



September 4, 2020

DEALERSHIP INFORMATIONAL ADVISORY  
**COVID-19 Updates #36**



**DEPARTMENT OF LABOR AND SMALL BUSINESS  
ADMINISTRATION ISSUE UPDATES**

The US Department of Labor (DOL) and Small Business Administration (SBA) have each issued new guidance on issues of importance to franchised dealerships. Coinciding with the start of the 2020-2021 school year, DOL issued **advice for businesses reviewing employee requests for emergency paid sick and/or childcare leave** pursuant to the Families First Coronavirus Response Act (FFCRA). DOL has clarified the extent to which parents of children facing a variety of school opening scenarios—including all in-person attendance, a mix of in-person and remote attendance, and all-remote attendance—may be eligible for paid leave. This advice has been incorporated into [NADA's FFCRA FAQs](#). Additional information is available on [DOL's FFCRA webpage](#).

PPP loan proceeds spent on rent and mortgage interest to third parties generally are expenses eligible for forgiveness. SBA's new [forgiveness guidance](#) clarifies that **rent paid to a real estate entity owned by a borrower is forgivable only to the extent that the real estate entity makes mortgage interest or lease payments to a third party**. For franchised dealership PPP borrowers, it is likely that most, if not all, of their forgivable expenses will consist of payroll and payroll-related items versus nonpayroll expenses like rent or mortgage interest. SBA's new guidance has been incorporated into NADA's documents [PPP Loans: Use of Proceeds and Forgiveness](#) and [CARES Act FAQs](#). Dealers should contact their CPA and lender before filing a forgiveness application that relies on rent payments paid to a related real estate entity.

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**PAYROLL TAX DEFERRAL UPDATE**

The Treasury Department late last week issued [guidance](#) on the August 8, 2020, Presidential Executive Order that authorizes employers to **defer their obligation to withhold, deposit and pay their qualified employees' portion of the payroll tax** on wages earned between September 1, 2020, and December 31, 2020.

The U.S. Chamber of Commerce has issued a [memorandum explaining the employee tax holiday in greater detail](#). Additionally, BKD CPA and Advisors issued [guidance](#) on this order as well.

AADA is strongly encouraging dealers to discuss this matter with their tax advisor.

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## FEDERATED INSURANCE LAUNCHES SHIELD

On August 31, 2020, Federated Insurance launched mySHIELD, an online destination for risk management resources to help businesses succeed. A brief [video](#) highlights mySHIELD's many features including:

- Training and Resource Tailored to You

Employee safety training and videos, customizable risk management plans, sample risk management policies and checklists, workplace posters, and more.

- Seamless Certificate Management

Access and managed certificates of insurance, request and promptly receive new certificates, and create and save templates to simplify the certificate process.

- Efficient Vehicle and Drivers Lists Tools

Managed drivers and vehicles in one convenient location. Add and delete company drivers, view the insurability status of drivers, update company vehicles, and access auto ID cards.

- Manage Users Feature

Set permission levels for individual members of a business, granting access to only the information and features they need to utilize.

- Additional Features

Online claims reporting and invoices.

Federated clients can register for mySHIELD by contacting the Client Contact Center at 1-888-333-4949. Once registered, users can also download the mySHIELD app from the App Store or Google Play Store for even more convenient access.

Federated Insurance has more than 500 recommendations from state, regional, and national associations, including AADA.

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## REMINDER

### DEALERS SHOULD UTILIZE THE NADA CORONAVIRUS HUB

As a reminder, NADA has produced a tremendous amount of resources to help dealers and their operations during the coronavirus pandemic.

The site and the links will be updated continuously; bookmark the address and click on the links as you need them for the latest versions of everything CARES Act, SBA, PPP, Tax Relief and more. Please check it out here: <https://www.nada.org/coronavirus/regulatory/>.

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## ADDITIONAL AND HELPFUL LINKS

For additional information related to maintaining your dealership as safe, we would recommend monitoring updates from the [CDC](#), [OSHA](#), and the [Arkansas Department of Health](#).

Please go to our website for links to information your dealership needs at [AADA coronavirus update](#).

AADA will work to keep you updated on this situation, but a firm commitment to maintaining a safe and clean work environment for your employees and customers will help you navigate this health crisis.

If you have any questions about this bulletin please don't hesitate to call, 501-372-2596, or email Greg Kirkpatrick [greg@arkautodealers.com](mailto:greg@arkautodealers.com).