



COVID-19 Townhall: Michigan Swimming's Response and Action Plan

Presented on April 4, 2020

via Zoom Webinar

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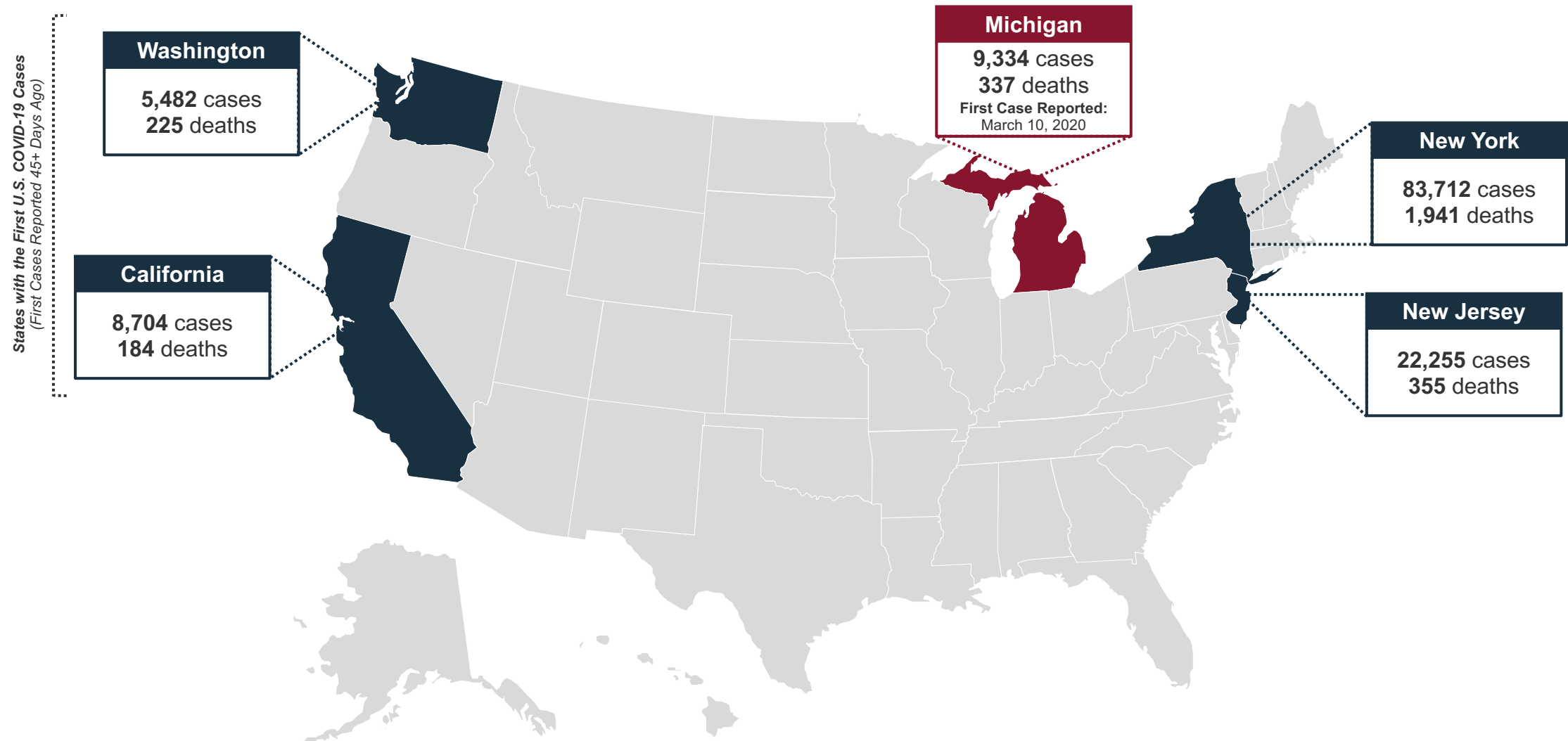
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Pure Excellence!
Made in Michigan
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Michigan is one of the hardest-hit states in the COVID-19 pandemic to date, causing its residents to adhere to social distancing guidelines diligently



Source: Worldometer: United States Coronavirus, Figures Current as of April 1, 2020 (<https://www.worldometers.info/coronavirus/country/us/>)

Michigan Swimming's crisis management approach centers around three key principles, ensuring smooth leadership through difficult times

Be

What traits do we need to exhibit in a crisis?

In response to a crisis, Michigan Swimming leadership will be **present, responsive, compassionate, flexible, and solution-oriented.**

Know

What are important things that guide our decisions?

In response to a crisis, Michigan Swimming leadership will remain cognizant of its **core values**, and it will remember that **member health and safety is always the number one priority.**

Do

What actions will allow us to manage through?

In response to a crisis, Michigan Swimming leadership will **act in a timely fashion, give due consideration to member interests, ensure the financial stability of the organization, and aid members in any reasonable way.**

Michigan Swimming moved quickly to protect the health and safety of its members, and USA Swimming followed-up with additional guidance

March 2020						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

#

Day with Implications from COVID-19
Outbreak



Wednesday, March 11

Michigan Swimming cancels SCY 13 & Over State Championship without intent to reschedule



Thursday, March 12

Michigan Swimming and USA Swimming cancel all competition through April 11



Tuesday, March 17

USA Swimming extends moratorium on competition through at least April 30



Friday, March 27

USA Swimming shares modification to liability insurance policy to permit virtual dryland training

According to the Aspen Institute Sports & Society Program, there are three anticipated outcomes impacting youth sports because COVID-19



Outcome #1

“Organized youth and school sports won’t return **until May at the very earliest, more likely Summer, and quite possibly the Fall.**”



Outcome #2

“When virus restrictions lift, we will see **greater demand for organized sports**, but possibly **less supply and participation.**”



Outcome #3

“The misalignment between the demand for, and supply of, quality affordable sport activity could **foster new models that better meet the needs of children and families.**”

Key Questions for Clubs

- 1 What resources are available to my club, financial or otherwise, to handle an extended shut-down?
- 2 What steps does my club need to start taking, now, to prepare for an extended out-of-water period?
- 3 How can my club innovate and address the future increased demand for competitive swimming?

Source: Webinar: Coronavirus & Youth Sports: What the Future Holds, Aspen Institute Sports & Society Program (<https://www.aspenprojectplay.org/coronavirus-and-youth-sports>)

The club situation assessment provided excellent high-level and entity-specific articulation of immediate and long-term situations for member clubs

Last In-Water Training Opportunity

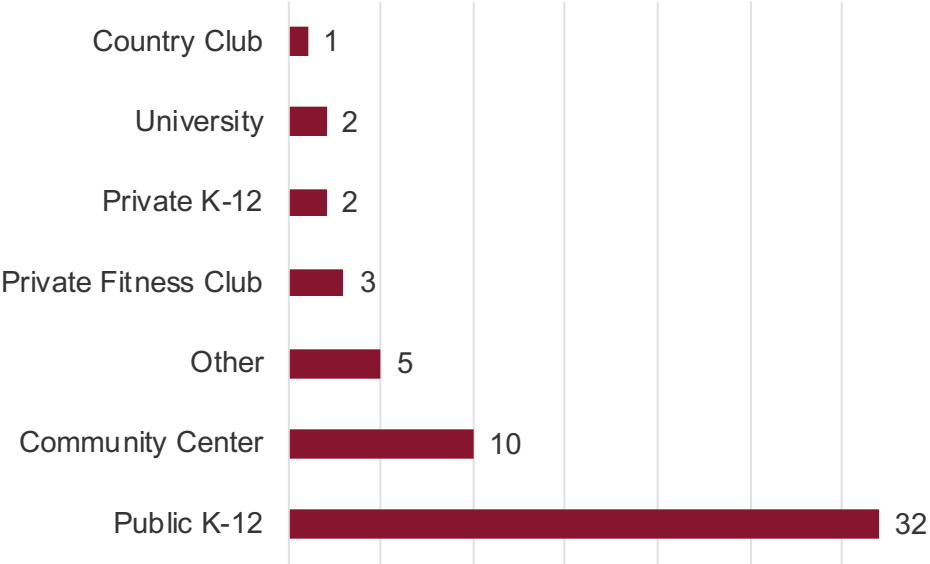
March 12, 2020

Most Common Last In-Water Training Opportunity

March 6, 2020 – March 15, 2020

Range of Last In-Water Training Opportunity

Type of Aquatic Facilities Used by Clubs



Short-Term Needs Identification



Continued Peer Engagement



Planning Resources



Consistent Communication

Michigan Swimming will increase its immediate efforts in these areas.

Long-Term Needs Identification



Long-Term Member Retention and Program Strategies



Financial Support and Planning Resources

We will address this topic on the next few slides.

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You should consult with your licensed financial advisor and/or legal counsel when making business decisions that affect you, your club, or anyone else.

There are two primary financial relief programs available to small businesses through the CARES Act

1

Economic Disaster Injury Loans

Available TODAY!

\$10,000

maximum amount, available within 3 days

Maintain Eligibility for Paycheck Protection Program Loans

More Details and Application available from the
[Small Business Administration](#)

2

Paycheck Protection Program Loans

Applications Available on April 3

\$10,000,000 or 2.5x Monthly Payroll

maximum amount, lesser of the two, additional specifics apply

Loan Forgiveness Available (8-week Period from Loan Origination)

More Details and List of Authorized Lenders available from the
[U.S. Treasury Department](#)

Who is Eligible?

- A small business with fewer than 500 employees
- A small business that otherwise meets the SBA's size standard
- A 501(c)(3) with fewer than 500 employees
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business
- A Tribal business concern that meets the SBA size standard
- A 501(c)(19) Veterans Organization that meets the SBA's size standard

Information on the Small Business Administration's "size standard" is available [here](#).

The Paycheck Protection Program offers a loan forgiveness program during the initial 8-week period from loan origination for qualified expenses

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A Note on PPP Loan Forgiveness

A borrower is eligible for loan forgiveness equal to the amount the borrower spent on the following items during the 8-week period beginning on the date of the origination of the loan:

- **Payroll costs** (using the same definition of payroll costs used to determine loan eligibility)
- **Interest on the mortgage obligation** incurred in the ordinary course of business
- **Rent** on a leasing agreement
- **Payments on utilities** (electricity, gas, water, transportation, telephone, or internet)
- For borrowers with **tipped employees**, **additional wages paid to those employees**

Note: The government is now advising that because of high participation, it is anticipated that **not more than 25% of the forgiven amount may be for non-payroll costs**. The loan forgiveness cannot exceed the principal

The Paycheck Protection Program will be administered by local banks, not the Small Business Administration, and requires specific documentation

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Required Materials for PPP Application

- 2019 IRS Quarterly 940, 941, 944 payroll tax reports
- Payroll reports for a twelve-month period (ending on your most recent payroll date), which will show the following:
 - Gross wages for each employee, including officer(s) if paid W-2 wages
 - Paid time off for each employee
 - Vacation pay for each employee
 - Family medical leave pay for each employee
 - State and local taxes assessed on an employee's compensation
- 1099s for independent contractors for 2019
- Documentation showing total of all health insurance premiums paid by the company owner(s) under a group health plan.
 - Include all employees and the company owners
- Document the sum of all retirement plan funding that was paid by the company owner(s) (do not include funding that came from employees out of their paycheck deferrals).
 - Include all employees and the company owners
 - Include 401(k) plans, Simple IRA, SEP IRA's
- Other documents that may be needed, if requested:
 - Insurance policies
 - Bylaws
 - Budget
 - Articles of Incorporation

Going forward, Michigan Swimming will continue to activate additional resources to further support our clubs and members

Function	Mar 8	Mar 15	Mar 22	Mar 29	Apr 5	Apr 12	Apr 19	Apr 26	May 3	May 10	Future
Coronavirus Task Force Meeting and Current Situation Assessments	Ongoing (multiple times per week, as needed)										
USA Swimming Updates and Mighty Mega LSC Leadership Conference Calls			★ Thursday	★ Thursday	★ Thursday	★ Thursday					
Board of Directors Meetings and Long-Term LSC-Wide Strategy Adaptations					★ Tuesday				★ Tuesday		
Athletes' Committee Engagement Initiatives	Ongoing (social media engagement, webinars, etc.)										
Coaches' Committee Engagement Initiatives	Ongoing (webinars, virtual coach socials, etc.)										
Bi-Weekly Updates to Head Coaches and Club Presidents			★		★		★		★		
LSC Communication with MDHHS and Governor Whitmer's Office	Ongoing (as needed, as policy developments are made known)										

If you have any questions as we navigate this complex situation together, please utilize these resources and provided Michigan Swimming contacts

Financial Resources

- [US Treasury Official Guidance](#)
- [US Chamber of Commerce COVID-19 Response Toolkit](#)
- [Emergency Business Loans for Small Businesses Checklist](#)
- [Emergency Business Loans for Nonprofits Checklist](#)
- [Small Business Administration Funding Programs](#)
- [The Small Business Owner's Guide to the CARES ACT](#)

Previous LSC Communications

- **March 11, 2020** – [Cancellation of SCY 13 & Over State Championship](#)
- **March 12, 2020** – [Temporary LSC-Imposed Moratorium on Sanctioned and Approved Competition](#)
- **March 17, 2020** – [Extension of Moratorium on Sanctioned and Approved Competition from USA Swimming](#)
- **March 25, 2020** – [Club Situation Assessment Request](#)
- **March 27, 2020** – [USA Swimming Expansion of Insurance Coverage for Virtual Dryland Training](#)

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Thank you!

Questions?

This time is for you; feel free to ask any questions, have an open discussion, or provide input on how Michigan Swimming can continue to improve our response to the COVID-19 outbreak.