Navigating the Paycheck Protection and the SBA Economic Injury Disaster Loan Programs

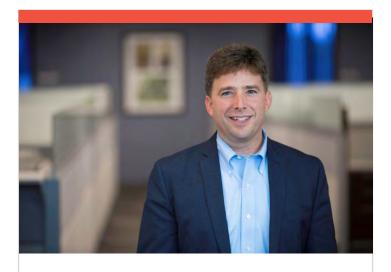
April 2, 2020

blum shapiro

step forward \rightarrow



Our Presenters



Andrew Lattimer Tax Partner, CT Office Managing Partner



alattimer@blumshapiro.com

860.570.6327



Michael LaCrosse CFO Advisory Director



mlacrosse@blumshapiro.com





Disclaimer



- » PPP Overview
- » Toolkit Overview
- » blum Insights
- » Q & A



Agenda

Disclaimer: Any content, comments, or advice contained in this webinar is limited to the matters specifically set forth herein. Such content, comments, or advice may be based on tax statutes, regulations, and administrative and judicial interpretations thereof and we have no obligation to update any content, comments or advice for retroactive or prospective changes to such authorities. This communication is not intended to address the potential application of penalties and interest, for which the taxpayer is responsible, that may be imposed for noncompliance with tax law.





- » Small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.
- » Provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.



- » Am I precluded for applying for the Paycheck Protection Program?
 - No, but you cannot pay for the same expenses



» What are the terms?

- 2.75% for non-profits
- 3.75% for small businesses
- Up to 30 years

» What can the funds be used for?

 A/P, payroll, fixed debts and other expenses due to COVID-19



» How can I apply?

- Visit the SBA website
- Estimated time to complete the application is 2 hours 10 minutes



» Initial documentation needed to apply:

- Gross receipts for the prior 12 months (Jan. 31, 2020)
- Cost of goods sold for prior 12 months (Jan. 31, 2020)
- Ownership information



» Potential documentation needed to apply:

- Completed SBA loan application (SBA Form 5)
- Tax Information Authorization for the applicant, principals and affiliates (IRS Form 4506T)
- Latest federal income tax return
- Personal financial statements (SBA Form 413)
- Schedule of liabilities (SBA Form 2202)



» Can I roll over my EIDL into the Paycheck Protection Program?

- Yes you can
- Must have received EIDL between January 31, 2020 and the date at which the PPP becomes available





- » Overview of the Paycheck Protection Program
- » Key points to the Paycheck Protection Program
- » blum Toolkit
- » Application Process
- » blum Insights



» Overview of the Paycheck Protection Program

- The funds are intended to be used to retain workers and payroll, and cover rent or mortgage interest, other interest payments and utility expenses for businesses impacted by COVID-19.
- Loans can be for any business concern, non-profit, veteran or tribal business
- The loan covers expenses from 2/15/20 to 6/30/20
- The loan can be forgiven assuming it is used for payroll, interest payments, utilities or rent
- Maximum loan amount is the lesser of:
 - The sum of: Average total monthly payments of payroll costs during 1-year period before loan application x 2.5 (exceptions for seasonal employees or business just started) or
 - \$10 million



» Key points to the Paycheck Protection Program

- Business must not be greater than 500 employees or the size standard established for the *industry (exceptions made to the food services sector with NAICS code 72 or franchise)*
 - Term "Employee" includes employees full time, part time, and obtained from a temporary employee agency, professional employee organization or leasing concern
 - Volunteers are not considered employees
 - Employees with compensation >\$100K on an annual prorated amount are capped
 - Principal residence must be within U.S.



» Key points to the Paycheck Protection Program (cont.)

- Sole proprietors and independent contractors are eligible to receive the loan with identified payroll tax filings or 1099-MISC
- Loan proceeds may be used for the following purposes:
 - Payroll costs, healthcare benefits, employee salaries and commissions, mortgage interest, rent, utilities and interest on other debt
- Loan interest rate is capped at .5% and has a max maturity of 2 years and can be deferred 6-12 months, does not have any fees, no personal guarantee needed, and no collateral needed



» Paycheck Protection Program

 For all the details on the Paycheck Protection Program, visit:

U.S. Department of the Treasury

pps 🛧 Bookmarks 🧧 Imported From IE 🕇		-			aterials2 😽 AFFOA Drop	v. xodx
	overnment					
	(The second s		-			
U.S. DEPARTM	AENT OF		QUIDV			
0.5. DEPARTN	AENT OF	THE INDA	SUKI			
ABOUT TREASURY SECRETARY	MNUCHIN	POLICY ISSUES	DATA	SERVICES	NEWS	
	For small b	usinesses seeking direc	t relief from C	OVID-19, CLICK HE	RE to learn more abou	t Paychec
HOME POLICY ISSUES TOP PRIORITIE	S CARES ACT	ASSISTANCE FOR SMAL	L BUSINESSES	5		
			1001		Sec. Sec.	
POLICY ISSUES	Assi	stance fo	or Sm	all Busi	inesses	
POLICY ISSUES	Assi	stance fo	or Sm	all Busi	inesses	
	Assi	stance fo	or Sm	all Busi	inesses	
POLICY ISSUES						
	The Paych	eck Protection Program	m prioritizes r			nall busin
Top Priorities CARES Act	The Paych		m prioritizes r			nall busin
Top Priorities	The Paych retention a	eck Protection Program	m prioritizes r nses.	millions of Americ	ans employed by sm	
Top Priorities CARES Act	The Paych retention a Small busi	eck Protection Program	m prioritizes r nses. nprofit organ	millions of Americ	ans employed by sn	Tribal bus
Top Priorities CARES Act Assistance for Small Businesses Tax Cuts and Jobs Act	The Paych retention a Small busi individual:	eck Protection Progra and certain other expe inesses and eligible no	m prioritizes i nses. nprofit organ ed or are inde	millions of Americ lizations, Veterans ipendent contract	ans employed by sn	Tribal bus
Top Priorities CARES Act Assistance for Small Businesses	The Paych retention a Small busi individual: • For a t	eck Protection Progra and certain other expe inesses and eligible no s who are self-employe op-line overview of th	m prioritizes r nses. nprofit organ ed or are inde e program CL	millions of Americ izations, Veterans pendent contract ICK HERE 📾	ans employed by sm organizations, and tors, are eligible if th	Tribal bus
Top Priorities CARES Act Assistance for Small Businesses Tax Cuts and Jobs Act	The Paych retention a Small busi individual • For a t • If you	eck Protection Program and certain other expe inesses and eligible no s who are self-employe op-line overview of th re a lender, more infor	m prioritizes r nses. nprofit organ ed or are inde e program CL mation can b	millions of Americ izations, Veterans pendent contract ICK HERE e found HERE e	ans employed by sm s organizations, and kors, are eligible if th	Tribal bus
Top Priorities CARES Act Assistance for Small Businesses Tax Cuts and Jobs Act Regulatory Reform	The Paych retention a Small busi individual: • For a t • If you" • If you"	eck Protection Progra and certain other expe inesses and eligible no s who are self-employe op-line overview of th	m prioritizes r nses. ed or are inde e program CL mation can b formation cal	millions of Americ izations, Veterans pendent contract ICK HERE e found HERE n be found HERE	ans employed by sm s organizations, and kors, are eligible if th	Tribal bus



» Fictitious Example:

- Prior to the Loan Application
 - Business X applies for a paycheck protection loan on May 1, 2020. The business had \$120K in payroll costs last year or a monthly average of \$10K.
 - Business X is entitled to a fully guaranteed federal loan equal to the lesser of: \$25K (\$10K in average payroll costs * 2.5), or \$10M.
- Calculating the Loan Forgiveness
 - In the first 8 weeks after the business borrows the \$25K, the business pays \$20K in payroll costs, mortgage interest, and utility payments.
 - Business X is eligible to have \$20K of the \$25K loan forgiven. The forgiveness will not create taxable income. In addition, any payments on the loan will not be due on the remaining \$5K for six months.



PPP Loan Toolkit Overview

» Where can I find this tool?

- A copy was emailed to everyone this morning
- We will also send it after the webinar, with a link to the tool and the recording
- You can also download it: blumshapiro.com/coronavirus



Toolkit – PPP Calculator

- Designed to be interactive and assist with estimating the potential loan amount
- Adjusts depending if you are a seasonal business, new business or a business with operations greater than twelve months

1)	Did your business exist prior to June 30, 2019? If yes, go to 3		Yes
2)	What date did your business begin? <i>mm/dd/yyyy</i>		
3)	Are you a seasonal employer?		No
4)	# of employees		23
	Paycheck Protection Program Calculator		
Us	e total costs over previous 12-month period before the date of the loan		
	Business Payroll	\$	-
	Average Monthly Costs	\$	-
		Ś	



Toolkit – PPP worksheet

- » The monthly view supports clients who are seasonal and/or started their business subsequent to June 30, 2019
- The totals link to the summary page discussed in previous slide

Payroll	Fe	b 19	M	ar 19	Ap	or 19
# of FTE's		-		-		-
Include:						
Salary & Wages	\$	-	\$	-	\$	-
Bonuses	\$	-	\$	-	\$	-
Commissions	\$	-	\$	-	\$	-
Compensation to 1099 vendors	\$	-	\$	-	\$	-
Cash Tips and/or equivalent	\$	-	\$	-	\$	-
Vacation, parental, family, medical/sick leave	\$	-	\$	-	\$	-
Allowance for dismissal or separation	\$	-	\$	-	\$	-
Group health care benefits including premiums	\$	-	\$	-	\$	-
Retirement benefits	\$	-	\$	-	\$	-
State & Local payroll tax	\$	-	\$	-	\$	-
Less:						
Payroll costs in excess of \$100,000 paid to each employee	\$	-	\$	-	\$	-
Taxes imposed or withheld under chapters 21, 22, or 24 of the IRC	\$	-	\$	-	\$	-
Comp of an employee whose principal residence is outside of the U.S.A	\$	-	\$	-	\$	-
Qualified family leave wages under section 7001 or 7003	\$	-	\$	-	\$	-
Total Payroll	\$	-	\$	-	\$	

Toolkit – PPP Worksheet

Annual view:

First Name	Last Name	Title	Salary / Wages / 1099 Vendors	во во	onus	Comr	nission	т	ips	E	xcess of \$100k	e & Local roll tax	acation, parental, nily, medical/sick leave	d	lowance for ismissal or separation	bene	up health care efits including premiums	Retirem benefit	
Employee 1	Employee 1		\$-	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-
Employee 2	Employee 2		\$ -	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-
Employee 3	Employee 3		\$ -	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-
Employee 4	Employee 4		\$ -	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-
Employee 5	Employee 5		\$ -	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-
Employee 6	Employee 6		\$ -	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-

- » Consolidated view of all employee costs needed for the application & loan forgiveness calculations
- » Most clients should use this page as it is a simplistic view of spend over the full year
- » Will also help you determine the number of employees with compensation greater than the \$100K threshold



Toolkit – Loan Forgiveness Calculator

Loan Forgiveness Calculator	
Business Payroll	\$ -
Mortgage Interest	\$ -
Rent Payments	\$ -
Utility Costs	\$ -
Loan Forgiveness (before required reductions)	\$ -
Reduction in Loan Forgiveness	
Monthly FTE's during "covered" period (8 weeks subsequent)	-
Monthly Avg FTE's for the period Feb 15 to Jun 30, 2019	-
Monthly Avg FTE's for the period Jan 1 to Feb 29, 2020	-
Percentage Decrease	0.0%
FTE Loan Reduction	\$ -
Individual employee comp reduced by 25% or more	\$ -
Total Loan Reduction	\$ -
Total Loan Forgiveness	\$ -

- » Works similar to the loan calculator. Summary is supported and linked to the detailed worksheet where you can input the details.
- » Please note that to recoup 100% of your loan, you must re-hire your entire staff and/or increase reduced salaries (more than 25%) back to loan origination levels, assuming you have already made some reductions.



» Application Process

- Application has just been released to the public late on March 31
- Application is very short and straightforward
- The business rules for submitting the application have not yet been released as of March 31
- We are seeing various applications from banks and the U.S. treasury
- Starting April 3, small businesses and sole proprietorships can apply
- Starting April 10, independent contractors and selfemployed individuals can apply
- <u>Applications can be found here</u>

	it 🗌 Vet Org 🔲 T		Legal Name	r mpioyed 🗳			BA or Trader	name if applie	nable
		Business Pri	imary Address			Business TIP	(EIN,SSN)	Busin	ness Phone
				_	_	Primary	Contact	()	il Address
	Monthly Payroll: of the loan	5	х	2.5 equals Los	an Amount:	5	Numb	er of Jobs:	1
	tore than one):	Payroll	Rent/Me	ortgage Interest	t DUtilities	Other (explain)			
st all own	vners of Applicant w	with greater that	1.000	plicant Owner ship stakes. Att		sheet if necessary.			
	Owner Name		Tü	le O	wnership %	TIN (EIN,SSN)		Address	
lf au	uestions (1) or (2) b	alow are anow	ered "Yes " t	he less all as	the annewed				
				ne toxin will no	the approved.				
fr 2. H lo th	s the Business or an com participation in las the Business, an oan from SBA or an he government?	y owner presen this transaction y of its owners y other Federal	itly suspended n by any Fede , or any busin l agency that i	Question I, debarred, pro ral department ess owned or c is currently del	oposed for deb t or agency, or controlled by a linquent or has	arment, declared in presently involved ny of them, ever ob defaulted in the las	in any bankru tained a direc t 7 years and	ptey? t or guarante caused a los	ed
fro 2. H lo th 3. Is att 4. H pr	tem participation in has the Business, any oan from SBA or any he government? s the Business or any trach a listing of all has the Business rece rovide details on a s	y owner presen this transaction y of its owners y other Federa y owner an ow Affiliates and a erved an SBA (eeparate sheet i	itly suspended n by any Fede , or any busin l agency that i ner of any oth describe the ri Economic Inju dentified as a	Question 4, debarred, prot ral department ess owned or e is currently del her business or elationship as a ury Disaster Le ddendum B.	pposed for deb or sigency, or controlled by a inquient or has have common addendum A. oan between Ja	arment, declared in presently involved ny of them, ever ob defaulted in the las management with a muary 31, 2020 and	in any bankru tained a direct t 7 years and any other busi I April 3, 2020	ptey? f or guarante caused a loss mess? If yes, 0? If yes,	ed et
fr 2. H lo th 3. Is at 4. H pr	com participation in las the Business, any con from SBA or any he government? s the Business or any ttach a listing of all las the Business reco	y owner presen this transaction y of its owners y other Federal y owner an ow Affiliates and a eived an SBA I eeparate sheet i widuals and al	atly suspended n by any Fede , or any busin l agency that i ner of any oth describe the n Economic Inju dentified as as 1 20% or great s ^{**} or question	Question I, debarred, pro- ral department ess owned or c is currently del her business or elationship as a ury Disaster Le ddendum B. ter owners of h (7) is answere	sposed for deb t or agency, or controlled by a inquent or has have common addendum A. oan between J: he business m	arment, declared in presently involved ny of them, ever ob defaulted in the las management with : inuary 31, 2020 and ust answer the follo	in any bankru tained a direc t 7 years and my other busi I April 3, 2020 wing question	ptey? f or guarante caused a loss mess? If yes, 0? If yes,	ed et
fr 2. Hi lo th 3. Is att 4. Hi pr <u>Appl</u> <u>guess</u> 5. A	com participation in has the Business, and on from SBA or an he government? is the Business or an ttach a listing of all has the Business rece rovide details on a s <i>licants who are indli</i> <i>distant</i> . (3) or (6) are how hold the standard of the hold of the hold of the standard of the hold of the hold of the hold of the standard of the hold of the ho	y owner presen this transaction y of its owners y other Federal y owner an ow Affiliates and or erived an SBA I eparate sheet i viduals and all answered "Yeu ibject to an ind	sitly suspended n by any Fede , or any busin l agency that it ner of any oth describe the re Economic Inji dentified as as 120% or greation " or question lictment, crimi	Question d, debarred, pro- ral department ess owned or e is currently del her business or elationship as a ury Disaster Le ddendum B. ter owners of L (7) is answerg Question mal informatio	oposed for deb or agency, or ontrolled by a inquent or has have common addendum A. soan between Ja he business in he business in he d "No", the le up, arraignmen	arment, declared in presently involved ny of them, over ob defaulted in the las management with a nutary 31, 2020 and ust answer the follo our will not be app	in any bankru tained a direct a 7 years and my other busi 1 April 3, 2020 wing question oved	ptey? f or guarante caused a loss mess? If yes, 0? If yes,	ed et
fr 2. Hi lo th 3. Is att 4. Hi pr <u>Appl</u> <u>guess</u> 5. A	com participation in has the Business, any coan from SBA or any son from SBA or any structure of the government, so the Business or any trach a listing of all has the Business rece rovide details on a s licants who are indi- tioned to the son of the son of the son of the heat of the son of the so	y owner presen this transaction y of its owners y other Federal y owner an ow Affiliates and or erived an SBA I eparate sheet i viduals and all answered "Yeu ibject to an ind	sitly suspended n by any Fede , or any busin l agency that it ner of any oth describe the re Economic Inji dentified as as 120% or greation " or question lictment, crimi	Question 4. debarred, pref ral department ess owned or e is currently del ury Disaster L ddendum B. ter owners of h (2) is answer Question minal information ind information, and y jurisdiction, a	sposed for deb or agency, or controlled by a inquient or has have common addendum A. oan between Ja he business in the business in ed "No", the lo	arment, declared in presently involved ny of them, over ob defaulted in the las management with a nutary 31, 2020 and ust answer the follo our will not be app	in any bankru tained a direct 4.7 years and my other busi 4. April 3, 2024 wing question aved	ptcy? t or guarante caused a loss mess? If yes, 0? If yes, <u>s_If</u> Ye	ed et
fr 2. H. 10 14 4. H. pr <u>Appl.</u> 5. A wo 6. V.	com participation in has the Business, and on from SBA or an he government? is the Business or an ttach a listing of all has the Business rece rovide details on a s <i>licants who are indli</i> <i>distant</i> . (3) or (6) are how hold the standard of the hold of the hold of the standard of the hold of the hold of the hold of the standard of the hold of the ho	y owner presen this transaction y of its owners y other Folderal y owner an ow Affiliates and eived an SBA i eparate sheet i viduals and all answered "Pe- libject to an ind all charges are ars, for any feld d gailty; 3) ple	ttly suspended n by any Fede n by any Fede a gency that i lagency that i lagency that i lagency that i Economic lay dentified as as 120% or great " or question lictment, crimi brought in any ony or misdem	Question d, debarred, profile rad department read department reas owned or c least onskip as a ury Disaster L. ddendum B. ter owners of fi col is answere Question final informatio ing insidiction, c haseanor for a crimi- tendence, 4) bed ding probation	sposed for deb or agency, or ontrolled by a inquent or has have common addendum A. ban between J: be business m d' 'No'', the la m, arraignmen or presently in mitial here to c me against a m en placed on p	arment, declared in presently involved of them, ever ob- defaulted in the last management with a muary 31, 2020 and any will not be appe- t, or other means by accented, on prob- accented, on prob- antifering your respon- ince, have you: 1) by retrial diversion; or en()?	in any bankru tuined a direct at 7 years and any other busi any other busi any other busi any other busi any other busi wing question se to question cen esh been	ptcy? t or guarante caused a loss mess? If yes, <u>s If</u> Yec 3 →	ed et
fin 2. H lo th 3. Is att 4. H pr <u>duolid</u> 5. A w o 0	toon participation in has the Business, and on from SBA or an he government? Is the Business or an the business rece- rovide dehalts on a s licentry who are inful stimum. (3) or 6d are: Are you presently su which formal crimin or partole? Workin the last 7 yee	y owner present by of its owners y of its owners y other Federal y owner an own Alfiliates and o eived an SBA eparate sheet i eived an SBA eparate sheet i viduals and all answered "Yee answered" and the answered answered answered and the answered answered answered and the answered answered answered answered answered answered answered answered answered answered answered answered answered answered answered answered answered answere	ntly suspended in by any Fede , or any busin l agency that if ner of any oth describe the ri Economic Inji dentified as a dentified as a dentified as a l 20% or great " or question istment, crimi brought in any ony or misdem aded nolo cor obstifon (inclu	Question d, debarred, project rad department ses owned or e ses searrently del her business or elationship as a ury Disaster Le ddendum B. ter owners of h <i>d</i> (1) is answer Question In meanor for a cni tenderce, 4) be ding probator In	sposed for deb t or agency, or sontrolled by a inquient or has have common addendum A. out between Ja her business an or presently in or presently in or presently in en placed on p hefor judgm hefor judgm	arment, declared in arment, declared in presently involved of them, ever ob- defaulted in the las management with a nuary 31, 2020 and est answer the follo- nan will not be appe- t, or other means by carcented, on prob- sonfirm your respon nor, have you: 1) br retrial diversion; or ent)?	in any bankru tuined a direct at 7 years and any other busi any other busi any other busi any other busi any other busi wing question se to question cen esh been	ptcy? t or guarante caused a loss mess? If yes, <u>s If</u> Yec 3 →	ed et
fin 2. H lo th 3. Is att 4. H pr <u>duolid</u> 5. A w o 0	toon participation in that the Business, and and from SBA or an be government? Is the Business or an trach a listing of all that the Business rece- rovide details on a s <i>Bicants who are indi</i> <i>stimus (5) or (6) are;</i> Are you presently su which formal crimin or parole? Wothin the last 7 yee convicted; 2) pleade placed on any form or	y owner present by of its owners y of its owners y other Federal y owner an own Alfiliates and o eived an SBA eparate sheet i eived an SBA eparate sheet i viduals and all answered "Yee answered" and the answered answered answered and the answered answered answered and the answered answered answered answered answered answered answered answered answered answered answered answered answered answered answered answered answered answere	ntly suspended in by any Fede , or any busin l agency that if ner of any oth describe the ri Economic Inji dentified as a dentified as a dentified as a l 20% or great " or question istment, crimi brought in any ony or misdem aded nolo cor obstifon (inclu	Question d, debarred, pro- ral department at department es owned or e s currently del ber business or relationship as a ury Disaster Le ddendum B. ter owners of <i>I</i> <i>(T)</i> is answers Question in information in information in a crimitatenders: 4) bed ding probations for a crimitatenders: 4) bed ding probations informations the construction of the second of the secon	sposed for deb t or agency, or controlled by a inquient or has have commion addendum A. San between Ja the <u>business m</u> or presently in mitial here to c me against a m en placed on p to before judgm mitial here to c tesident status	arment, declared in arment, declared in presently involved of them, ever ob- defaulted in the las management with a nuary 31, 2020 and est answer the follo- nan will not be appe- t, or other means by carcented, on prob- sonfirm your respon nor, have you: 1) br retrial diversion; or ent)?	in any bankru tained a direct at 7 years and my other busi A April 3, 2020 wing question word, ation se to question cen 5) been se to question	ptcy? t or guarante caused a los: ness? If yes, S? If yes, <u>s. If</u> <u>Ye</u> S→ 6→	ed et



Payroll Protection Program

» blum Insights

- \$349B does not seem to be enough to cover the needs
- Funds will most likely dry up quickly
- There are gray areas in the CARES Act
- Contact your bank representative to discuss your business
- Apply for both the EIDL and the PPP
- Apply ASAP!



- » Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship
- » Delay of Payment of Employer Payroll Taxes
- » These programs cannot be combined with the PPP



Upcoming Webinars

Cyber Crimes and Fraud Attempts During COVID-19 Monday, April 6 at 11:00 am

Employment Webinar: COVID-19 and Your Workforce Tuesday, April 7 at 11:00 am

> **Federal Tax Issues** Wednesday, April 8, time TBD

blumshapiro.com/coronavirus >>

COVID-19 Resource Center

blumshapiro.com/coronavirus >>

Federal Tax Updates | State and Local Information Industry Insights | Business Resources & Tools

Questions & Answers

Questions

- » What should companies be doing now?
- » What are the top funding options small business owners should be focused on?
- » We are a U.S. company, 100% foreign-owned, are we eligible for PPP?
- » How do you calculate the 500 employees?
- » Is there a penalty if we took advantage of the PPP for the 4 month period and had to layoff/furlough at the start of the 5th month?





- » Is an owners pay part of the payroll calculation? We have 2 full time employees on payroll and 2 owners that draw out of the business for pay.
- » Can I include independent contractors in the PPP loan? If I pay someone as an independent contractor to perform a service, do I count them in my headcount? What if they are an LLC?
- » Can you reduce salaries by 80% and still qualify? Can you lay off people ahead of filing for the loan?
- » Does rent include common area charges and taxes or just the base rent?
- » How do I calculate employees that earn more than \$100,000 in a year?



Questions

- » When can I apply for the loan?
- » Can you apply for both the PPP and EIDL loan
- » Are there revenue restrictions?
- » Is there a list of approved lenders?
- » Are shareholder distributions/draws included in the PPP loan calculation?



Thank You

