



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 1st, 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** That's **> \$1923.07/week**
 - **BI-WEEKLY** (every 2 weeks) **> \$3,846.15/bi-weekly**
 - **SEMI-MONTHLY** (2x/mo) **> \$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



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The pay period including Feb 15, 2020



LAST WEEK'S HOMEWORK

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