

# Dealer Advisory

April 2, 2020



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A regularly updated "**Coronavirus Toolkit**" is available within the MADA website. [Click here](#)

*Notice from the Michigan Department of Financial & Insurance Services (DIFS)*

## **Volume of Activity - Submission Deadline Extended to April 30**

**NEW!** As you may remember, DIFS originally gave a deadline of April 1, 2020 for dealers to submit their volume of activity report. However, on March 30, DIFS emailed dealerships that were still missing the report and notified them that the submission deadline has been extended until April 30, 2020. If you have questions please contact your association.

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We are currently reviewing Governor Whitmer's newest Executive Order, [2020-33](#), which expands the declared state of emergency. We will follow up with dealers when we have more information.

While we don't have much additional *new* information to pass along this morning, we would like to send a few important reminders.

## **News from NADA: Small Business Loans**

### **Paycheck Protection Program**

Last week, as part of the federal CARES Act, Congress made a variety of emergency loans available to small businesses. For dealers, the most anticipated of these initiatives is the Paycheck Protection Program (PPP). The program is available to eligible businesses that have paid salaries and payroll taxes prior to February 15, 2020, and have fewer than 500 employees. For auto groups with more than 500 employees, eligibility affiliation rules may be waived under certain criteria.

Ultimately, the PPP provides \$350 billion for 100% federally guaranteed loans for eight weeks and defers loans for up to six months. **PPP applications can be submitted beginning Friday, April 3.**

- [PPP loan application and program details](#)

***Treasury has urged those in need of funding to apply quickly, noting that the program has a cap and demand is likely to be high.***

NADA's webinar covering this program is now available on demand. If you were not able to participate live, we highly encourage you to view it today.

- **WEBINAR:** [Making Sense Out of the New SBA Paycheck Protection Program: Practical Considerations for Dealers](#)

**IMPORTANT!** An FIC code is needed for any dealership group that *collectively* has more than 500 employees. Each manufacturer brand has an FIC code. Not all manufacturers have that code as of today; however, all manufacturers have applied for the proper code.

For dealers who have single stores or *fewer than 500 total employees*, an FIC code is not required but may be used.

The most current list of [FIC codes are available here](#). **This list is being updated daily** and should include all manufacturers soon. *Dealers should not wait to apply for the SBA loan.*

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## Employee Retention Credit

The CARES Act includes other options for businesses not choosing an SBA loan. One example is an Employee Retention Credit available to many small businesses, designed to encourage them to keep employees on the payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19. This announcement also includes forms for dealers who are requesting an advance of tax credits under both the Employee Retention Tax Credit and tax credits provided under the FFCRA. [See the IRS's press release with Q&A.](#)

It's important to understand the many different aspects of the employee retention credit. You can also find answers to your questions in the [Employee Retention Credit FAQs](#).

*Note: The FAQs were prepared by the Republican Finance Committee staff for informational purposes and should not be relied on for legal advice. Employers should consult the IRS or a tax advisor to address questions related to their specific circumstances.*

## Upcoming Webinars

*Note for NADA webinars: there is a maximum attendee capacity for webinars and NADA anticipates hitting that capacity. The webinars will be recorded and available within 24 hours for those who are unable to view live.*

NADA ~ [Federal Tax implications of COVID 19](#)

**Thursday, April 2, 1-2 pm ET**

Learn how dealerships can benefit from a series of favorable tax provisions in the new CARES Act. The webinar will focus on both immediate opportunities for dealerships and longer term tax planning considerations.

Plante Moran ~ [Tax implications of the CARES Act](#)

**Thursday, April 2, 2020; 10 – 11:15 am ET**

Tax implications of the Act to help you understand what actions you can take now. We'll also briefly cover SBA loan implications.

NADA ~ [Managing Cash Flow](#)

**Friday, April 3, 1-2 pm ET**

Best practices for sources of immediate cash and other cash flow essentials to ensure that your dealership maintains the lifeblood of its business.

UHY ~ [Flattening the Curve and the Effects on the U.S. Economy](#)

**Thursday, Apr 9, 11 am – 12 pm ET**

Why flattening the curve is essential, significant issues that are disrupting the economy, and the three things to give the economy and market the optimism it needs to get back on track.

## Workplace Updates & Reminders

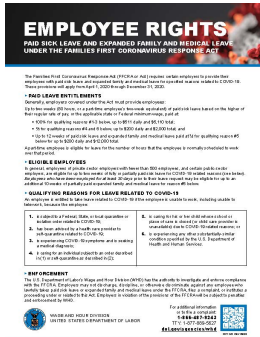
### Fisher Phillips Workplace Safety Updates

**UPDATED!** Mar. 30 -- Fisher Phillips recently updated a number of the FAQs within the [Comprehensive And Updated FAQs For Employers On The COVID-19 Coronavirus](#) web page. Dealers may want to check out the workplace safety section. Some of the updated answers cover "what should we do" in the following situations:

- An employee of ours has tested positive for COVID-19.

- One of our employees has a suspected but unconfirmed case of COVID-19.
- One of our employees self-reported that they came into contact with someone who had a presumptive positive case of COVID-19.
- One of our employees has been exposed to the virus but only found out after they had interacted with clients and customers.

## FFCRA Employee Poster



*This must now be posted in your dealership*

The U.S. Department of Labor released a notice of FFCRA requirements that each covered employer must post in a conspicuous place on its premises. This poster must be posted in your dealership no later than Wednesday, April 1, 2020. The notice is accompanied by a set of FAQs.

- [Mandatory poster](#)
- [FAQ about poster](#)

Please feel free to contact DADA at (248) 643-0250 or MADA at (800) 292-1923 if you have any questions.

*This advisory has been prepared in conjunction with  
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