



Hello everyone, I hope you and your family are staying safe and doing well.

We have good news for those that were not able to get funding from the PPP or EIDL. Yesterday the Senate approved \$370 billion in additional funding for small businesses which will fund the PPP and the EIDL. The relief bill will now move to the House, which is expected to vote on Thursday.

If the bill passes the House and the President signs, please be ready to apply for the programs if you are in need. I expect demand will be great again and the funds will run out. For the PPP, you will want to start communicating with your bank now to make sure everything is in place so that you can obtain funding. For the EIDL, those funds are applied for through the [SBA website](#). Currently they are not accepting new applications because they ran out of funding. You will want to check back with this website often once funding is approved.

Once you have received your PPP funding, be aware that your 8 week period for debt forgiveness begins on the date you receive the funding. We are currently assisting clients with putting together an 8 week plan to maximize the usage of those funds.

If you are in our Small Business Bookkeeping (SBB) program, please reach out to your Bookkeeper as soon as you receive funding. Your Bookkeeper and assigned CPA will then develop a plan for you to help make sure you get full usage of the funds. There will be no additional charge for those that are in our SBB program.

If you need help putting together a plan and you are not in our SBB program, contact us as soon as you get funded. We will get you assigned to a CPA that will put together a forecast for you and help you maximize your usage of funds. Our minimum fee for putting together the forecast is \$595.

For those of you that want to manage it yourself, below are some general guidelines.

On the day you are funded, your eight week period for debt forgiveness begins.

What you need to do:

Make sure you have all documentation for expenses that you want to qualify for the loan forgiveness.

Those expenses are:

1. Employee payroll costs. This is the Gross amount you pay an employee, up to \$100K of annualized pay per employee (\$15,385 per individual for eight weeks).
2. Employer portion of health care expenses. This does not include shareholder

- health insurance.
3. Employer retirement contributions.
 4. SUTA taxes (State Unemployment)
 5. Interest payments on real estate or personal property owned by the business. Loan must be in place before February 15, 2020.
 6. Rent payments. Lease has to be in place before February 15, 2020.
 7. Utility payments. Service must be in place before February 15, 2020.

I imagine this process will be similar to an IRS audit. You will need to show bank transactions as well as invoices, bills and or receipts. You will probably also need to show lease and loan agreements.

Remember that 75% of the loan proceeds must be used for Payroll.

If you reduce the average number of full-time employees after receiving the loan, that reduction will reduce the loan forgiveness.

Example: You had 10 workers before the loan. Once you receive the loan you only have 8 workers. Your loan forgiveness will be reduced by 20%.

If you reduce wages of workers earning less than \$100K annually by more than 25%, the amount of the reduction in excess of 25% also reduces the amount of loan forgiveness.

It is very important for you to understand your payroll dates to ensure that 8 weeks of payroll is paid within the 8 week period. You may have to adjust your payment date to ensure that the final week of payroll falls within the 8 week period.

If you have any questions, please let us know. We are here to help!

Thank you!

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