

# Coronavirus

## Advisory Publication for SME clients

25 MARCH 2020

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## *ifac* offices

In the interest of keeping our teams and clients across the country as safe as possible and playing our part in the containment of the COVID - 19 virus, we have closed our offices and we will be closed until Friday 17<sup>th</sup> of April inclusive.

Our teams will be working from home. Our phone lines remain open and we are contactable by email also. We will do our very best to continue to provide our services with as little disruption as possible. All bookkeeper visits to clients for the collection of data will also be suspended for the two week period.

We know this is a challenging time for our clients, and as always we will be working hard to make sure your needs are met. Don't hesitate to contact us by calling your local office phone number if you need our help, or have a question you would like answered.

Our website will continue to be updated with important guides and news on business supports/employer supports, and Revenue guidance on deferring tax payments should your business experience cash-flow, or other difficulties in the weeks ahead.

The virus is a huge challenge for all of us, our families and our communities, by working together and making the right decisions at the right time, we will be as successful as possible in meeting that challenge.

Thank you for your continued support,  
John Donoghue  
Chief Executive, *ifac*

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# Executive Summary (I)

## Sound management in a time of crisis

- Speak to your bank now
- Look for applicable State supports
- Examine Revenue options
- Increase cashflow (debtor management vital)
- Reduce any spend possible
- Convert inventory to cash
- Mind your best customers
- Decide when to invest in marketing
- Make critical decisions on staffing
- Re-do your budgets and cashflows



[Click here for more information](#)

## Supports to help deal with Covid-19

- SBCI Covid-19 Working Capital Scheme
  - Up to €500,000 unsecured
  - Maximum loan amount €1.5m
- Credit Guarantee Scheme
  - Loans up to €1m
- Enterprise Ireland client companies
  - Rescue and Restructure scheme
  - Finance in Focus grant
- Local Enterprise Office
  - Vouchers up to €10k for business planning
- Microfinance Ireland
  - Maximum loan increased from €25k to €50k



[Click here for more information](#)

# Executive Summary (II)

## Tax & VAT

- Continue to send in tax returns
- Revenue will engage with viable businesses experiencing temporary cashflow difficulty

### VAT

- The application of interest on late payments is suspended for January/February VAT (due March 21<sup>st</sup>, next return not due until mid-May)

### PAYE Employer Liabilities

- Both February and March PAYE (Employers) liabilities. All debt enforcement activity is also suspended until further notice. Businesses should continue to send in their tax returns on time...[Read more](#)

## Employee Supports



- COVID-19 Wage Subsidy Scheme. Employers will be refunded up to 70 percent of an employee's wages - up to a level of €410... [Read more](#)
- Illness Benefit has increased from €203 per week to €350 per week for Covid-19 patients – applicable to self-employed, farmers and PAYE workers...[Read more](#)
- Covid-19 Pandemic Unemployment Payment of €350 per week now available...[Read more](#)
- To ease hardship the Covid-19 Wage Subsidy Scheme is in operation... [Read more](#)

## Banking

- There are a range of measures coming into play in particular loan deferrals for periods up to 3 months... [Read more](#)

# Executive Summary (III)

## Working offsite

- Using Zoom, Microsoft Teams and CRM software important to main communication at a distance
- Daily check-ins vital to maintain urgency with staff
- Daily report each evening keeps all team focussed...[Read more](#)

## Ecommerce

- Online shopping behaviour has increased as customers look to limit physical contact.
- It is important to develop your omnichannel approach.
- Shopify, Amazon and eBay to be considered...[Read more](#)

## Marketing during Coronavirus

- Work hard on retaining existing customers
- Avoid stopping all marketing activity but prioritise messaging with a focus on customer reassurance rather than product messaging or performance marketing.
- Show empathy with your customers and do the right thing at this time of crisis – it will be remembered...[Read more](#)

# Coronavirus impacts: an overview (I)

Interconnected global supply chains impact on nearly every Irish food and agribusiness SMEs. The standout challenges include:

- Uncertainty leading to challenges with suppliers and decreased demand from customers
- Cashflow challenges beginning to appear
- Managing staff through a period of disruption, fear and uncertainty

## 1. Scenario planning

Spending some time working with your team on the short and medium-term impacts the coronavirus virus could have on your business is time well spent. A 'What if' analysis is a good place to start. *What if* we cannot get certain component parts? *What if* customer demand slows down by 20%? *What if* a key member of the team has to self-isolate and isn't available to the business? *What if* schools close for a period of time and our workforce has to remain at home as is the case for 16 million people in Italy today? Have you thought about the relevant scenarios for your business? This will help you put a viable contingency plan in place. Ultimately those companies who are best prepared are the companies who will recover quickest.

## 2. Cashflow management

With impacts on both the supply and demand side of many businesses, cash flow management is critical at this time.

Modelling the potential downside impact should highlight vulnerabilities. Seasonal fluctuations in your cash flow may be disrupted. Examining credit terms with your own customer base for potential bad debts and postponing non-essential capital investment may be prudent. Taking these matters into account, you can communicate immediately with your lending institution and ensure you have the facilities in place to handle this difficult period.



# Coronavirus impacts: an overview (II)

## 3. Logistics

Supply chains are stretched. Global shipping and container availability are impacting on the number of containers coming out of China with product.

There are blind spots in supply chains and while it takes hundreds of parts to build a machine, one missing part can stop a production line and seriously damage productivity. Having alternative suppliers in place will show it's true worth at this time.

However, if taking on new suppliers at this time, be sure to conduct relevant due diligence. Some operators may look to take advantage of the current crisis. Additionally, as demand drops you to assess stock levels for coming months.

## 4. Communication

Your team will have fears about what is going to happen to the business. Communicating regularly is vital. Don't allow information vacuums to develop.

The CEO or MD needs to be regularly communicating with their team ensuring, as far as is possible, that staff know what is happening and how it will impact on them and their business.



# Sound management in a time of crisis (I)



**Sound financial management and managing cashflow is now a critical priority for many businesses.** The coronavirus crisis is having devastating impact on society and also across the economy. Leadership teams need to make decisions and act decisively, writes David Leydon, Head of Food and AgriBusiness with *ifac*.

Firstly, acting now to slow down the spread of Covid-19 is all our responsibility. Protecting your community and your staff is uppermost in everyone's mind. However, the economic impact is being felt by small and medium sized businesses (SMEs) across the country. Here are some steps which leadership teams should be considering right now in the knowledge that managing cashflow in the short-term is a critical priority.

**1. Speak to your bank and asset finance providers now** if you have a potential cashflow challenge. Not enough businesses are communicating with their bank. Inform them of your situation and how you see this crisis impacting your business in the short term. Put them on notice that you may need a loan deferral, you may need increased overdraft facilities or that you may need increased invoice discounting facilities.

**2. Examine State supports which may help you.** Unsecured SBCI loans of up to €500,000 are now available through the SBCI Covid-19 Working Capital Loan Scheme. Enterprise Ireland also have a range of supports including a Rescue and Restructuring Scheme for vulnerable but viable firms that need to restructure or transform their business. For smaller businesses your local LEO office and also Microfinance Ireland are worth speaking to. These supports will need to evolve and be enhanced in the short-term.

**3. Get in touch with Revenue** if your situation has changed adversely. Keep your liabilities to Revenue under review and remember if you meet the criteria you will be able to enter into a phased payment arrangement in due course. At this moment, interest on late VAT payments is suspended for both January/February VAT and February and March PAYE liabilities. This is likely to evolve over coming weeks.

**4. Increase cash inflow where possible.** Follow up on all debtors as a matter of priority. Make sure your invoice is top of their list. Reduce inventory and this will free up cash for the business. However, don't miss opportunities to acquire in supplies and inputs at low cost if you are in good enough cash position and your sales pipeline and route to market is solid.

**5. If you are in a tightening cash position** use as many ways as possible to reduce spend in the short term including considering pausing any capital investment, cutting all discretionary spending now, leasing rather than buying equipment, renegotiate payment terms with your suppliers and getting your staff to think of more ways to save the business cash.



**6. Staffing decisions are the most difficult decisions** for any business owner or manager. In the scenario where the business is under acute stress then there are some options which must be considered. Acting with integrity and fairness at this exceptionally difficult time is vital.

- a. Reduce hours not salary. For example, 2 or 3 day weeks are a real option for a period of time.
- b. If salary cuts are necessary senior staff should cut their salaries first.
- c. If you have to reduce staff numbers try and do it once and not have the constant threat of staff redundancies. Your team will struggle with multiple restructures.

**7.** It is vital to be **well informed** of the various Department of Social Welfare supports that are available to your staff. These too are evolving. Illness Benefit has increased from €203 per week to €305 per week for Covid-19 patients and this applicable to the self-employed, farmers and PAYE workers. Additionally a Covid-19 Pandemic Unemployment Payment of €203 per week is now available while the Covid-19 Refund Scheme is in operation to speed this process up for staff.

**8. Mind your best customers** – add more value, don't increase your cost to them.

**9. Reducing marketing spend** in the very short term will make sense for many businesses. However, once the initial crisis passes your business will need to invest in marketing to start sales moving again. Ultimately sales will drive the business and without sales everything comes to a halt. Be careful not to undo successful brand building through excessive cuts to marketing budgets over coming months.

**10. Create a new budget.** The budget you did towards the end of your last financial year is no longer fit for purpose. A revised budget and cashflow with a new sales forecast is vital to help you manage through this period. Importantly, examine how much of the new forecast belongs to existing clients and how much of it relies on new client acquisition. Assume you will lose a significant amount of this forecasted new business. How does that impact your staffing decisions?

This is a critical time for leaders to show real communication skills both with your team and with your suppliers and customers. Let your team know, in as far as possible, the current state of the business and the decisions you are taking. Work with your team to come up with solutions where possible. Act with fairness and integrity throughout this period to protect your reputation and the reputation of your business.

Sadly, it's not so long ago that we were in a challenging business environment. The financial crisis of 2009 is still fresh in many business leaders' minds. Taking clear and decisive action early to deal with this shock to your business is critical.

# Covid-19 supports: SBCI Working Capital Loan (I)

## What is it?

The SBCI Covid-19 Working Capital Loan scheme provides funding for eligible businesses impacted by COVID-19. The loans will be available through AIB, Bank of Ireland and Ulster Bank. Approval of loans are subject to the banks own credit policies and procedures.

## Features

- Loan amounts of between €25,000 to €1.5m
- Maximum interest rate of 4%
- Loan terms ranging from 1 year to 3 years
- Loans unsecured up to €500,000
- Optional interest-only repayments may be available at the start of the loans
- The loan amount and term is dependent on the loan purpose.

\* **Note:** Loans in this Scheme are subject to the **De Minimis state aid** threshold of €200,000 per undertaking received in the last three year fiscal period – i.e. the current year and the previous two years. More info on State Aid rules is available [here](#).

## Eligible loan purposes

- Future working capital requirements.
- To fund innovation, change or adaptation of the business to mitigate the impact of Covid-19.
- Refinance of undertakings in financial difficulties.
- Refinance of existing debt (e.g. Terms Loans/Leases/Hire Purchase etc.).

## Eligible businesses

Viable micro, small and medium sized enterprises (SMEs) and Small MidCap (not an SME but <500 employees) enterprises that meet the eligibility criteria. SMEs are defined as enterprises that:

- have fewer than 250 employees
- have a turnover of €50 million or less
- are independent and autonomous
- have less than 25% of their capital held by public bodies
- is established and operating in the Republic of Ireland

## Who cannot apply

SMEs/ Small Mid-Cap that: –

- Are involved in the primary agriculture and/or aquaculture sector.
- Are in financial difficulty (excluding cashflow pressures caused by Covid-19 impact)
- Are bankrupt or being wound up or having its affairs administered by courts
- In the last 5 years has entered in to an arrangement with creditors, in the context of being bankrupt or wound-up or having its affairs administered by the courts
- Are convicted of an offense concerning professional misconduct by judgement, fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity where such illegal activity is detrimental to the European Union's financial interests.

## How to apply

Consider the following questions:

- I am a director or authorised person of the borrower.
- I know the borrower's Company Registration or VAT number.
- I know whether the borrower is an SME or a Small Mid-Cap.
- I know the value and sources of De Minimis State Aid that the borrower has received in the last three fiscal years.
- I have read the [Covid-19 Criterion](#).
- I have read the (InnovFin) [Innovation Criteria](#).
- I have access to a printer to print the completed form.


Complete the online Covid – 19 loan application form [here](#) to assess your eligibility. A PDF version can also be downloaded [here](#).

You will receive an eligibility letter if your application is successful. This eligibility letter is not a guarantee of loan approval.

Once you receive confirmation that you are eligible, engage with the Bank(s) to begin their standard loan application process. It is only at this stage that a decision will be made on credit approval.




# Covid-19 supports: SBCI Credit Guarantee

Funding / Supports	What is it?	How to apply	Find out more here
<p>Strategic Banking Corporation of Ireland (SBCI)</p> <p>- Credit Guarantee Scheme (CGS)</p>	<p>This scheme is operated on behalf of the Department of Business by the SBCI and is available from the participating lenders (AIB, Bank of Ireland and Ulster Bank).</p> <p>The CGS provides agreed lenders with a State Guarantee, covering eligible credit facilities for 80% of the facility value</p> <p>Loans from €10k up to €1m will be available, at terms of up to 7 years.</p> <p>The customer is required to pay a premium currently 0.5%.</p>	<p>The scheme is targeted towards companies who are unable to access credit because of three distinct barriers to lending:</p> <ul style="list-style-type: none"><li>• Inadequate collateral</li><li>• Novel business market, sector or technology which is perceived by lenders as higher risk</li><li>• Need for refinancing caused by the exit of an SMEs lender from the Irish market</li></ul> <p>In order to assess eligibility and apply please contact one of the three participating lenders:</p> <ul style="list-style-type: none"><li>• AIB</li><li>• Bank of Ireland</li><li>• Ulster Bank</li></ul>	<p><a href="https://sbci.gov.ie/schemes/sme-credit-guarantee-scheme-cgs">https://sbci.gov.ie/schemes/sme-credit-guarantee-scheme-cgs</a></p> 



# Covid-19 supports: Microfinance Ireland



Funding / Supports	What is it?	How to apply	Find out more here
Microfinance Ireland	<p>Microfinance Ireland provide small loans through the Government's Microenterprise Loan Fund. The purpose of the fund is to help start ups and established businesses to get the finance they need for their business.</p> <ul style="list-style-type: none"><li>• Loans from €5,000 – €50,000</li><li>• Supports businesses who have been impacted negatively by coronavirus in Ireland</li><li>• First 6 months – Interest &amp; Repayment free</li><li>• Loan terms typically up to 3 years</li></ul>	<p>If your business is impacted or may be impacted by COVID-19 resulting in a reduction of 15% or more in actual or projected turnover or profit, AND you are having difficulty in accessing finance from commercial lending providers, the MFI COVID-19 Business Loan may be able to help your business.</p> <p>Applications can be made through the <u>MFI website</u> or through your <u>local LEO</u>.</p> <p>You will need to complete an application form and a short business plan in templates provided. Financial details and forecasts will also need to be shared.</p>	<p><a href="http://www.microfinanceireland.ie">www.microfinanceireland.ie</a></p> 



# Covid-19 supports: Enterprise Ireland



Funding / Supports	What is it?	How to apply	Find out more here
Enterprise Ireland (For Client companies)	<p>A €200m Package for Enterprise Supports including a <i>Rescue and Restructuring Scheme</i> is available through Enterprise Ireland for vulnerable but viable firms that need to restructure or transform their business. This offers both rescue aid and temporary restructuring aid to SMEs in financial difficulty or experiencing acute liquidity needs.</p> <p>A <u>Finance in Focus grant</u> of €7,200 will be available to Enterprise Ireland and Údarás na Gaeltachta clients that want to access consultancy support to undertake immediate finance reviews.</p>	Enterprise Ireland clients are encouraged to contact their DA to discuss relevant applications.	More information on the Finance in Focus grant is available <u><a href="#">here</a></u> on the Enterprise Ireland website.





# Covid-19 supports: Local Enterprise Office



Funding / Supports	What is it?	How to apply	Find out more here
Local Enterprise Office (LEO) Supports	<p>The Business Recovery Grant will be available from <u>Local Enterprise Offices</u> in each county with vouchers from €2,500 up to €10,000 (with 50:50 match funding).</p> <p>This Business Recovery Grant is designed to support business continuity preparedness, innovation and productivity through mentoring and consultancy.</p>	<p>A full list of the Local Enterprise Offices throughout the country can be found <u><a href="#">here</a></u>.</p> <p>Call your Local Enterprise Office to discuss your needs and examine areas of your business that could benefit from utilising a voucher.</p>	<p><u><a href="https://www.localenterprise.ie/Discover-Business-Supports/Covid-19/">https://www.localenterprise.ie/Discover-Business-Supports/Covid-19/</a></u></p>





## For SMEs

- **Tax Returns:** businesses experiencing temporary cash flow difficulties should continue to send in tax returns on time.
- **Application of Interest:** the application of interest on late payments is suspended for January/February VAT and both February and March PAYE (Employers) liabilities.
- **Debt Enforcement:** all debt enforcement activity is suspended until further notice.
- **Tax Clearance:** current tax clearance status will remain in place for all businesses over the coming months.

### Please note from Revenue:

On an on-going basis, Revenue engages with viable businesses experiencing temporary cash flow or trading difficulties that affect the timely payment of tax. Revenue works very successfully with businesses that engage early to resolve their tax payment difficulties.

Revenue will engage with any viable business that experiences temporary cashflow difficulties, including difficulties arising from exceptional circumstances such as the COVID-19 (Coronavirus) outbreak.

### Please note from Companies Registration Office:

All annual returns due to be filed by companies between now and June 30<sup>th</sup>, 2020 will be deemed to have been filed on time if all elements of the annual return are completed and filed by that date. The situation will be kept under review.





## Information for Subcontractors

- **RCT (Relevant Contract Tax):** the RCT rate review scheduled to take place in March 2020 is suspended. This process assesses the current compliance position of each subcontractor in the eRCT system and determines their correct RCT deduction rate, i.e. 0%, 20% or 35%. As this process may result in a subcontractor's RCT rate increasing due to changes in their compliance position, the review is suspended.
- Subcontractors and agents are reminded that RCT rate reviews can be self-managed in ROS. Subcontractors can check if their rate should be lower and can then 'self-review' to get that lower deduction rate.

## Information on importing goods

- **Customs:** critical pharmaceutical products and medicines will be given a Customs 'green routing' to facilitate uninterrupted importation and supply

## Business rates

- **Deferral of Business Rates:** the Government has agreed with local authorities that they should defer rates payments due from the most immediately affected businesses, primarily in the retail, hospitality, leisure and childcare sectors, until the end of May.

# Dealing with Revenue during Covid -19

1. By sending in tax returns on time you avoid penalties which will save cash in the medium term as you will not have any penalties
2. If you cannot accurately file due to all info not being available or the absence of a key employee - file a best estimate return and advise revenue of the reason.
3. Amend the return as soon as the information becomes available.
4. Revenue are expected to issue more detailed information to clarify issues as they arise.
5. Engage with Revenue as early as you become aware of an issue.

## VAT

### January/February VAT

- The application of interest on late payments is suspended for January/February VAT (due March 21<sup>st</sup>, next return not due until mid-May)
- Both February and March PAYE (Employers) liabilities. All debt enforcement activity is also suspended until further notice. Businesses should continue to send in their tax returns on time.

**\* If cashflow is stretched in your business defer payment of VAT this month \***



# Temporary COVID-19 Wage Subsidy Scheme (I)



The scheme, enables employees, whose employers are affected by the pandemic, to receive significant supports directly from their employer. The scheme will run for 12 weeks from **26 March 2020**.

Employers are encouraged to facilitate employees by operating the scheme, by retaining employees on their books and by making best efforts to maintain a significant, or 100% income, for the period of the scheme.

## Key Features of the scheme

- Replaces the previous COVID-19 Refund Scheme.
- Initially, and from last Thursday (26 March 2020), the subsidy scheme will refund employers up to a maximum of €410 per each qualifying employee.
- However, employers should pay no more than the normal take home pay of the employee.
- The subsidy scheme applies to employers who top up employees' wages and those that aren't in a position to do so.
- Employers make this special support payment to their employees through their normal payroll process and employers will be reimbursed for amounts paid to employees within two working days after receipt of the payroll submission.
- In April, the scheme will move to a subsidy payment based on 70% of the weekly average take home pay for each employee up to a maximum of €410.
- Income tax and USC will not be applied to the subsidy payment through the payroll.
- Employee PRSI will not apply to the subsidy or any top up payment by the employer.
- Employers PRSI will not apply to the subsidy will be reduced from 10.5% to 0.5% on the top up payment.

## Employer Eligibility

Application for the scheme is based on self-assessment principles, a qualifying employer declares that it is significantly impacted by the crisis.

## Eligibility readily apparent:

- Some businesses and some sectors have had to close their premises, the impact of public health advice on individual businesses in terms of restrictions on trade, physical distancing, the nature of essential and non-essential businesses, will be obvious.

## Other key indicators that your business is significantly impacted by Covid-19:

- Key indicators are that the employer's turnover is likely to decrease by 25% for quarter 2, 2020
- That the business is unable to meet normal wages or normal outputs and any other indicators set out in Revenue's guidelines.
- In relation to the likely reduction in turnover of 25% or more, this is a reduction in expected turnover for Q2, 2020. The employer is best placed to determine that and may base this judgement on the decline in orders in March 2020, in comparison to February 2020, or the likely turnover for the quarter compared to Q1 or if appropriate Q2, 2019, or on any other basis that is reasonable



# Temporary COVID-19 Wage Subsidy Scheme (II)



## Registering for the Temporary Wage Subsidy Scheme

Employers, or their agents, wishing to register for the scheme can apply to Revenue by carrying out the following steps:

- Log on to ROS [myEnquiries](#) and select the category '**Covid-19: Temporary Wage Subsidy**'.
- Read the "Covid-19: Temporary Wage Subsidy Self-Declaration" and press the '**Submit**' button.
- Ensure bank account details on Revenue record are correct. These can be checked in ROS and in '**Manage bank accounts**', '**Manage EFT**', enter the refund bank account that the refund is to be made to.

## Which staff are eligible?

The subsidy is limited based on the average "Net Pay" as follows;

- Average Pay from €0 to €586 is capped at €410
- Average Pay from €586 to €960 is capped at €350
- Average Pay above €960 is not entitled to the subsidy.

As the average net pay increases, the available subsidy decreases. "Net Pay" is an employees' Gross Pay less, PAYE, USC and PRSI. The average value for the "Net Pay" is based on the submissions made to Revenue for the employee between 1st January and 29th February 2020. Employers will also be able to make an additional "Top-Up" payment of up to 30% of the "Net Pay", however this top-up amount is subject to PAYE and USC and PRSI class J9.

Employers will get a reduced rate of PRSI from 11.05% to 0.5% and there is no employees PRSI. An important element is that Entitlements will not be broken for PRSI. Employee PRSI benefits will be regarded as continuing.

Furthermore and most important, employers who top up by more than 30% will have their subsidy reduced on a Euro for Euro basis, so for every Euro above the 30% threshold, the subsidy will be reduced by the equivalent amount.

Finally, whilst not taxable in the employees hand initially the employer must carry out a review by year end which may bring it into taxable income.

The average "Net Pay" and subsidy are calculated as follows:

A Normal Weekly "Net Pay"	= Gross Pay less
PAYE, USC, Employees PRSI / Insurable weeks	
B Tax Free COVID-19 Payment to Employee	= 70% of A
C Maximum allowed employer Top Up (taxable)	= 30% of A

# Temporary COVID-19 Wage Subsidy Scheme (III)

## Operating the scheme

The employer runs the payroll as normal, entering the following details for each relevant employee under the Scheme:

- PRSI Class set to J9.
- A non-taxable amount equal to the employee's net take home pay or €410 whichever is the lesser.
- If an employer is not making any payment to the employee, they should include a pay amount of €0.01 in Gross Pay.
- If an employer is making additional wage payments to affected employees, they should include this amount in the Gross Pay.
- It is important that employers do not include the Temporary Wage Subsidy payment in Gross Pay.
- The payroll submission must include pay frequency and period number.
- Income tax, USC, LPT, if applicable, and PRSI are not deducted from the Temporary Wage Subsidy.

In many cases the payment of the Temporary Wage Subsidy and any additional income paid by the employer will result in the refund of Income Tax or USC already paid by the employee. Any Income Tax and USC refunds that arise as a result of the application of tax credits and rate bands can be repaid by the employer and Revenue will also refund this amount to the employer.

Employers must not operate this scheme for any employee who is making a claim for duplicate support (e.g. Pandemic Unemployment Payment) from the DEASP.

Based on the information provided in payroll submissions and adherence to the maximum limits, described above, Revenue will credit employers with the temporary wage subsidy paid to each employee.

Penalties will apply to any abuse of the Subsidy Scheme by self-declaring incorrectly, not providing funds to employees or non-adherence to Revenue, and any other relevant, guidelines.

## Guidance/Information

For general issues relating to the scheme, employers should contact Revenue's National Employer Helpdesk via the [myEnquiries](#) system, providing details of the query and a direct dial contact number. Employers should make sure to select '**Employer's PAYE**' and then '**Employer's PAYE General Enquiry**' when submitting the query through myEnquiries.

# Temporary COVID-19 Wage Subsidy Scheme (IV) ifac

## Strong Cash Balance in Business

An employer that has been hit by a significant decline in business but has strong cash reserves, that are not required to fund debt, will still qualify for the Scheme but the Government would expect the employer to continue to pay a significant proportion of the employees' wages.

## Producing evidence at a later date

In any check, Revenue will focus on the types of business records, having regard to the nature and scale of the business, that should normally be readily available for such a business. Where, for example, a business has negotiated forbearance measures with a financial institution, Revenue will not seek to duplicate the relevant information and the documentation from the financial institution will generally be adequate for verification purposes as evidence of financial disruption.

The proofs mentioned below are intended to be illustrative rather than exhaustive and Revenue is open to considering other relevant evidence as a reasonable demonstration of eligibility for the COVID-19 Temporary Wage Subsidy Scheme:

- If for some reason the decline in turnover was less than 25% the business should retain documentation supporting its rationale for believing that it would suffer such a decline.
- Copies of documentation submitted to a financial institution as part of the negotiation of forbearance measures with the financial institution.

- Copies of notifications or communications to employees or Trade Unions or staff representative bodies of salary/wage cuts implemented as a direct result of the COVID-19 pandemic.
- Copies of documentation that show that any cash reserves in the business that are required to fund debt that is equal or greater than the reserve amount.
- Evidence of reliance on the Government Credit Guarantee Scheme or overdraft facilities or other borrowings for capital purposes.
- In the case of start-up businesses, for example, evidence of a decline in investment by at least 25% arising from the COVID-19 crisis.

## Please note from Revenue

Revenue will not be looking for proof of qualification at this stage. Revenue may in future, based on risk criteria review eligibility. In this context employers should retain their evidence/basis for entering the scheme. It will, of course, be very clear to Revenue from their normal relationship with businesses and their normal interaction with businesses that there was no doubt about their qualification and most importantly it will be very clear that the businesses were so impacted.

Further information:

<https://www.revenue.ie/en/corporate/communications/covid19/temporary-covid-19-wage-subsidy-scheme.aspx>

# Employee supports: Illness benefit

Funding / Supports	What is it?	How to apply	Find out more here
Illness Benefit for COVID-19 Illness	<p>Illness Benefit has increased from €203 per week to €350 per week for a maximum period of two weeks of medically certified self-isolation, or for the duration of a person's medically-certified absence from work due to Covid-19 diagnoses. This applies to PAYE workers, farmers and the self-employed.</p>	<p>To receive this increased payment, employees must be:</p> <ul style="list-style-type: none"><li>- Medically diagnosed with Covid-19</li><li>- Self-isolating on the advice of a medical professional</li></ul> <p>The employee's doctor will then complete a medical certificate on your behalf and send this directly to the department.</p> <p>The employee will then need to complete an application form for Illness Benefit (Form IB 1).</p>	<p><a href="https://www.gov.ie/en/service/df55ae-how-to-apply-for-illness-benefit-for-covid-19-absences/">www.gov.ie/en/service/df55ae-how-to-apply-for-illness-benefit-for-covid-19-absences/</a></p>





# Employee supports: Short-time work

Funding / Supports	What is it?	How to apply	Find out more here
Short-time Work Support	Short-time Work Support is a form of <u>Jobseeker's Benefit</u> and is an income support payment if you have been temporarily placed on a shorter working week.	<p>The quickest way to apply for Jobseeker's Benefit is through <u>MyWelfare.ie</u></p> <p>You must have a verified <u>MyGovID</u> to use this service.</p> <p>If you complete your form on-line, you can then send on the UP14 form completed by your employer.</p>	<a href="http://www.gov.ie/en/service/c20e1b-short-time-work-support/">www.gov.ie/en/service/c20e1b-short-time-work-support/</a>







# Employee supports: Covid-19 payment

Funding / Supports	What is it?	How to apply	Find out more here
Covid-19 Pandemic Unemployment Payment	<p>For self-employed and those staff who are laid off without pay the Department has introduced the Covid-19 Pandemic Unemployment Payment.</p> <p>The payment pays a flat rate €350 per week and is for a period of 12 weeks.</p>	<p>A simple, one-page application form is available online at <a href="https://www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/">www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/</a></p> <p>If a person has Public Services Card one can apply on-line through the My Welfare online portal <a href="https://services.mywelfare.ie/en/topics/out-of-work-payments/apply-for-jobseekers-payment/">https://services.mywelfare.ie/en/topics/out-of-work-payments/apply-for-jobseekers-payment/</a></p> <p>Applicants <u>should not</u> attend the Intreo office in person.</p>	<p><a href="https://www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/">www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/</a></p> <p>Emergency line: 1890 8000 24</p>



Following a meeting with the Minister of Finance the 5 pillar banks (AIB, BOI, Ulster Bank, KBC and Permanent TSB) have agreed the following for SMEs:

- Extensive supports for SME customers – banks are working to ensure a wide range of credit, cash flow and supply chain supports are offered to businesses who are trying to manage the pressures arising from COVID-19. A deferral of up to 3-months on loan repayments will be of assistance to many businesses
- In addition, the banks are adopting a customer-focused approach to these businesses with a wide variety of tailored supports including extensions of credit lines, risk guarantees, and trade finance.

Other measures include:

- Flexible arrangements, including a payment break for mortgages of up to 3 months and other loans for customers affected by COVID-19
- Support for buy-to-let bank customers with tenants affected by COVID 19 including payment breaks
- Deferral of Repossession Legal Action for 3 months
- Increase in contactless payment threshold from €30 to €50

There are variety of banking tools available from each bank – contact your Relationship Manager today to see what is available to help your business:

- Short term loans and overdrafts
- Payment deferrals
- Emergency working capital
- Payment flexibility on loan facilities
- Provision of trade finance and foreign currency products
- Prioritisation of loan decisions
- Prompt Pay (spread large payments over a longer period)

# Effect of Covid-19 on your pension funds? (I)

The spread of Covid-19 across the world has led to the biggest weekly fall in share values since 1987. Global stock markets are down 26% from their highs of three weeks ago. The direct and indirect impact to businesses has led to a fear that we are falling headfirst into a world-wide recession, writes Martin Glennon QFA, CFP®, Head of Financial Solutions with *ifac*.

Investors are spooked and so far, any emergency fiscal and monetary packages have not been enough to stop the large sell-off. But what impact has this had on Pension funds?

## What effect has Covid-19 had on my pension funds?

Pension funds, clearly, have been affected by these sharp falls in share prices. The extent of the impact will be largely down to the risk level of the fund/s you are invested in. Most pension funds are invested into a mix of assets, and some may have as little as 20%-30% invested in stock markets.

A key point to note is that stock market returns over the last 10 years have been very good to investors. Despite the sudden drop this week, the S&P 500 has grown by 7.8% per annum. Since August 2016, the S&P 500 has returned 8.2% per annum. Remember, sharp drops make the news, steady growth doesn't.

## Should I switch to a cash fund?

What your current fund value is telling you is that *if* you sell your assets today, this is the price that you will receive for these assets. At this point it is a paper loss.

The loss will only crystallise if you panic and switch to cash. If you are worried about this, you can talk to one of our experienced Ifac Financial Planning Advisors.

## Could things get worse?

Some feel that it will be harder to control the virus in western economies (compared to China). That it's still too early to gauge the effect on businesses and that firms will be stretched financially, which could lead to job losses or closures.

Conversely, history has shown that this type of sharp sell-off involves a heavy dose of fear and an over-reaction by investors. Central Banks have cut interest rates and governments are providing significant fiscal supports. So yes, prices could fall further but it is also possible that the worst has been priced in.

# Effect of Covid-19 on your pension funds? (II)



## How long could this last?

Confidence levels that the virus is being contained will be key. If the number of cases being identified daily, reduces, then fear levels should subside and normal stock market valuations return.

## Is there an opportunity here?

Unless you are approaching retirement age, a pension investor should see themselves as a buyer of assets. As such, you want a reduction in the price you are paying for these assets. You want more for your money. The sudden drop in stock market prices provides a discount.

If you were planning to make a pension contribution this year to reduce last year's tax bill, perhaps now is the time to act. As quoted by Warren Buffett, one of the most successful investors of all time; "Widespread fear is your friend as an investor because it serves up bargain purchases."

## Summary:

Initial reactions of worry to the recent headlines are normal. Closer inspection for many pension plan holders will show that the impact on their plans is not as severe. The advice at these times is, don't panic. Your pension plans are long term investments and deserve a long-term approach. If you want to review the impact on your Pension plan, contact ifac Financial Planning for further information.

## Utilising Ecommerce

Ecommerce refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. Before the Coronavirus outbreak Irish ecommerce sales were forecast to hit €3.8bn by 2024.

With a large number of retail stores closing their doors and further social distancing measures being introduced it is becoming increasingly more difficult for businesses to trade in the traditional retail sense.

Ecommerce has a significant role to play in ensuring Irish businesses can serve their customer base even if the brick and mortar store isn't open to the general public.

## What can clients do in the short term to drive sales online?

- Promote existing websites (if Ecommerce enabled)
- Create a store online account ([See technology tools for more info](#))
- Use social media platforms to invest in paid media to drive sales directly or redirect customers to your website



## Ecommerce platforms for selling online

### Shopify

Pros	Cons
Easy to use once established	Organic reach is limited
Customisable themes and full control	Fixed monthly fee plus transaction fees
Facebook integration	Set up can be complicated

### Amazon

Pros	Cons
Fulfilment by Amazon service available	Very competitive marketplace
International reach	Lack of control as you must comply with Amazon rules
Millions of monthly users	Operating fees

### eBay

Pros	Cons
Reach a vast audience	Can be very competitive depending on your niche
Build plans to entice repeat custom	Seller fees
Wide audience – always a customer there no matter what your niche is	Can be difficult to keep your inventory in sync

***Talk to us about establishing your ecommerce platform;***

Patrick Black, Food & AgriBusiness Executive, [patrickblack@ifac.ie](mailto:patrickblack@ifac.ie)

## Technology Tools to Support Communication

### Zoom – Conference calling

For larger conference call, Zoom offers a reliable and professional solution.

Zoom can be used for audio or video calls. During a video call, the host can decide whether they want to show the other participants themselves, their entire screen or rather only selected applications. Zoom offers a free to use version that comes with certain limitations ( including length of calls and number of attendees) but the pro packages are quite reasonable starting at €13.99 per month per host.

To download Zoom, visit [here](#).

### CRM Software

It will be important to stay on top of communications with existing clients in the coming weeks, so Customer Relationship Management (CRM) tools like Onepage CRM can be useful. When office-based team members can update each other informally on client communications but as this may not be an option for many now, a more formalised approach through CRM software will help ensure client communications remain consistent.



## Technology Tools to Support Communication

### Microsoft SharePoint & Teams

If your business operates using the Microsoft suite for email, word, excel etc. you will have access to Microsoft SharePoint and Teams.

*SharePoint* offers a cloud-based solution for sharing and editing documents as a team. This can act as an alternative if you are unable to access servers / hard drives that you would usually store and manage files on.

To access SharePoint, visit [here](#).

*Teams* can then be used to complement SharePoint as it allows for instant messaging and video conferencing between team members on desktop or mobile. The major benefit lies in the fact that all programs are linked by your email address allowing for clear communication.

To access Teams, visit [here](#).

### WeTransfer – File Sharing

Sending files via email has its limitations. Depending on your business you may need to share large files both internally and externally. WeTransfer is specifically designed to allow the sharing of large files. A free version is available (send up to 2gb) and a Pro Version is available for €11.25 per month and allows you to share up to 20gb at one time.

To access WeTransfer, visit [here](#).





## Short term:

- Work hard to retain your existing customers – at this moment they are the priority with acquisition a secondary priority.
- Show empathy with your customers in all your marketing activity.
- Avoid stopping all marketing activity but prioritise messaging with a focus on customer reassurance rather than product messaging or performance marketing.
- Online shopping behaviour has increased as customers look to limit physical contact. It is important to develop your omnichannel approach. Customers will engage in more online buying than normal.
- On your ecommerce site make sure important messaging around Covid-19 is on your home page, product pages and also checkout pages especially in relation to delivery times. Set expectations transparently.
- Keep a close eye on consumer trends, for example, “Family Pack/multi-packs” may work for some of your product range and may be more applicable to a wider customer set.

## Medium term:

- As soon as there is an end in sight for this outbreak get into production planning so you can capture some of the bounce back/latent demand.
- Some customer behaviour may have changed for good, being responsive to this in medium term will be important.





# Managing teams working from home

**For those businesses who have all or part of their team working from home here are some points to consider:**

- A daily morning video call with your staff using one of the video conferencing tools is very helpful in maintaining urgency in the business and keeping your staff focussed. This should include a review delivery from the previous day and plan the rest of the day.
- Ensure your senior team are communicating daily with their own staff.
- Agree that each day a “daily report” email needs to be sent to you. People tend not to like this, but it works really effectively. You are asking your own team to tell you what they got done during the day. It’s a really good way to see how effective working from home is and how productive your team are in the circumstances.
- Be conscious of GDPR regulations.

**For those working on site which is very prevalent among many, though not all, food and agribusinesses the key here is for:**

- Proper hand hygiene
- Cough/cold hygiene practices
- Avoiding close contact, when possible, with anyone showing symptoms of respiratory illness such as coughing and sneezing
- For food companies, safe food practices, for more see Food Safety of Ireland guidelines: <https://www.fsai.ie/faq/coronavirus.html>





# Who we are



**Top 10**  
Professional Services  
Practice



**40+ years experience**  
established  
in 1975



**Head Office**  
Old Naas Road,  
Dublin



**30 locations** nationwide  
with 350+ employees



**Experienced teams**  
with sectoral focus



**Co-Operative**  
Structure



# What we do

**Food &  
AgriBusiness**

**The ifac  
Team**



# Recent projects



Securing strategic grant supports for clients including:

- HPSU funding for an agtech client from Enterprise Ireland
- CSF funding for an agtech start-up from Enterprise Ireland
- Expansion funding for a food business through LEADER
- Feasibility study funding for an agri-engineering company to examine the potential of developing a new product



Company valuation for an agtech company raising growth funds



National marketing campaigns for agri focused clients



Advisory solutions for a food company on the implications on their VAT situation post Brexit



Facilitated market research delivering actionable insights for one of Ireland's leading agtech businesses



Worked with one of Ireland's most prominent agribusinesses to develop a 5 year strategic vision



Creation and implementation of a digital strategy for a leading agribusiness



Secured R&D tax credits for an innovative agtech business

# Who we are



## David Leydon

Head of Food and AgriBusiness  
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David has a wealth of experience in the food and agribusiness sector. David worked with the Irish Farmers Journal for 11 years and was Commercial Director for the group from 2013 to 2017. David has an MSc in Business and IT from DCU and an MBA from Henley Business School in London.



## Declan McEvoy

Head of Tax  
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Declan McEvoy is an A.I.T.I. chartered tax adviser, a registered trust & estate practitioner. He is a leading authority on taxation and estate planning, has lectured extensively on tax topics throughout Ireland, is a regular contributor to publications and recently was co-author of 'Farming in a Limited Company – is it right for you?'



## Noreen Lacey

Head of Business Development  
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Noreen joined *ifac* in 2018, coming from AIB where she was National Agribusiness Development Manager. Noreen lead the implementation of a National Agri Business development programme. She holds a BAgrSc from UCD and a degree in Business Studies from IPA. Noreen has also held senior positions within Glanbia Agribusiness and ACC Bank. Given her background Noreen specialises in banking and funding advice.



## Martin Glennon

Head of Financial Planning  
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Martin has over 30 years' experience with the QFA, SIA and CERTIFIED FINANCIAL PLANNER™ designations under his belt. Martin specialises in providing advice on retirement planning, protecting families & business, and investments. Martin is a past President of the LIA (the educational body for the life and pensions industry) and continues to Lecture students who are studying to be Qualified Financial Advisers (QFA)



## Mary McDonagh

Head of Payroll Services  
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Mary leads a team of payroll specialists based in our Kilkenny Shared Services Centre. She has over 20 years' experience in the areas of HRM and Payroll services with experience across a range of sectors including; financial services, technology and FMCG. Mary holds an MA in HRM, and is CIPD qualified. She works with *ifac* clients to develop the best payroll solutions for their business.



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