

Monona Grove Nursery School

Board of Directors Virtual Discussions and Votes in response to the Covid-19 pandemic in the spring of 2020. The following is a summary of the official calls for discussion and votes conducted via email from 4.1.20-4.30.20 for topics discussed and voted on by the full board of directors.

1. PPP Loan -

a. DISCUSSION:

- i. On 4.15.20 President Kaufman initiated a discussion regarding application for a Paycheck Protection Program (PPP) Loan as a part of the CARES act, the federal government stimulus response to the Covid-19 pandemic. Given dwindling funds for the program, Brian (treasurer) encouraged the board to move forward with applying rather than waiting for the next board meeting to vote. Brian the treasure provided the following summary of this program via email which President Kaufman forwarded to the full board:

1. The Coronavirus Aid, Relief and Economic Security (CARES) Act established the Paycheck Protection Program (PPP) to provide incentive for employers to maintain payroll. The PPP consists of loans from the Small Business Administration that will be forgiven if loan proceeds are used for:
 - i. 1. Payroll Costs
 - ii. 2. Mortgage Interest or Rent
 - iii. 3. Utilities
2. Maturity of the loans is two years and they carry interest of 1%. The formula for the maximum loan granted is a function of monthly payroll times 2.5. Our monthly payroll over the last 15 months has averaged about \$17,000, so the estimated loan amount would be \$42,500. Interest costs at 1% over two years would be \$850. As noted, if we use the loan proceeds for eligible costs, the loan will be forgiven (i.e. we won't have to pay it back). These funds would be a nice offset to the tuition that has been lost as a result of the shutdown, which is projected to be in excess of \$25,000.

- ii. Board members 15 board members who responded to the discussion email agreed the board should move forward with an email vote.

b. VOTE:

- i. President Kaufman called for the following vote via email on 4.16.20:
 1. Please vote YEA or NAY to the following:
 - a. ***Should MGNS apply for a loan, to the maximum limit allowed, from the Paycheck Protection Program established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act?***

2. 11 people voted yea. The motion passed.

c. APPLICATION:

- i. After the motion passed to apply for a PPP Loan, news came out that the funding had run out. Given the general language of the 4.16.20 vote the board determined that Brian could move forward with an application when new funding was approved by congress.
- ii. New funding was approved by congress the week of 4.20.20 and Brian (treasurer) filed an application for a PPP loan with Summit. MGNS was approved for \$42,500 on 4.29.20.