**Jesse Rosen:** I just want to say a couple of words before we get going. The first is to thank our partners across the arts community who were side by side with us as we did everything, we could to attempt to influence federal release packages that have now been enacted into law and to make sure if they spoke to the needs of our community.

We've defined our community as all artists and arts workers, whether they be employees or self-employed musicians or staff members. This was really an all-hands across the whole old community. We've had some good success, not everything we wanted, but we have a good start and we have more work to do. We wanted to take this opportunity today to share with you some of what we know so far.

I want to extend a special appreciation to the musicians who are on the line and the musicians who make up the heart of our community for the extraordinary way that continued to deliver great music and musical experiences to the public. I also want to extend the thank to our staff who are on the call, who are working feverishly to figure out how to keep going in this very challenging moment.

My biggest thank you goes to my two wonderful colleagues at the league, Heather Noonan and Mitch and Lee who've worked literally round the clock for the last three weeks to be at the right tables at the right time to deliver the messages our fields need to policymakers and to help unpack what we've been learning. Without further ado, I want to hand this off to Heather who's going to guide us through this afternoon webinar. Heather, that's your cue.

**Operator:** Heather, your phone line may be muted. Please press "#6" to unmute your phone line.

**Heather Noonan:** Thank you, [Daehn 00:02:15]. Can you hear me now?

**Operator:** Yes, we can.

**Jesse:** Yes.

**Heather:** Terrific. Thanks so much, Jesse. Thanks to all of you who patiently waited for the beginning of the webinar. We just want to let you know that we will be making up the lost first half-hour on the back end. I hope that you can stay with us throughout the duration. Also, a reminder that the webinar will be recorded. If you have something else you need to move on to, you'll be able to hear the webinar in its entirety.

We're really grateful that amidst all of this uncertainty, you are setting aside some time right now to join us for this conversation on how orchestras can benefit from recent federal release packages and also what decision-making considerations are necessary for right now.
We also know that the federal relief offered in the first three packages approved by Congress is only a beginning point and that it won't be enough to meet the near and long-term needs of orchestras, their workforce and the communities they serve. We'll be listening carefully to understand what needs could be met by further federal assistance and a fourth release package, which is already under discussion. We're also very grateful for your continued collaboration in that process.

I believe a poll has been opened to get a feel for who we have in the room here. I'm asking just to get an understanding of which roles in the orchestra community are turning up for this conversation. I have the feeling it'll be across the spectrum. We'll give you just another minute or two to finish filling out that poll. In the meantime, I'd like to express our thanks to our generous funders who are making this webinar possible. American Express, the Howard Gilman Foundation, the National Endowment for the Arts, as well as support in part by public funds from the New York city department of cultural affairs in partnership with the city council.

Also, just a reminder that everyone attending today will receive an email with the recording and transcript of this webinar and after we conclude, you'll receive an email with the PowerPoint deck as well as a survey to complete. We also just want to remind you that in addition to this form of engagement, we have resources on the leaks website regarding Coronavirus, that you can find off the link to our homepage at americanorchestras.org. Daehn, I think we will close the poll and show our current distribution. I think we're seeing stakeholders from across our spectrum on that list.

Before we begin our presentation, I wanted to take just one minute to frame today's conversation. In terms of what we plan to cover. We'll be providing a top-line view on some key aspects of federal relief, and while we'll not be able to advise on case-specific first or next step, we hope to present an overview that guides each orchestra to the available components of the release. Also, please note that the federal agencies administering these programs are writing guidelines right now even as we speak. Some of the questions are still yet to be unanswered. We do plan to have future lead offerings and online material that will build on today's initial offering.

With that, it gives me great pleasure to introduce our three speakers today. LaKeisha Caton and Kyle Miller are with the Law Firm, Pryor Cashman in New York City. LaKeisha is the labor and employment corporate and litigation group representative, and Kyle is with us from the banking and finance and corporate group division. We're also very pleased to have Susan Nelson, executive vice president of TDC, whose practice focuses on the complex challenge, growing ever more complex and aligning an organization strategy, implementation plan, and financial sustainability.
We'll start first with the overview of available release provisions, and we're going to encourage you to please ask any questions by typing them in the Q and A box. First, we'll hear from LaKeisha and after she's gone over the overview of paid leave and unemployment benefits, we'll take a pause for questions before we hand it off to Kyle for the next section. With LaKeisha, if you're on the line, I'll hand it over to you.

LaKeisha Caton: Can you hear me?

Heather: Yes, you're on. Thank you.

LaKeisha: Great. Okay. Hi, everyone. As Heather mentioned, my name's LaKeisha Caton. I am a labor and employment attorney with Pryor Cashman, and I will be talking about some of the employment-based federal relief that has been enacted as a result of the Coronavirus. As Heather mentioned, these laws are new and there's still guidance being provided daily. Unfortunately, we may not have the answer to all of your questions, but I can give you some information about the guidelines and the regulations that have been set forth so far.

Can you please move to the next slide? Thank you. I'm going to start with the Families First Coronavirus Response Act. First, I'm going to give you an overview and then I'll get into the specific relief this law provides. This law actually becomes effective today, April 1st, 2020, and it's effective until December 31st, 2020. It applies to private employers with under 500 employees. I also want to know, given the times and what's going on right now, I know that a lot of employers, unfortunately, are having to lay off their employees or furlough their employees. I would note that this relief only applies to active employees.

At first, it was a question if it would potentially apply to furloughed employees. Because if you're furloughed, you're technically still an employee of your company, you're is still on the payroll. You just might not be getting paid, but the guidelines have made it clear that furloughed employees are not eligible for relief under this act. There are also a couple of exemptions. The first exemption doesn't really apply to our participants, but I would note that employers of health care providers and emergency responders may exclude their employees from the benefits provided by this law.

Another exemption that possibly could apply to some of the participants here today is with respect to employers with fewer than 50 employees. If you're a small employer, you could potentially get an exemption and not have to provide employees with this relief. In order to do so, you have to show one of three things. If you're a small business, you have to have an authorized officer that can determine that providing paid leave pursuing to this act will result in your company's expenses and financial obligations exceeding your business's revenue and that would cause your business to cease operating.
You'd have to show that or the absence of the employee who's requesting paid leave would entail a substantial risk to the financial health and operations of your company due to that employee skills, knowledge of the business or responsibilities, or you would have to show that there are insufficient employees who are able, willing and qualified and will be able to provide the services that the employee who's requesting the leave provides and that these services are required for your small business to operate.

[unintelligible 00:10:40] to these exemptions. We expect there to be further regulations about taking advantage of this exemption. For now, the government has to document why the viability of your business will be threatened if you grant leave under the Families First Act, as you wait for their regulations.

The other broad point I would make is with respect to tax credits, which is an important point due to the cost of this leave. There'll be tax credits for employers available to offset the cost of providing paid leave. The credit will be applied against the employer's share of payroll taxes for the quarter in which the sick leave pay is paid. Also, this credit is also available for self-employed taxpayers. If you intend to claim a tax credit for wages pursuant to this act, you should retain appropriate documentation and there's also IRS forms and instructions available on the IRS website.

Can you please go to the next slide? Thank you. That's an overview of the Families First Coronavirus Response Act, but there are two particular aspects of this act. There's the Emergency Family and Medical Leave Expansion Act, and then there's the Emergency Paid Sick Leave Act. I'm going to start with the Emergency Medical and Family Leave Expansion Act, which some of you may know about the FMLA. That provides employees with unpaid leave for up to 12 weeks, and it's either to take care of yourself due to a medical condition you have, take care of someone else who's suffering from a medical condition or if you have a child.

The Emergency Medical and Family Leave Expansion Act expands the FMLA and makes it more employee protective. Typically for the FMLA, in order to be eligible, you have to have been employed by your employer for a year and you have to have worked 1,250 hours prior to taking leave. Under the Emergency Medical and Family Expansion Act, however, you just have to be employed by your employer for at least 30 days.

Eligible employees will be able to take up to 12 weeks of emergency medical and family leave if the employees is unable to work or work remotely due to a need for leave to care for their child if the child's school or place of care has been closed or the child care provider is unavailable due to COVID-19.

This leave also unlike the FMLA is paid. With respect to the payment, the first 10 days are unpaid. Although, you can choose to use a crude PTO during those first
10 days in order to get paid. Then after the initial 10-day period, employers are required to provide paid leave, an amount not less than two-thirds of an employee's regular rate of pay for the number of hours the employee normally worked.

If your schedule changes from week to week such that your employer cannot determine what hours would be normally worked, the employer is required to provide compensation for the average number of hours the employee was scheduled to work per day over the six-month period immediately prior to the employee taking leave.

Then if the employee has not worked for six months prior to taking the leave, then the employer is required to pay the employee based on the employee’s reasonable expectation at the time the employee was hired of the average number of hours per day that the employee would normally be scheduled to work. It’s important to note though, that there is a cap. The cap is $200 per day and $10,000 in the aggregate. You can’t get paid more than $10,000 over the entire leave or $200 per day of your leave after the first unpaid 10-day period.

This act also provides for job protection. Employees must be the store to their position when they return to work. However, there is an exemption again for small employers. If an employer has fewer than 25 employees and the employees position has to be eliminated while they were on leave and the employer could not find an equivalent position for the employee after reasonable effort and for a year following the leave, the employer made reasonable efforts to contact the employee if an equivalent position becomes available, then you’re not entitled to job protection since your position was eliminated.

I would also note, with the respect to larger employees, so the FMLA does provide job protection generally. This job protection I would note only means that it protects you if you take leave, so you can’t terminated-- Sorry, someone say something? Okay, so I'll continue. With the FMLA, it does provide job protection, but that means that you can’t be discriminated against or retaliated against for taking leave. It doesn’t protect against job elimination or, for example, if your employer closes.

If you were going to be laid off, for example, if your employer closed, regardless if you took leave or not, it doesn't provide job protection in that incident. It provides job protection in that you can't be terminated because you took leave.

Can you move on to the next slide, the Emergency Paid Sick Leave Act? This is the second type of leave that's provided under the Families First Coronavirus Response Act. For this leave, employees are eligible regardless of how long they've been employed by their employer. There are specific reasons why you can take leave. It's important to note why you're taking the leave because that's going to tie into how much you can get paid during the leave.
An employee can take leave based on COVID-19 related self-isolation or quarantine if it’s ordered by the federal, state or local government. You can take leave because of an employee’s COVID-19 related self-isolation or quarantine as advised by a healthcare provider. You can also take leave if an employee is experiencing symptoms of COVID-19 and is seeking a medical diagnosis.

Then you could also take leave with respect to the care of someone else. You can take leave if you’re caring for an individual who has been ordered to self-isolate or quarantine by a federal state or local authority or if they’ve been advised by a healthcare provider to self-quarantine because of COVID-19. You can take leave also if you're caring for a child if the child's school or place of care has been closed or the child's care provider is unavailable due to COVID-19 precaution.

With respect to payments, as I was saying earlier, the payment is tied into why you’re taking the leave. Full-time employees are eligible for 80 hours of emergency sick leave at their regular rate of pay, and part-time employees are eligible for leave at the regular rate of pay for the average number of hours they work over a two-week period if they’re taking leave due to their own COVID-19 related health condition.

For example, if you’re full-time employee, you can receive full pay at your regular rate of pay up to 80 hours if you’re taking leave because you're experiencing COVID-19 symptoms yourself or if you’ve been ordered by the federal, local or state government to self-quarantine or if you've been advised by your healthcare provider to self-quarantine.

Again, there's a cap on this. The cap is $511 per day and $5,110 over the entire sick leave period. Now for full time and part-time employees who are taking emergency paid sick leave due to the care for someone else, they can receive two-thirds of their regular rate of pay.

If you're, for example, taking leave on the care of someone else who's been ordered to self-quarantine by the government or who’s been advised to self-quarantine by their healthcare provider, or if your child is unable to go to school because this school has been closed due to COVID-19 related concerns, you can receive up to two-thirds of your regular rate of pay. Again, there's a cap and the cap is lower. The cap is $200 per day while you’re on this emergency paid sick leave or $2,000 in the aggregate over the entire period of the sick leave.

Can you please go to the next slide? Thank you. With respect to the interaction between the emergency family and medical leave and emergency paid sick leave, if you're eligible for both, they run concurrently. You could, for example, take 80 hours or two weeks of emergency paid sick leave and then after that, take 10 weeks, not 12 of the emergency family and medical leave. Also, with respect to paid time off, if you would like to receive your entire wages during your
leave, you can supplement leave or even supplement your wages during the leave, but only if both the employee and the employer agree.

Can you please go to the next slide? Next, I'm going to talk for a moment about direct payments that are available under the new stimulus bill and then I'm going to go into unemployment benefits and the expansion of unemployment benefits. With respect to direct payments, individuals may be eligible for a one-time payment of $1,200 per adult earning $75,000 or less or for a head of household earning up to $112,500. As for couples, a couple can be eligible for a one-time payment of $2,400 if they jointly earn $150,000 or less.

On top of that, you can be eligible for a one-time payment if you have a qualifying child. By a qualifying child, I mean a child who's under the age of 17. For example, if you're a family of four, assuming you hit those salaries specials that I just discuss and you don't earn over those amounts, you can receive up to $3,400 because you can receive $2,400 as a couple and then $500 per child.

If you do earn above the thresholds, I just mentioned, you may receive reduced benefits or no benefits at all because these benefits do phase out at a certain point. The amounts where you're phased out of the benefit is if you're an individual if you make $99,000 or more, for a head of household if you make $146,500 or more, or for a couple or joint filers if you make $198,000 or more.

The government, in order to determine who's eligible for payments, they're going to look at your 2019 tax return. If you did not file a 2019 tax return, the government will look at your 2018 tax return. These payments are expected to be made around mid-April, but they could be later.

Can you go to the next slide, please? Now, with respect to unemployment benefits. I noticed a number of our clients, both employers and employees have been calling and asking us specifically about unemployment benefits generally because they're trying to proceed properly with respect to trying to figure out what is financially most beneficial for employees.

Whether or not it's more beneficial to keep their employers on payroll and continue paying them or given the expansion of unemployment benefits, it is possible that their employee could potentially make more if they go on unemployment. While we're not prescribing any course of action here, I do want to set forth how unemployment benefits have been expanded and the new benefits that are now available.

With respect to the unemployment benefits expansion, the federal government will now fully fund the first week of unemployment benefits for states that suspend any waiting periods for benefits. For example, in New York where I practice, the New York Department of Labor has waived the waiting period for
benefits related to the Coronavirus pandemic. The federal government will now fully fund that first week of unemployment benefits.

The stimulus bill also provides workers with $600 per week and increased benefits in addition to their weekly employment checks for up to four months. Whatever you would normally receive if you filed unemployment, you can now receive $600 on top of that per week for up to four months.

The federal government is also funding up to an additional 13 weeks of regular state unemployment benefits through December 31st, 2020 for those who remain unemployed and have exhausted their state benefits. For example, in New York, you can receive up to 26 weeks of unemployment. Now, due to this expansion, you can receive up to 39 weeks because there’s an additional 13 weeks you can be eligible for on top of the 26.

I’d also note with respect to self-employed individuals, the stimulus bill creates a temporary federally funded pandemic unemployment assistance program, which provides unemployment benefits to individuals who otherwise would be ineligible for such benefits. For example, individuals who are self-employed such as consultants or independent or individuals seeking part-time employment or who lack sufficient work history.

The pandemic unemployment assistance program covers any individual who one, is not otherwise eligible for or has exhausted all rights to unemployment benefits and two, is unemployed or partially unemployed or unable to work due to COVID-19. For independent contractors, for example, you’re entitled to a minimum if you’re eligible, of 50% of the average weekly payment of unemployment benefits in your state. On top of that, you also get the $600 per week that I mentioned earlier.

I would note that with respect to individuals who may be partially employed right now, so they’re not working full time, they’re not receiving their full salary. This is going to be very state-specific. Actually, generally, anything with unemployment benefits is going to be state-specific because states have different guidelines and different laws, but many states provide partial unemployment benefits for individuals who are not completely unemployed. For example, if you’re working reduced hours or part-time and that's going to depend on the number of hours you work and the earnings you receive per week.

States also have a maximum amount of benefits that can be earned per week. If you're trying to determine whether or not it makes more sense to go on unemployment or to remain partially employed, I would look at your individual state rules regarding eligibility. If you're working reduced hours, I'd look at the maximum amount of benefits you could potentially be eligible for and then taking to your calculation on the fact that you can also now receive $600 on top of that and you can receive benefits for 13 weeks longer than before.
Then I would compare that to the same time period how much money you'd be receiving if you remain employed and just receiving partial salary.

That basically concludes my presentation. I think Heather mentioned, we would do some questions before moving on to Kyle's presentation.

**Heather:** Yes, thank you very much. Just a couple of points of clarification. The unemployment benefits, the additional amount is $600 per week. On one slide reference $600 per month and the other is per week, but it is a weekly additional amount.

**LaKeisha:** Oh, apologies. Yes, it's per week.

**Heather:** Great. We just wanted to confirm that. There are some questions about musicians who will have multiple work engagement arrangements that as they apply for unemployment benefits, in terms of partial unemployment benefit, how will they approach grouping their employment or independent contractor relationship for musician who both receive income or have previously received income as in an employment relationship and also as an independent contractor? Is this a question that will be left to the state departments of labor as they write guidelines for independent contractor access to unemployment benefits?

**LaKeisha:** I believe so because there just isn't that much guidance yet on this. Obviously very happy to see because, unfortunately, independent contractors generally get left out of the calculation. At least in New York state, for example, independent contractors are oftentimes not eligible for unemployment benefits. Yes, I'd say we'd have to continue to look for regulations and further guidance with respect to the treatment of independent contractors.

**Heather:** Just to confirm this is administered by States, there is a cash infusion from the federal government, but as folks look for the very latest information on unemployment benefits, it's best to go directly to your state department of labor. Is that correct?

**LaKeisha:** That's exactly right, yes.

**Heather:** Backing up from there on the stimulus checks, I believe I've seen that those payments are not going to be regarded as taxable income to the recipient. Is that correct?

**LaKeisha:** Are you talking about the direct payments of like $1,200 for individuals?

**Heather:** Yes.
LaKeisha: Yes, that's my understanding as well, but it won't be treated as income.

Heather: Then to move back to the paid leave provisions, you were really helpful about answering questions along the way that I saw folks had regarding whether those provisions apply to both full-time and part-time workers. It sounds as though they do.

LaKeisha: Yes. The only distinction is sometimes when you're trying to calculate if you're a full-time worker, it's going to be a different calculation of how much payment you get or how much time off you get as opposed to a part-time worker.

Heather: Then one other note perhaps on the paid leave provisions, since these were among the first to be signed into law, they are a bit further along in terms of having guidance issued by federal agencies. We noted that there's now, it may be longer than this, but last time I checked, the 59-page FAQ just on the paid leave provisions that are available from the department of labor.

I really suggest folks cruise through those all 59 of them for some answers to questions. One of them was a Q and A that just confirms that the paid leave, both the mandate and the relief only applies in cases where there was work available to be done. In the case of a business whose operations are closed, those paid leave provisions don't necessarily apply.

LaKeisha: Yes, that's right, and that's what I was indicating earlier with respect to furloughed employees. As you said when there's not work available, at first it was open-ended about those situations, but then based on the guidelines that came out after the law was enacted, it made it very clear that there has to be work available.

Heather: I believe there's a non-enforcement bulletin that was issued that essentially says employers are given through April 17th to make their good-faith effort at compliance with these new rules.

LaKeisha: Right. I saw that as well, which I think is understandable since it's effective today and I think they're realizing that some employers are going to have to scramble in order to be compliant with these laws. Yes, there is that kind of grace period until the 17th.

Heather: All right. Thank you very much, LaKeisha. We really appreciate you walking through the top line questions that folks have on these issues and look forward to I think very much more to come. I think we want to go ahead and advance with slides, please. Great. With this, I'll hand it over to Kyle Miller who's going to review where I think there are probably very, very many unanswered questions around business loan relief and the various opportunities that are becoming available this weekend. Next, Kyle.
**Kyle Miller:** Thanks, Heather. As Heathers mentioned I'm a partner in the banking group of Pryor Cashman, a law firm in New York and I've been focused on getting up to speed on the various loan programs that are available primarily in the CARES Act, which was passed on Friday and was in the news all week. I'll apologize in advance if there's any background noise. There's a little bit of construction going on still behind my building and it's one of the joys that we're all experiencing in working from home right now.

Can you go to the next slide, please? We're going to focus today on four different programs that are available in the CARES Act. Primarily we're going to focus and spend most of our time on the Paycheck Protection Program loan, which has gotten the vast majority of the attention I think in the CARES Act. We're also going to look a little bit about Economic Injury Disaster Loans, loans for midsized businesses, and I'll briefly touch on some tax issues that are raised by the CARES Act.

Next slide. Eligibility for paycheck protection loans is for business concerns and nonprofits with 500 or less employees in calculating that number of employees there's a couple of important concerns. The first one is the affiliation rules that the small business administration uses. They are relatively complicated rules, but in a very simple situation, if you have two companies that are under common ownership or control, you would have to aggregate the number of employees across those two companies to determine the amount of employees for eligibility. If, for example, you had an orchestra in St. Louis and an orchestra in Kansas City, they were under common ownership or common control, each one had 300 employees, you'd probably have to add them up and say that there are 600 employees for purposes of determining eligibility and therefore probably not eligible. The next important point in this is how you count. You count each full and part-time employees the same. They each count as one employee. Even if it's part-time, you're not looking at full-time equivalent.

The other consideration is the timing for when you count. There's a couple of conflicting provisions in small business act regulations that could potentially govern here. One would have you look at the average number of employees per pay period over the previous year. The other would have you look only at the time the application is approved.

I could see them going with the average over the previous year because they don't want companies doing layoffs just to get under 500 employees, but we're awaiting guidance on this. I think there was some concern that you might have to look at every employee who received a paycheck over the course of a year. I think we're fairly confident that's not how they would calc employees for this purpose.
Next slide. The size of the loan that a company or nonprofit is eligible to request under this program is the lesser of $10 million or two and a half times average monthly payroll cost. I know that a lot of people have just focused on the up to $10 million, but in reality, for most of all businesses, the two and a half times average monthly payroll costs is going to make a meaningful difference.

I'll get to the calculation of what goes into payroll POS when I get to the next slide, but first, the timing of when you're looking at average monthly payroll costs for most businesses you're averaging out average monthly payroll costs for the year prior to the making of the loan, but for seasonal businesses, you're going to look only at either the 12 week period beginning February 15, 2019, or March 1st, 2019 to June 30, 2019. There's a choice there, but you're looking at something that's roughly the same time period as this year to kind of smooth out the seasonality and not take into account a full year.

Next slide. For what goes into payroll cost, you might assume that it's just salary and wages and other similar compensation, but you're also going to include a number of other things, payments for vacation, parental family, medical or sick leave, allowance for dismissal and separation, payments for group health care benefits at state and local taxes but importantly, not federal taxes. Not your social security taxes. The other big ones are not able to include.

Another one that you may be able to include is payments made to independent contractors, but we have that as a question mark because we think it's a little bit unclear from the wording and there was some guidance that was issued by the department of treasury last night that seems to suggest that independent contractors are only included to the extent we're talking about relief for an independent contractor.

They're also eligible to apply on their own and it seems to suggest that independent contractors can only include their own compensation, not another business applying for what they've paid for an independent contractor. That's unclear and it's something worth continuing to look into.

You're going to exclude for calculating payroll costs the portion of any individual employee's compensation in excess of $100,000. That doesn't mean that you have to exclude an employee making $100,000 altogether, it just means that their compensation is subject to a cap and what you can include in payroll costs. It is also still unclear whether only salary is subject to the $100,000 cap, and the other benefits can go above that, or if the total salary and benefits is subject to the cap. That, again, there was some guidance yesterday that had it both ways, so we're still unclear on that.

Next slide. The most important element of this program once you've gotten your loan and figured out the size is forgiveness. The folks in Congress, when this was passed, when they were interviewed really said they viewed this as a grant
program not a loan program. The intent is that very much of the loan that's available under this program is going to be subject to forgiveness. The amounts that eligible forgiveness is the amount spent on payroll costs, rent, mortgage interest, not principal and utility payments during the eight weeks after the making of the loan.

However, we just learned, again, in the information that was passed on last night, that payroll cost must pass to at least 75%. So, your rent, mortgage interest, and utilities are capped at 25% total. That amount that you are eligible to forgive will be reduced proportionately based on any reduction in the workforce. If the average number of full-time equivalent employees during the eight weeks is lower than the average number of employees during periods that's either February 15, 2019, to June 30, 2019, or January 1, 2020, to June 30, 2020, then the amount of the reduction will be reduced proportionately.

You are able to pick which of those two periods is more favorable to you. The idea is if a business was getting smaller, anyway, they're not going to penalize you if the reductions were pre-COVID outbreak. However, for seasonal businesses, you're only going to compare the number to the average number of employees from February 15, 2019, to June 30, 2019, so you don't have that option taking a period.

The amount of forgiveness is also going to be reduced for any employee whose salary is cut by more than 25% except for employees who make more than $100,000. For $100,000 or more employees, you can cut their salary by an unlimited amount without affecting the amount forgiven. For any reduction in workforce or salary cut between February 15 and April 26, you can rehire by June 30 or make up the salary cut by June 30 to avoid the earlier reduction in either workforce or salary and still get the full amount of forgiveness.

There was one question about what would happen if a company had stopped giving paychecks to certain employees by June 30. Because of pre-existing seasonality, those people would have stopped working before then, anyway. There is nothing specific in the bill related to that situation. Keep in mind, for seasonal businesses, you're comparing average number of employees during the eight weeks after the making of the loan to the average number of employees from February 15 to June 30. The time period that you're comparing it to in the prior year, should take into account the same seasonality, assuming those seasonal reductions happen every year.

Next slide. Some of the other provisions of the paycheck protection loans. The permitted uses really encompass everything that we talked about under forgiveness, with the added caveat that you can use the proceeds for paying interest on pre-existing debt obligations. If you were to use the proceeds for that, they would not be forgiven. We said here that there's a maximum 4% interest rate.
We’ve since learned in what was passed on last night that is going to be 0.5% interest rate for all loans and payments will be deferred for six months. There is no personal guarantee or collateral required for any of these loans and the lender is not going to be able to sue any owners of the loan recipient.

Next slide. How to apply. This program is administered through third-party lenders that partner with the Small Business Administration, not the SBA itself. The SBA guarantees the loans to the third-party lenders. You would apply essentially by going to your own bank, I think is the place to start, although, you could go to any bank, really. The deadline is June 30, 2020, but loans will be available beginning April 3, so two days from now. I suggest going as early as possible because I think there’s going to be a great deal of demand for this program. I think everyone should be as early in line as they possibly can be.

Next slide. The next program that I want to talk about is the Economic Injury Disaster Loans, which are also generally available to small businesses with less than 500 employees, but they are not available to public not for profits. They also must have suffered a substantial economic injury as a result of COVID-19 or another disaster.

Next slide. Loans are available up to $2 million under this program. Important to note that the SBA does require collateral for loans in excess of $25,000. Generally, they want real estate. To the extent real estate is not available, they'll take anything else. They will not decline to give a loan because collateral is not available, but they’ll take whatever is available.

Next slide. We’ve listed out some of the permitted uses for Economic Injury Disaster Loans here. They do largely overlap with what’s available as a permitted use of proceeds for paycheck protection loan programs, but they cannot be used for the same purpose as a paycheck protection loan.

Next slide. The key takeaway here is that you cannot request the paycheck protection loan and Economic Injury Disaster Loan for the same purpose. If you've borrowed an Economic Injury Disaster Loan related to COVID-19 between January 31st and April 3rd, you'll be able to refinance that into a paycheck protection loan that you request.

Interest rates on the Economic Injury Disaster Loans are 3.75% for small businesses and 2.75% for nonprofit. Terms of up to 30 years are available. One of the interesting features about this is that they give access to immediate grants of $10,000 that's supposed to be available within a few days of when the loan is requested and is non-recourse, so you get to keep the grant even if the loan application is ultimately denied.

Next slide. Economic Injury Disaster Loans in contrast to the paycheck protection loans are applied to directly through the SBA if you can go to the website to
Your Orchestra and COVID-19 Federal Relief

apply. Next slide. I also wanted to talk a little bit about industry stabilization loans, which are available for mid-sized businesses and nonprofits with between 510,000 employees. A lot less information has been made available on this program so far. We're waiting guidance from the Secretary of the Treasury on this.

One thing we do know is that it will require a certification that the loan is necessary to support ongoing operations, that the funds will be used to retain no less than 90% of the workforce at full compensation and benefits until September 30th, and that the recipient intends to restore a no less than 90% of its workforce that existed on February 1st, including restoration of compensation and Benefits within four months of the termination of the public health emergency. Those are obviously some significant hurdles that are involved in the midsize loans that are not present in the paycheck protection loans for small businesses. The interest rate will be capped at 2%. There'll be a six-month grace period during which no payments of principal or interest will be due.

These loans in contrast with a paycheck protection loans are not eligible for forgiveness. One thing I wanted to mention that's not on any of these slides is that there are state and local programs that are available in certain jurisdictions. I've looked at some of them that are available in New York and California. I know that there are many available in other jurisdictions as well. Encourage you to check out or just Google out what may be available where you are located as well. Next slide.

The last thing I wanted to touch on briefly are some of the tax provisions in the bill. I am not a tax lawyer and have not personally done all the research on these, but I thought I would mention them because they are relevant to the paycheck protection program and they're relevant to this as part of the larger conversation. The first is the payroll tax credit which is available to any business which has had the-- where the employers trader business businesses fully or partially suspended due to a government order related to COVID-19 or where the gross receipts for the business are less than 50% of its gross receipts for the same calendar quarter of the prior year.

For such businesses a tax credit equal to 50% of certain qualified wages paid to its employee in a calendar quarter is available with the credit capped at $5,000 per employee for all calendar quarters. There are also some changes in the net operating loss carry back rules. There is an increased business interest deduction from 30% to 50% of adjusted taxable income for 2019-2020 and there is a payroll tax extension which permits employers to delay payment of the employer share of social security from the date of enactment through the end of 2020.

Importantly you not take advantage of the payroll track tax credit or extension if you are also taking a paycheck protection loan. In terms of which to choose, I
think it's a question that you will have to discuss with your accountants who can better assist with that. That concludes my portion of the presentation. I'll be available for questions, but thanks for listening and I hope everyone stays healthy.

**Heather:** Kyle, thanks very much. Please don't go far because we have so many questions as I'm sure you can imagine that folks are raising around these provisions. When just start with the 7A loan program, that's payroll protection program. There is an application form that was posted last night that can be reviewed and one question we're saying is what kind of paperwork should applicants be prepared to have on hand since they'll want to get those applications in the door as soon as possible?

**Kyle:** Yes, so the application is something that's available on the small business administration website. I think it was about three pages long. They're not asking for a lot of questions. What we've seen is that the SBA has instructed the lenders that are administering this program, to do a decreased level of due diligence from what they typically would do. Really, they're looking to validate the number of employees and the payroll costs. That's all they're supposed to be looking at before they give these loans out. Those are the key things to be able to show to your lender our number of employees and how you're calculating payroll costs.

**Heather:** Thank you. There are lots of questions about the concept of being a seasonal business. Do you know if there'll be further guidance that will clarify how you qualify as a seasonal business?

**Kyle:** I assume there has to be, right now what they say in the bill is that it's as determined by the small business administrator. I have looked in the existing regulations and I can't find anything where they define a seasonal business. We assume that is going to be yet to come.

**Heather:** That'll be a really important point because it will impact the eligibility count, but also how you calculate the loan forgiveness part of the program as well. There's a similar question related to those two things. As you said, we're still looking for absolute confirmation on how employers calculate whether they're under the 500 employee thresholds, but there's a separate calculation to be done related to loan forgiveness and full-time equivalent positions. Correct? Could you elaborate a little bit more on how the full-time equivalent position calculation is done?

**Kyle:** The full-time equivalent calculation I know is something that exist under the tax regulations. I'm personally not familiar with how that calculation is done, but that is looking at part-- In contrast to counting the number of employees for eligibility where you're counting part time as a full worker. A full-time equivalent would treat part time workers as proportionate based on their hours.
Heather: Thank you. We'll be staying in touch with everyone once we have more clarity on the seasonal business guidance as well as the-- We can share with you the exact FTE calculation method. There was also a question, one might be answerable, the other one probably not around what's considered the origination date since that eight weeks clock starts ticking at that date. Is this going to be the date of the first distribution of the funds or is it attached to the application date?

Kyle: I think that'll be when a company receives the loan funds from the lender.

Heather: Then another question is if you have a crystal ball or know anyone else who does on how quickly these applications will be turned around?

Kyle: That's a great question and one that I think we'd all like to know the answer to. I don't know. They would like us to believe that they're going to get them out into the market within days of when the program becomes live and businesses start applying. I can foresee that there's going to be a long jam, which is why I advise everyone I'm talking to apply as early as they can to try to get in before that full-on jam gets too bad. It's really unclear and I think nobody knows whether it's going to be turned into weeks as a result of just the number of applications.

Heather: When we were in dialogue with the SBA officials, they said they intend this to be supercharged and super-fast. What super-fast means these days it's hard to know, but I expect that they'll be making some estimates just to manage expectations and we'll keep an eye out for that. I'd like to shift back over to the economic injury disaster loans.

Just to clear up one point that can be a little bit confusing in the technical piece, but Kyle, on the first slide that you shared around eligible entities, it mentioned that small businesses and private nonprofits are eligible but public nonprofits are excluded. Just to be clear by the 1C3 symphony orchestras are considered private nonprofit organizations and eligible for these loans.

Kyle: That's great. I wasn't sure which way that would go.

Heather: There's also a question just confirming how the interplay would work if an organization has applied for an economic injury disaster loan and subsequently applies for the paycheck protection program. Our understanding is that you may have some options. One option is to be sure that those two forms of relief are not used to cover the same expenses. I've also heard there is also a potential option to refinance the economic injury disaster loan into a paycheck protection loan. Does that capture correctly how those two might combine together?

Kyle: I think that's exactly right. You can't use an economic injury disaster loan and a paycheck protection loan for the same purpose. But you do have that
opportunity to refinance your economic injury disaster loan into a paycheck protection loan.

**Heather:** Then also just to be clear about the sequencing of this economic injury disaster loans, those are applied to directly from the SBA and those applications have actually been open for a little while now. I believe on Monday; they overhauled the online application form to streamline and make it a little faster to get through. That's something that's available to pursue right now. But under the paycheck protection plan, lenders will be the front line on those and as you said, Kyle, maybe it's worth emphasizing. It's good even as folks are waiting for the doors to open on that program to start conversations with their lenders now. Identify which ones are SBA-backed.

**Kyle:** That's right. I've been telling everyone that I speak on this to reach out to their existing banking relationship to discuss whether they are an SBA-approved lender. Even if they are not under the existing Section 7A program, the intention of the SBA is to expand the program right now. We hope that there will be a whole bunch of new SBA lenders. One thing you can do if you're not sure if your existing bank is an SBA lender is just google the name of your bank, and SBA loans and see what comes up for at least the bigger banks that have SBA loan programs that will take you right to the website, for the SBA loan program.

You can get more information there. But I think the best thing to do is really to reach out to your existing contacts at the bank because just those relationships will be important in moving the application through the process at a time when they're going to be getting a lot of application for this.

**Heather:** Thank you. One other question is, as we heard from Lakisha, there's going to be really unprecedented access to unemployment benefit for self-employed workers. The same is true for the economic injury disaster loans and also the paycheck protection loans. Self-employed or sole proprietorship will have access to these forms of relief as well. It seems that that made fairly clear directly in the SBA guidance on economic injury disaster loans. I think we might be waiting for a little more clarity on the paycheck protection loans in terms of how individuals will gain access, is that correct?

**Kyle:** I think that's right. The paycheck protection loans certainly contemplate being available to independent contractors and sole proprietors. There's a fair bit of guidance in the bill itself. One thing we saw from the Treasury last night was that while companies will be able to apply beginning April 3rd, I think that sole proprietors and independent contractors won't be able to begin applying until April 11th. It may be that they gave themselves a little bit more time because it's not a part of the existing SBA loan programs and they wanted some time to figure out how that works, but certainly, they'll be able to participate on the same basis that a company would be able to.
**Heather:** Thank you. I know there are many more questions that are coming on these points. I’m seeing especially that there are a lot of questions around how the employees who are hired for specific events will be considered in the count for eligibility for loan forgiveness. I think let’s get back, Kyle to the questions around seasonal employment.

Obviously, the Paycheck Protection Program is meant to incentivize employers to keep their workers on the payroll, it becomes complex when the work for which they would stay on the payroll is episodic in nature. I just wanted to check once more with you to see if you had any further thoughts on how you think this program might be administered with that kind of work relationship in mind?

**Kyle:** It’s a great question. Obviously, to the extent we're talking about independent contractors. We have a little bit of a different relationship than part-time employees. Part-time employees are going to be counted for determining eligibility, they would be counted as an employee, but you would only count them during a period when they receive a paycheck. Assuming we’re using the averaging method, which we think is probably what they’ll do, you would have to count them all individually, but to the extent they’re not on a payroll during a period, they would not be counted.

In terms of the seasonality, I think it's important to remember that you’re comparing the number of employees over the course of the eight weeks after the making of the loan to a period that is February to June of last year for seasonal businesses. To the extent that a business would have been reduced number of employees say between May and June, that would be factored into the number that you're comparing the current number of employees to. You're going to have a lower number that you have to retain in the current period to maintain the full amount of the loan forgiveness.

**Heather:** Then just one final question for you is, for today, at least, in terms of the scope of how much relief can be provided by these loans? Just to be clear about this, practically speaking, we’re looking at applications for about two and a half months of payroll. Then forgiveness applied to related expenses for the first eight weeks after the loan has been originated. Is that a fair way of encapsulating the scope of loans given and also forgiven.

**Kyle:** I think that’s right. I think one helpful way of thinking this is that Congress is essentially saying that they think these reductions and this crisis is going to last roughly two and a half months. They’re essentially giving a loan for two and a half months of payroll and then the forgiveness element is for two months payroll, but you also are able to take into account other costs and expenses, which together make it so that the amount of forgiveness should roughly equal the amount of the loan.
Heather: Kyle, thank you very much. Thanks to everyone who has been weighing in with their questions. I'd like to point out that in addition to the provisions we've reviewed today, there are other areas of federal relief, including enhanced charitable giving incentives, and the pool of dedicated funding to be administered by the National Endowment for the Arts.

We will be seeking your further questions in the follow-up survey to this webinar and just really encourage you to stay in touch with the league, with your questions and also to keep us informed along the way about needs that are as yet unmet by federal relief. With that, I'm going to turn it back over to Jesse Rosen to introduce Susan Nelson.

Jesse: Thank you, Heather. Well, Kyle and Lakisha, thank you. My brain really hurt, and I never thought I'd imagined that hearing about financial planning in the age of the COVID pandemic would be a refresher. We're going to shift gears a little bit into another dimension of what we're all facing. Everything we've just heard, really, of course, dovetails into our understanding of our current financial situation, our cash, our expenses, and our best understanding of how to plan for what's ahead. That really provides the foundation against which you will be thinking about all the information that we've just heard.

In as much as the guidance you've just gotten will continue to be sought after and refined and we'll continue to make it available to you as it unfolds. Similarly, around financial planning and scenario planning, this will be an ongoing piece of our work and our support to you, but to get us started at a high level of some of the big considerations, it's a great pleasure to introduce a wonderful friend of our fields of the nonprofit arts and culture sector, Susan Nelson, who is the financial analyst of TDC, with a deep record of work in our fields. With that, Susan, over to you.

[silence]

Heather: Susan, you may just need to press star six to unmute.

[silence]

Susan Nelson: Can you hear me now? Can you hear me?

Heather: Yes. Thank you.

Susan: Excellent. Unmute, it's a thing [laughs]. I think I can advance the slides myself. Today, thank you very much for sitting through all this very complicated but incredibly important work and as you will see in what I'm about to talk about, I think we think it's very important to understand all the resources available to you.
When Jesse came to me and asked me to think about financial planning in this current climate, one of the first things that I wanted to talk a little bit about to him and to you all is this is not your mother's great recession. This is a different climate than we've ever seen before. As I'm sure many of you really know. I think when we've tried to do analogies to the recession of 2009, we've looked at those patterns and said, what's really different?

What can we learn from it? But really, what's different. Really, what last time we saw with the short-term dip in demand, the stock market dive. But philanthropy stepped up in multiple ways and we've looked at longitudinal data in multiple cities and what we've learned, it's with where we stepped up about some major givers midsize individual givers and foundations really stepped up in different markets to actually help organizations out.

The amount of money they needed to invest was ultimately manageable. With numbers they could see their end too and they could see how their money would actually fix things. This time what we've seen is sector wide demand stoppage and we've never seen that before. What that's causing, I don't need to tell all of you, is holes in the economic system that have never been seen before and they're everywhere.

Occasionally we will have seen in this country disasters like hurricanes in Houston or sandy in the East coast that actually in some sections did the same thing to create it as a stoppage demand. It was globalized and money can pour in from other sectors. Here it's everywhere. We are seeing holes of pretty huge proportions and at the same time we're having the highly volatile financial markets.

The demand for philanthropic support this time we think is going to be much greater and much higher than what we've ever seen before. In initial conversations I will talk to you about, I've talked around the country with different foundations, the numbers are stunning to them and understanding how actually philanthropy can step up is going to be a critical issue. Demand has other implications as well. I think what we're all are living with the short-term implications of demand stoppage. We're all dealing with ticket sales that needs to be refunded, credited, hopefully donated.

Seeing that with those costs are going away, no matter how fast we cut, it's still not quite in alignment. At the flip side of that, the short-term demand of stoppage again is what you're dealing with every day, canceled performances threatened artists and others in the gig economy and again in ways that we've never seen, no one has work. That is again, a huge stress on the system short term and what you're all dealing with.

What we also have been thinking long and hard about is the implications of demand stoppage have a medium term and ultimately long-term effect that we
have to think about, but we don't really yet understand. The most simple thing you can think about is current consumer uncertainty to be felt across next season, i.e., in next year subscription sales.

But, also in the pipeline of artists and programming that you might want to do with there's so much uncertainty in the program, understanding what it is you can truly offer and when you can start to truly offer to your audiences has that effect as well. Then long term, we think there's really the potential downstream impacts on long-term consumer behavior. I know we all believe in hope that after being pinned into the house for a very long time, the exuberance that we come back out or want us to be joyfully entertained and have lots of different opportunities to come into seeing art and cultures [unintelligible 01:14:19].

We also know that consumer behavior is odd, and we've seen in longitudinal studies around consumer behavior, especially with audiences in classical music, if they were a subscriber and they skip a year, it's really hard to get them back. There also will be public health implications about how people feel about being in crowded spaces after this that I think we don't quite know. Those are critical implications that we have not seen before. The first and the short term might've experienced individually, but these longer-term system issues are real.

Given that what should you be thinking about? We want to talk to you about two things. For your immediate decision making, and I know you all know this, but I think we'd want to say that everything needs to be through the lens of liquidity, liquidity and then liquidity. You're all finding the idea about how do you stay alive in the short term; liquidity needs to be also considered in the medium term when you come back to what you want to do and how are you going to provide that liquidity.

Then for ongoing decision making, we think we need to step back and really think about the mission, not your model, and understand how to be flexible to respond to the current climate and really think long and hard about what it means for the long-term implications of these shifting cultures and what could you do about that. I think we want to talk a little bit about these two ideas.

For me, decision making, what do we mean by this idea of the lens of liquidity? First, understanding baseline liquidity is where you all are right at the second. The next one is developing medium term scenarios to actually inform your liquidity decisions. Then identify the budgetary and cash implications out of those medium-term scenarios and then make some immediate choices. How would that actually play out? What would you ask yourself? Then what would you do?

To understand baseline liquidity, again, I'm sure many of you have done this, is develop or update your cash flow analysis to capture your current state. What we are seeing in the field of people are tending to do three months, maybe they do six months. We would ask you to think six months as the minimum, but a year is
much better. While that does seem complicated, we'll talk about how to develop scenarios to do that in a minute. To say the obvious cash flow analysis takes into account three things, the sources, the uses of cash, and the associated timing of each.

What would you ask yourself here? What are your immediate cash needs? What are your current commitments? To what extent can they be mitigated? What might it cost to change these commitments? I don't think in the orchestra world this says is [unintelligible 01:16:58] but in many places in the arts and culture world, people are self-insured for unemployment. There is relief in this care of act that allows nonprofits to get back 50% of the self-insurance of unemployment but you should ask yourself and make sure you're not self-insured.

Then what are the current sources of your cash? What is your annual fund, what is your giving grants, other contracts or fees, your endowment draw, which is a really critical issue? Any board designated reserves and of course accounts receivable. What could change these sources is really the question we want to think about. We're going to mention next year sales more than once in this presentation. Many of you rely on next year sales for this year's cash flow.

We would step back and say that is something again you should consider really carefully. The idea of being able to promise what you can deliver next season and when you're using cash for this year's cost, it's more fragile idea than ever before.

Understanding that you have to perhaps credit or refund this year sales, again, next year sale at the same time have cash implications for the fall when you go back up, if you go back up, that are real, and we would ask you to step back and consider. The other piece that many of you are thinking about is how liquid is your endowment and do you want to sell out in a volatile market and what would that mean, what is the risk of doing that in real time to satisfy short term is the right thing to do or is it the only thing to do?

Those are things that we know that you're going to have to consider, but many people have not drawn out the cash yet for their full endowment take. Understanding what that means, taking out of the down-market, what could happen. Then where are you in your fundraising cycle? Lots of folks are thinking about it just through the season end or to get you through this short period but we also think you should start to think a little bit about what that would mean going forward.

Then many of you will probably have already gotten this and if you haven't, you should ask every funder this three times. Could restrictions be-- on a grant, be released? Many folks are doing it. Many folks should be doing it and if you haven't asked, you should ask.
Then what government programs could you provide? Could give you cash and we just spent a good chunk of time talking about that. Once you know those questions, then you need to do the what if scenarios. We think these initial scenarios should play out over six to nine months. Again, what do you need to stay alive, which is probably where you all are now. Then what would it look like to reorient once the immediate acute crisis passes. How do we think about scenario development? When we think about it, we’re spawning to two things: a set of guiding principles shared by the board and staff leadership and hypothesize shifts in the external environment.

No one knows of the answer, but that doesn't mean you can't think of short, medium- and long-term ideas of what could happen and think about how that risk could put you in. Let’s talk about a couple of these ideas and developing scenarios. The questions to ask here are, what are the principles against what you are planning?

I think these set of questions are incredibly important to do, and I know it's when you are in the middle of a crisis such as this, it's hard to step back and say what are we really hoping to preserve and save? What are our responsibilities? The key questions we've been seeing people wrestle with and really, it's hard, is to think about what are your responsibilities to your artists, your communities, and the art form itself.

What are we trying to hang onto and what are your responsibilities to others in the ecosystem, venues, partners, collaborators? We're all going to have to live with each other on the other side of this. We're all part of an ecosystem. What responsibilities do we have to each other? What are the pieces of your current strategy that are critical to preserve? I know my people are in the middle of growth patterns or exciting strategies or changes in what they're trying to do.

At this moment they step back and say, what can we jettison truly jettison for a while and what is critical to preserve? Then again, what are the potential scenarios and changes environments do you want to test? Some of the things we see people testing and we think people should think about is what we call the slow roll back.

What if people don't come back on a day certain than the light switches up and on July 1st, September 1st, October 1st the whole world comes back, but instead it comes back and phases. What happens if it doesn't happen until that the gatherings of a large public doesn't actually happen until next year. Those are the things I think we all need to think about and what that means.

Then how would you respond to those scenarios? What are the implications? How would you think about changing your season structure or your programming plan and its attendant expense space and the revenue assigned to that? Moving
those things back and forth according to the different scenarios that you might have are really important.

Then the most important thing actually here is what are the short term and medium-term cash implications? How much cash would we need to relaunch? Many of you are cash strapped and blow use every piece of cash you have just to stay alive, to get back the payroll that you need and to get people up and operating again.

Whether it means investing in your artists or it means investing in commissioning or it means investing in the actual payroll of bringing staff back, you’re going to need real serious cash to relaunch and under knowing what that means and how you might think about it is as important as understanding how to save alive. Then of course, what are the risks associated with all those good things?

This is also, it seems very complicated, but what we really want you to remember is that critical adjustments are informed by both short- and medium-term considerations. It's really hard to take the time and many of you are short staffed or don't have all the expertise, but you’re also finding that sometimes this is where a board member's expertise can actually be extremely helpful if you're small, but also taking the time to do this is really important because what I have learned over the years and I've done lots and lots of repositioning and taking people out of critical situations is you can cut too late.

You can absorb so much of your cash in the failure to act that you actually give yourself no room to come back. Thinking about making the adjustments as soon as you can, I know it's really hard, but you really need to move sooner rather than later once you really understand what your choices are. Then over time, by over time I mean the next six to nine months, you need to live in this constant loop.

You're going to get constant new information about the current context. As we know, we'll get clearer and clearer about when public health rules will change and how audiences will respond and that will become clearer and clearer. We also become clear about the depth of government bailout money and what the depth of foundation and major donor money might be and how your folks in communities will respond.

Then you have to constantly update the scenarios and the cashflow that you have done and continue to make choices. We feel like this is something that's going to be a continual piece of work for you all for the next six to 12 months until we understand what the new normal is. That is the end of a very quick overview.

**Heather:** Susan, thank you so much. I know that on all of these topics we're just scratching the surface. The league does planned, provide a more in-depth dive on both of the two parts of this webinar today. In the meantime, Susan, we did
have one question I think on the topic of charitable giving. As I mentioned just before you began, there are enhanced incentives for charitable giving.

You also empathize, but there's going to be a lot of demand on the donor side of things as well as the foundations side. Do you have any initial thoughts about strategy for soliciting philanthropic support at a time when there will be so many demands right out of the gate and coming from many different angles and there's going to be a need for sustained philanthropic support over time? Any initial thoughts on that question?

**Susan:** I would say two things about that. One is, first, the people that should be solicited is, are your close in friends and family, trying to get to new sources of money, philanthropic money at this time I think is a waste of effort. It's the people close in. That's what we learned last time. When I'm in conversations right now, what I consistently hear people saying is we need to concentrate on where we are invested in, where we have relationships.

The second thing I would say is I'm actually experiencing both major givers and individual foundations, really paying attention to people who are saying, "I need you now, but I'm going to need you later. I'm trying to figure that out," because the big question these donors have is what are you going to need later? While no one expects an answer to that because it's too uncertain, the idea that you understand that that's a two-step process or maybe a four step process is really important, because they know that they're going to get in, they're going to ask and they want to really start to understand where you are in that. Two things I know right now.

**Heather:** Thank you very much. We're nearing the end of our hour and a half and I wanted to close by thanking our speakers. Also are very patient participants who have hung in there with our technical challenges at the top of this webinar and we're really sorry for the delay in getting started, but we hope that being able to deliver this content and have it available to you afterwards to review will be upheld.

As a reminder, everyone who's attending today will receive an email with the recording and a transcript of the webinar and we'll also be sending you the PowerPoint deck, as well as a survey to fill out. We know you're really busy, but we do hope you'll take a moment to give us some feedback via the survey, especially about areas of health that you will need and ways that the league can continue to support the field.

I'd also like to remind you about the COVID-19 resources that you can find the link from the home page at americanorchestras.org. If we can advance, there we are, this is just a sample of the topics covered and we'll continue to be posting updated information with direct links to federal agency guides at this webpage.
Then finally, please do stay tuned for further webinars on topics related to navigating the COVID-19 crisis. We'll be offering a series of webinars.

Our plan is to do that at the same time, 1:00 PM Eastern on Wednesday afternoon and as soon as we’re finished with this one, we're planning a part two for this webinar to follow next Wednesday, April 8th and we’d like to be able to continue this conversation. We know that one week is almost an eternity in COVID time, but we anticipate there being much more new information to explore. We'll have some time to think over your questions in more detail and we hope to see you then. Thank you for participating and be well.