



**WISCONSIN WATERFOWL
ASSOCIATION**

RESTORATION EDUCATION LEGISLATION

15 Feb 2021

MEMORANDUM TO BOARD OF DIRECTORS

Subj: BUDGET ADJUSTMENTS - SECOND DRAW PPP LOAN

1. As discussed at the January Board Meeting, WWA applied for a second draw under the Paycheck Protection Program (PPP) of the Federal CARES Act. WWA was recently awarded a loan of just over \$25,000, and so this memo documents associated staff salary adjustments.
2. **BACKGROUND.** Staff compensation during this pandemic has been a moving target: Starting 2020 at “normal” levels, staff compensation was adjusted downward in March in anticipation of the pandemic’s influence on our revenue. And indeed, chapters postponed or cancelled events resulting in lower cash flows early in the year.
 - a. In the third and fourth months of 2020, WWA sought and received a federal CARES Act PPP loan, resulting in a two-month return to 2019 compensation levels as required by the forgiveness terms of the loan. The forgiveness requirements for this first draw have not yet been published by our bank but I expect WWA will have no issues with forgiveness.
 - b. During this time period, staff composition was also changing, with a failed RD hire that resulted in the temporary return of Tom Seibert and transition of Rob Monette from volunteer to staff employee in the RD role. Tom has since settled into a part-time Class A specialist position, and Rob has shouldered the full-time RD responsibilities.
 - c. HRP payments were initially limited to \$1200 per month, and later this cap was increased to \$1800 per month payable by WWA. Effort and expenses that could be charged to grants continued at the rate which HRP could conduct that work. Our payments to HRP cannot be covered by the PPP loan.
 - d. After the expiration of the PPP funds in June, as staff roles settled out, and as revenue projections improved, the staff was compensated at the following annualized rates:
 - i. Class A specialist: Part-time (5 hours per week) - \$5,000
 - ii. Regional Director: salaried full time - \$36,000*
 - iii. Administrative Director: salaried full-time - \$36,000*
 - iv. Executive Director: Part-time (20 hours per week) - \$25,000*These salaries are the minimum salary allowed under federal law for an exempt employee, a designation that was necessary as we asked more of these staff during this period.
3. **RECOMMENDATION.** With the receipt of the 2nd PPP draw, I recommend adjusting staff compensation to be consistent with the calculations noted in the attachment--the basis for the PPP loan application. This will consist of bringing the Executive Director to a full-time salaried position of \$43,000 annualized for the next 8 weeks. Note that the \$25K funding will be used to pay all WWA salaries during that time as well.
4. Upon conclusion of this 8-week period, Executive Director compensation will be returned to that noted in 2.d. above. As with the first PPP, WWA financial reserves of the loan amount will be retained under “State Restricted” account and shown as an “Other Liability/LT Note” on the balance sheet until the loan is forgiven, when it will be recognized as income and added to “State Unrestricted funds”.

Bruce Ross, Executive Director

Attachment: (1) PPP calculation for WWA staff

PPP loan Average Monthly Payroll calculation
for the
Wisconsin Waterfowl Association, Inc.

1. We determined the total 2019 payroll for employees, including salary and wages, vacation time = \$120,555 [note that we did not include employer share of FICA/Medicare of \$9,223]
2. To that, we added \$374 of State Unemployment Taxes paid to Wisconsin in 2019.
3. We divided the sum from steps above by 12, to yield 2019's average payroll, to arrive at our average monthly payroll of \$10,077.

<u>Payroll item</u>	<u>W/O Employer Payroll taxes</u>
EE payroll - 2019 from W3 (and 941s)	\$120,555
Employer share of FICA, Medicare	\$0
Total 2019 Payroll Federal	\$120,555
State Unemployment	\$374
Total 2019 Payroll liability	\$120,928
Average Monthly payroll	\$10,077