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A blue rectangular graphic with white and red text. It features two red, spiky virus-like icons on the left. The text includes 'COVID-19' in large white and red letters, 'RESPONSE TEAM' in white, and the email address 'COVID19@APPLEGROWTH.COM'. At the bottom left, it says 'APPLE GROW+H PARTNERS Healthy Growth.' and at the bottom right, 'YOUR PARTNERS FOR NAVIGATING COVID-19 UPDATES FOR BUSINESS OWNERS'.

COVID-19
RESPONSE TEAM
COVID19@APPLEGROWTH.COM
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YOUR PARTNERS FOR NAVIGATING
COVID-19 UPDATES FOR BUSINESS OWNERS

Paycheck Protection Program Forgiveness Application – May 27, 2020

PRESENTED BY BETHANY LAWRENCE, KATHY DAVIS, AND SUE PEIRCE

Welcome

- + All attendees are placed on listen-only mode
- + Submit a confidential question at any time
- + Questions will be reviewed by our team and followed up after the webinar
- + Contact information will be provided
- + Today's webinar recording will be sent via email within 2 hours



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COVID-19 Response Team



Sue Peirce, CPA, MTax
Principal, COVID-19 Leader



Kathy Davis
Senior Manager



Brandon Fredericks, CPA
Senior Manager



Dave Gaino, CPA
Principal



Leif Erickson, CPA
Senior Manager



Robert Jackson, CPA
Senior Manager



Toby Kaye, CPA, MTax
Manager



Bethany Lawrence
Senior Associate



Taylor Lorenz, MAcc
Supervisor



A'Shira Nelson, CPA
Manager



Matt Silla, ASA, CFA
Senior Manager

+ PPP Loan updates

- + Forgiveness application

- + Instructions for application

- + SBA issues Interim Final Rule – Business Loan Program Temporary Changes; Paycheck Protection Program – Requirements – Loan Forgiveness dated May 22, 2020

SENATE

- + The first Senate bill would double the loan forgiveness period to 16 weeks.
- + A separate Senate bill would also expand the loan forgiveness period to 24 weeks and eliminate the 75% rule.

HOUSE

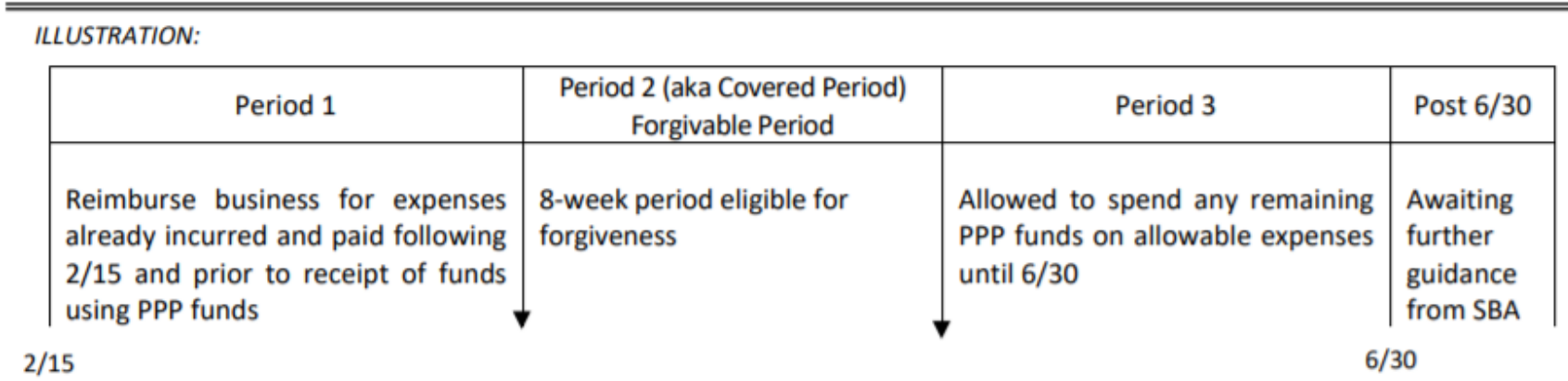
- + The House is expected to vote this week (by proxy) on standalone legislation that would extend the loan forgiveness period to as long as 24 weeks and also eliminate the rule requiring PPP borrowers to spend at least 75% of the funds on payroll costs to qualify for full loan forgiveness.

- + Owner-employee compensation is limited to the lesser of 8/52 of the 2019 compensation or \$15,385.
 - + Plus health insurance and retirement
- + Self-employed (Schedule C) individual's owner compensation replacement must be calculated **2019** net profit
 - + NO health insurance and retirement
- + General partners are capped at **2019** net earnings from self-employment (reduced by Section 179, unreimbursed partnership expenses and depletion) multiplied by 0.9235
 - + NO health insurance and retirement

- + Clarifies that if EE's compensation is not greater than \$100,000 on an annualized basis that employee's hazard pay and bonuses are eligible for forgiveness
- + Introduces "alternative covered payroll period"
 - + Only applicable if pay bi-weekly or more frequently
 - + 8-week period beginning on the first day of the first pay period following the loan disbursement date.

- + Payroll costs – compensation, health & retirement
 - + **Appears to be incurred OR paid rather than incurred and paid**
- + Non-payroll costs such as mortgage interest, rent and utilities must be either
 - + Paid During the 8-week covered period OR
 - + Incurred during the 8-week period and paid by its next regular due date, even if that due date is outside the 8-week period.

Understanding the Time Periods



- + Our COVID-19 Response Team's popular webinar series continues tomorrow:
- + **Part 10: Main Street Lending Program**
 - + Thurs., May 28 | 11 AM – 12 PM
- + Register today at applegrowth.com/COVID19