



# PPP OFFICE HOURS

Presented July 8, 2020



## UPDATES AS OF 7/8

- Congress passed, and the President has signed an extension of the application period for the PPP loan program
- NEW PPP loan applications may be submitted to participating banks until August 8
- No other significant changes this week



## LAST WEEK'S HOMEWORK

- Get out your lists from last week
- For each person on each table,
  - Compile their earnings for  
February 15, 2020 – April 26, 2020



# YOUR PPP BUSINESS WORK FOR THE WEEK 7/6

- Get out your lists from last week
- For each person on each table,
  - Compile their hours for your reference period  
January 1-February 29, 2020  
Divide by 40 to find your FTEs for each
  - If you think you'll have lower FTEs from Feb 15, 2019-June 30, 2019, you can use that as a reference period
  - If you applied as a seasonal business, you have one more choice: any consecutive 12-week period between May 1<sup>st</sup>, 2019 and September 15, 2019





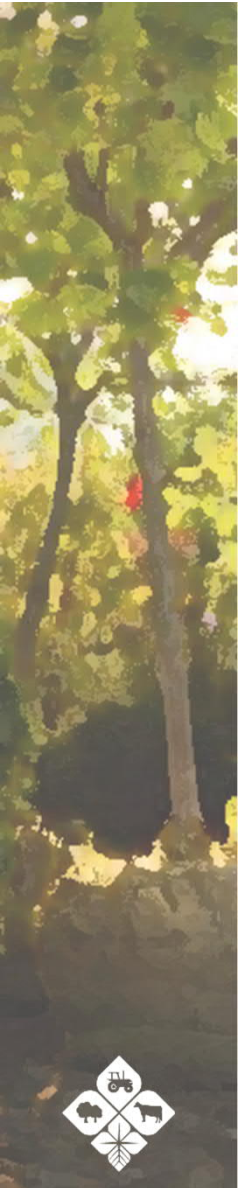
## NEED MORE ASSISTANCE WITH PPP LOAN FORGIVENESS?

- Weekly PPP Forgiveness Office hours will continue at no charge to answer your questions.
- If you need more help (or just want someone else to do it for you)...
  - Farm Credit East's Consulting team can offer one-on-one assistance on a fee basis
  - Individual Phone or Video Chat Consultations
  - Direct assistance, including the preparation of forgiveness application packets to submit to your lender

Contact us for more information!



Please type  
Your PPP  
Questions  
in the chat box!



## YOUR PPP BUSINESS WORK FOR THE WEEK 7/13

- Get out your lists from last week
- For each person on each table,
  - Compile their earnings for  
The pay period including June 30, 2020



## YOUR PPP BUSINESS WORK FOR THE WEEK 7/20

- Get out your lists from last week
- For each person on each table,
  - Compile their hours  
February 15 – June 30, 2019  
Divide by 40 to find each person's FTE equivalent





## YOUR PPP BUSINESS WORK FOR THE WEEK 7/27

- Get out your lists from last week
- For each person on each table...





## LAST WEEK'S PPP BUSINESS WORK

- Compile a list of each employee that worked for you in 2019.
- Review their GROSS PAY by pay period in 2019
- Highlight anyone who was paid MORE than \$100,000 annualized in ANY pay period
  - If you pay  
WEEKLY  
BI-WEEKLY (every 2 weeks)  
SEMI-MONTHLY (2x/mo)  
That's  
> \$1923.07/week  
> \$3,846.15/bi-weekly  
> \$4,166.67
- Now, separate them into two lists:
  - Those who made < the threshold = Table 1
  - Those who made > the threshold = Table 2
- Label the lists clearly!



## LAST WEEK'S PPP BUSINESS WORK

- Get out your lists from last week
  - Table 1: employees who made less than the threshold in any pay period
  - Table 2: employees who made more than the threshold in any pay period
- Add anyone that is new in 2020 to your Table 1 (those who made less than \$100k annualized)
- Create table 3 for any owners

## LAST WEEK'S PPP BUSINESS WORK

- For each person on each table,
  - Compile hours worked from Jan 1-Feb 29 2020.
    - Could use 2/15/19-6/30/19 if less FTEs then
  - Calculate average hours worked each week.
  - Divide average hours worked for each by 40.

ProTip: DO this in a spreadsheet so you can edit as needed.





## LAST WEEK'S PPP BUSINESS WORK

- Get out your lists from last week
- For each person on each table,
  - Compile their earnings for  
January 1, 2020-March 31, 2020





## REVISIONS TO LOAN FORGIVENESS INTERIM FINAL RULE: WHAT'S NEW

- States that borrowers may submit forgiveness applications any time on or before maturity date of the loan, including before the end of the covered period – if the borrower has used all of the loan proceeds for which the borrower is requesting forgiveness.
  - If reduced pay or FTE's, will still reduce forgiveness even if applying before end of covered period.
  - It is unclear how the FTE reduction will be calculated if using less than the full covered period.





## REVISIONS TO LOAN FORGIVENESS INTERIM FINAL RULE: WHAT'S NEW

- Health and Retirement Benefits for Owners:
  - C-Corps: may include company paid health and retirement benefits
  - S-Corps: may include company paid retirement benefits ONLY
  - Sole-props / Partnerships: may not include any owner health or retirement benefits



## INTERIM FINAL RULE ON ADDITIONAL ELIGIBILITY REVISIONS TO FIRST INTERIM FINAL RULE

- Changes eligibility for businesses with a 20% owner in legal trouble to felonies only, and if parolee's to only those on parole / probation to a limited timeframe specific crimes





## INTERIM FINAL RULE ON BUSINESS LOAN PROGRAM TEMPORARY CHANGES.... FISHERMEN

- Allows for owners of fishing businesses to include the compensation for contract employees who receive 1099's as payroll expense in a PPP loan application
- Use box 5 of the 199's as compensation amount
- Must conform to IRC 3121 (b) (20) definition
  - Does not receive cash compensation other than a share of boat's catch
  - Share of compensation is based on amount of catch
  - Boat is normally made up of less than 10 individuals
- If any of the "employees" have received their own PPP loans, boat owner will not receive forgiveness for same compensation



## UPDATED SBA FAQ

- Reinforces that loans made after June 5 have a maturity of 5 years and that other loans are 2 years, unless lender and borrower agree to change



## LAST WEEK'S BUSINESS WORK

- Get out your lists from last week
- For each person on each table,
  - Compile their earnings for  
The pay period including Feb 15, 2020





## LAST WEEK'S HOMEWORK

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