

How to Obtain an SBA Coronavirus PPP Loan and Have It Forgiven -- It's the best funding option to keep employees on payroll and small businesses open. The number-one pressure on small-business owners right now is payroll. Whether you're a sole proprietor one-person-show or a company with 500 employees, you've certainly felt the pressure. Maybe you've already stopped paying yourself, have laid off workers or cut hours. Well, you can thank your federal government for the best aid program recently offered for small business, the [Paycheck Protection Program loan \(aka Coronavirus Stimulus Loan, or PPP Loan\)](#). Here's a summary of the details you need to know:

Who Qualifies? -- A small business with fewer than 500 employees that was in business on or before February 15, 2020. This can be an S Corp, C corp, LLC, sole proprietorship or independent contractor. It also includes certain nonprofits, tribal groups and veteran groups. When obtaining the PPP loan, you need to certify that your business has been economically affected or that economic uncertainty make the loan necessary.

How Much Can I Get? -- Up to \$10 million dollars. But the amount each business gets is based on its payroll costs. The amount you qualify for is based on 2.5 times your average monthly payroll costs. Your monthly average payroll is calculated based on your prior 12 months of payroll costs. You take that average monthly payroll number and multiply it by 2.5. For example, if your monthly average payroll was \$20,000, then you would qualify for a \$50,000 PPP Loan.

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commissions, payment of vacation, sick, parental/family/medical leave, payment of retirement contributions, group health coverage premiums and state and local taxes assessed on payroll. It doesn't include federal payroll taxes though. It also doesn't include payroll costs for those making more than \$100,000. Their first \$100,000 is considered, but anything in excess is not considered for determining average monthly payroll costs.

What Can I Use This Money For? -- First and foremost, payroll for you and your employees, but you can also use the money for rent, mortgage obligations, utilities and other debt obligations you may have.

What Is the Interest Rate? -- Half a percent. that's right. It's nearly an interest-free loan. The bill allowed for a maximum rate of 4 percent, but the guidance issued by the U.S. Treasury is stating that the maximum rate would be 0.5 percent. Your government is stepping up as they're backstopping these loans for the banks. Now, this rate could certainly change, but under the law it cannot exceed 4 percent.

When Do I Have to Pay It Back? -- The loan term specified by the treasury guidance is two years. Loan payments are deferred for the first six months. There is no pre-payment penalty though, so you can repay or have the loan forgiven earlier.

Do I Have to Put Up Collateral or Sign a Personal Guarantee? -- Nope. I told you this was a good deal, right?

How Do I Get This Loan Forgiven? -- This is the critical question. The loan forgiveness provision is the best part. You are eligible for loan forgiveness for the amounts you spend over the next eight weeks after receiving the loan on certain qualifying expenses. The qualifying expenses of the business over the eight-week period includes payroll costs, rent, interest on mortgage debt and utilities.

If the number of full-time employees is reduced over this time period or if your payroll costs are reduced 25 percent or more, then the amount of the loan eligible for forgiveness will be reduced

The bank who granted the loan is who will determine the loan forgiveness amount based on the criteria above. The business will request forgiveness of the loan with evidence to the bank, and the bank will have 60 days to approve or deny the forgiveness.

Will the Business Get Forgiveness of Debt Income Via a 1099-C? -- Now, this is a question only your tax lawyer or account would ask. In other words, will I have to pay taxes on the amount of debt forgiven on the loan? Nope. The new law specifically stated that forgiven PPP Loans will not be considered forgiveness of debt

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Do I Still Qualify If I Already Have an SBA Loan? -- You can have more than one SBA loan. You just can't exceed the total SBA loan maximums when all loans are combined.

What About the SBA Economic Injury Disaster Loans (EIDL)? -- This is another good loan option. It is up to two million dollars and is the loan typically used for natural disasters that has been approved for businesses effected by the coronavirus pandemic. If you have a low payroll or need funds in excess of the amounts you qualify for under PPP, consider the EIDL loans, as they have low rates, longer repayment terms and can be used for more purposes than the PPP loans. However, they do not offer any form of loan forgiveness. But they do include a quick \$10,000 grant to effected businesses that does no need to be repaid.

So, let's run a quick scenario on the facts above for a PPP Loan. Let's say your total "payroll costs" over the prior 12-month period is \$240,000. As a result, your monthly average payroll is \$20,000. We then multiply \$20,000 by 2.5 and get the maximum loan amount of \$50,000.

Let's further assume that over the eight-week period after you receive the loan that you use \$40,000 for payroll costs, \$9,000 for rent and \$4,000 on utilities. You would then have totally qualifying expenses for forgiveness of \$53,000. Since you have qualifying expenses in excess of the loan amount, you would be eligible for forgiveness of the entire loan. Not bad, huh? Not bad at all. Finally, we have a stimulus bill that small businesses can be excited about.

So, What Should You Do Now? -- It is important that you apply now! There are 30 million small businesses in the U.S. and \$350 billion allocated to the program. We can expect funds may run out before everyone can receive a loan. Suggestion: only applying to FDIC-insured bank for PPP loans. Be aware that many non-banks are taking applications, but in almost all cases they are simply trying to broker this information to banks in return for a fee."

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