



TMA Virtual Town Hall Meeting Minutes

Monday, March 30, 2020, 11:00AM-12:00 PM [ET] *via* Zoom

Hosts: TMA President Don Young, *ADT* and TMA Executive Director Celia T. Besore

Special Guests: Mitch Reitman, Reitman Consulting Group

The meeting opened with a brief welcome by TMA President Don Young and an orientation to the functionality of the Zoom forum, specifically pertaining to the process for question presentation.

Ms. Besore announced that the hoped-for **Second DHS Guidance on the Essential Critical Infrastructure Workforce** was released. It contained language **explicitly** identifying workers who provide electronic security, fire, monitoring and life safety services as essential. While this is only a notice, or guideline, many states are referring to it in their definitions of essential workforce.

Ms. Besore then highlighted some of the newest resources that had been uploaded to TMA's website, which included:

- State-at-home Orders for Colorado and Minnesota and for Guilford County, NC
- Change in licensing application and renewal requirements for TX and VA
- New OSHA and CDC resources
- New section for Financial and Labor-related Information

Due to the rapidly changing State and local Orders, TMA is encouraging the use of three state/localities trackers featured on the TMA COVID-19 page followed:

- **GovPredict** – a free resource that tracks all COVID-19-related State Orders.
- **MultiState's State and Local Government Response to COVID-19 Tracker** – a table that includes States and local jurisdictions Orders, as well as other information.
- **The Council of States Government COVID-19 State Orders**

She announced that the DHI – Door Security + Safety Professionals is joining with TMA, ESA, and SIA to represent/advocate for the security industry.

Look for these new resources coming soon:

1. Letter for TMA Members to send to their public service and government contacts recommending the adoption of the DHS CISA definition in any Stay-at-Home orders.
2. A sample teleworking policy from a member

President Young introduced Mitch Reitman, CPA. Mr. Reitman has been an accountant/CPA in practice for 25 years. His practice primarily services security businesses, particularly monitoring centers. Mr. Reitman was invited to take part in this Virtual Town Hall meeting to present on and answer attendee questions on the recently-released Families First Coronavirus Response Act.

Please view Mr. Reitman's presentation in its entirety on the TMA website.

Highlights from his presentation:

For companies with fewer than 500 employees:

1. Businesses may apply for a SBA loan for financial support.
 - a. The term of the loans are 10 years.
 - b. The first year is interest-free: with a 4% interest rate for the duration of the repayment period
 - c. The loan can be used for any business expenses, including rent/mortgage.
 - d. Companies are strongly urged to reach out to their banker and investigate SBA loans.
2. Employers are to provide two weeks of pay to those employees who a) have tested positive for COVID-19; b) have been tested for COVID-19 and are waiting to hear; c) in quarantine for COVID-19; or, d) are caring for a family member who has COVID-19.
3. Employers are to use the employers half of the regular FICA payment to off-set the employee pay. (Employers receive credit for this.)
4. If an employee becomes ill, has to care for someone who is ill, or, takes time off to be tested, , he/she is entitled to be paid their full salary up to \$511/day for up to ten days (maximum \$5,110). The Bill allows for the tax credit of this amount against the employer portion of FICA and Medicare.
5. If an employee is forced to stay home to take care of a child whose school or daycare is closed, he/she is entitled to 2/3 of their salary up to \$200/day for 10 weeks. if they are unable to telecommute. The Bill allows for the tax credit similar to the one above of this amount.
6. The IRS has extended filing deadlines to July 15th for the following forms: 1040; 1041; 1120 (corporate); 8960 and 8991. 1065 was not included, but Mr. Reitman anticipates this was an oversight and will also be identified in subsequent directives. Note that S Corporation returns (1120S) are not included as they were due on March 15th.
7. Employers cannot take credit for payments made to a contractor. Forms 8919 and SS-8 Be aware of issues if you are treating a contractor as an employee.
8. Be careful with how your independent contractors are paid and also be vigilant whether they would submit Form 8919 claiming they are employees and not contractors
9. Form 990 is still due May 15th but can be extended to August 15th.
10. Form 941 is still due at the end of April.
11. Form 1120 for C Corporations with January or February year ends has not been addressed. Proceed to submit or extend by May 15th or June 15th.
12. Form 665 for LLC or partnerships is due 4/15.

13. The states have not officially announced submission extensions for taxes, but it is anticipated to follow federal guidelines.
14. IRA contributions and 2019 Health Savings Account (HSAs) deposits are also extended to July 15th.
15. Independent contractor and self-employed individuals are not provided for under this Act but may be able to apply for PPP loans.

Question #1: Does the 1040 extension include estimated tax payment?

Answer/Discussion

Yes, you can defer your estimated tax payment until July 15th, as well but only for additional tax payments based upon an increase in your 2019 tax liability over your 2018 liability. Quarterly installments due in 2019 have not been waived or extended.

Question #2: Is there a maximum revenue required to qualify for the SBA loan?

Answer/Discussion

No, it doesn't seem so. The loan maximum is \$10M.

Question #3: What happens if an employee comes down with COVID-19 symptoms and stays home?

Answer/Discussion

This falls under the provisions of the Act. You should request a dated note from the employee's physician on his/her letterhead with contact information for your files.

**The IRS will be vigilant in reviewing all filings. Employers must document credits to protect themselves should an audit arise. Documentation is the way companies win audits. Track the impact of the coronavirus on your business as thoroughly as possible.

Question #4: Is an operator permitted to ask about the status of individuals in the home or business relevant to COVID-19 symptoms or diagnosis when an alarm call comes in?

Answer/Discussion

A TMA member counsel recommended that monitoring centers not ask questions regarding the health of the individual unless it would be mandated by public safety.

Question #5: If you have employees on furlough, can you hire them back?

Answer/Discussion

Employers need to have at least 25% of their employees working to qualify for the credit and benefits put forth in the Act. A company may hire back employees to reach at least 25% of their workforce as of Feb. 15th and qualify. The Act incentivizes employers to keep as many employees working as possible so to reduce the stress on the unemployment agencies.

Question #6: What companies does this relate to?

Answer/Discussion

Any company with less than 500 employees falls under this act.

Question #7: How does an employee accrued leave (sick/vacation) play into this?

Answer/Discussion

If an employee has acquired leave through the company, it may be used AFTER the federal allowance has been exhausted.

Question #8: What other, additional resource should companies be looking for and using?

Answer/Discussion

1. **Employment lawyer** – If you do not have an employment lawyer, it is time to find one.
2. **CPA** – Consult with a CPA regarding the SBA loan and IRS filings.
 - a. Note – If you have any outstanding tax obligations, you may not qualify for a SBA loan, or you may be required to repay the loan with a portion of your loan before using it for other expenses/debts.
3. **Lender** – If you have an established relationship with a lender – maintain it. If not, ask for referrals for a SBA-preferred lender. SBA loans are 100% guaranteed by the federal government. The loan application is simple to complete.
 - a. [Ms. Besore offered to identify any SBA preferred lenders within the membership and share with members.]

Question #9: What if I didn't layoff anyone?

Answer/Discussion

This is OK, just maintain your pre 2-15-20 full time employment levels.

Question #10: Is rent covered?

Answer/Discussion

Yes, there is a provision for loan forgiveness fore 60 days of rent or mortgage payments.

**If you own a property used by your business under a separate company and rent it back your forgiveness will be limited to the interest portion of mortgage payments on the property.

Question #11: Are companies making insurance claims for interruption of business due to COVID-19?

Answer/Discussion

For this purpose of any claims, Feb. 15th is the official date of the epidemic.

According to a member who specializes in insurance, there are some Business Interruption claims that are starting to be filed. However, most BI claims fall under Property policies, and without a physical damage or loss, there is no 'trigger' for these types of claims currently. Due to there being a lot of fluidity at both the state and federal levels regarding insurance coverages, it is recommended that companies document everything very carefully doing this period. Keep good records regarding expected business vs. lost business. This will help should you decide to file a claim. Even with any expected initial claim rejections due to the lack of physical damage or loss, claim payouts in the future could be based on public policy vs. actual insurance policy.

Closing Statements:

- Leverage TMA staff for information, tools, and solutions
- Share relevant information with TMA and peers
- Think of others - we are in this together. Let's be a force-multiplier

Next Steps:

- TMA will host its next Virtual Town Hall meeting on Monday, April 6th at 11:00AM [ET] to discuss challenges and best practices for addressing COVID-19.