

COVID-19 Impact on the Construction Industry

April 23, 2020

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Create Opportunities

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Discussion Topics

- Insurance Perspective
 - Susan Hecker, Arthur J. Gallagher & Co.
- PPP update
 - Mike Africk, CLA
- Panel discussion
 - Susan Hecker, Arthur J. Gallagher & Co.
 - Julian Xavier, CLA
 - Mike Africk, CLA
 - Ben Theuninck, CLA



Q&A with Susan Hecker, Director, National Contract Surety, EVP

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Paycheck Protection Program (PPP)

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CARES Act – PPP Update

- Update
- Questions and Answers
 - Tracking
 - Forgiveness
 - Forgiveness tax implications
 - General Questions

Sample Tracking

Date	Description	Transaction Amount	Allocated to Company	Allocated to PPP Loan (1)	Cash Balance
04/19/20	Balance pre-loan		\$30,000	\$0	\$ 30,000
04/20/20	PPP Loan Proceeds	\$125,000		\$125,000	\$155,000
04/21/20	Pay down W/C	(\$80,000)		(\$80,000)*	\$75,000
04/21/20	Correction	\$50,000	(\$30,000)	\$80,000*	\$125,000
04/24/20	Funded PR account	(\$15,000)	\$0	(\$15,000)	\$105,000

(1) Borrower required to provide support

(*) not an allowable use of loan proceeds; two step transaction to correct.



Illustration Facts

- PPP fund Loan Amount \$125,000
- PPP funding date 04/20/20
- Covered period (8-weeks) allowable
 - Payroll costs \$ 65,000
 - Non-payroll costs \$ 35,000
 - Office expenses \$ 40,000
 - FTE's 7

Illustration Facts

- FTE's (average/per pay period)
 - 02/15/19 – 06/30/19 14
 - 01/01/20 – 02/29/20 10
 - Rehires on 06/30/20 01
- Wages and salary
 - 1 employee salary cut to \$40k when he returns
 - Rehire on 06/30/20 paid \$20k



Panel Discussion

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Resources

Responding to COVID-19



Unforeseen disruptions — from the coronavirus (COVID-19) to natural disasters — can create many uncertainties. These resources can help you lay out a strategy to put your organization on its toes versus its heels.



Operational
Support



Regulatory and Tax
Updates



Inspirational and
Leadership Tips



Financial
Management and
Disaster Relief



Accounting and
Financial Statement
Guidance



Workforce, Human
Resource, and
Benefits Guidance



<https://www.claconnect.com/COVID19>



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