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Paycheck Protection Program Update

PRESENTED BY BETHANY LAWRENCE, KATHY DAVIS, TAYLOR LORENZ, KYLE KERNER
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

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Principal, COVID-19 Leader



Kathy Davis
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Taylor Lorenz, MAcc
Supervisor

Quick statistics

- + Summary of PPP Approved Lending as of July 10th
- + Loan Count - 4,907,655
- + Net Dollars - \$517,417,286,175
- + Lender Count - 5,454
- + Average loan size - \$105,000

Your frequently asked questions

- + Status of guidance
- + Understanding the forgiveness process
 - + Banks control
- + When are costs considered paid?

Covered Period – Eight weeks or 24 weeks

- + When does the covered period begin?
- + What is the alternative covered period?
- + Which period is better?
- + Is there a penalty for using the 24 weeks?

Reductions

+ Reduction of FTEs

+ Exception

- + Rejection of good faith offer

- + Fired for cause

- + Unable to rehire and can demonstrate inability to hire similar by 12/31/20

+ Reduction of rate of pay

+ Reduction of hours

Payroll Costs

- + What is included?
 - + Bonuses, hazard pay
 - + Family members
- + Health care plan?
 - + Dental, vision, ancillaries?
 - + Workers comp?
- + Retirement plan?

Compensation

24-Week Covered Period

	Self-employed/ General Partners	Owner Employee – C Corporations	Owner Employee – S Corporations	Employees \geq \$100,000
Compensation	Lesser of \$20,833 or net profit from line 31 of 2019 Schedule C. General partners – Lesser of \$20,833 or 2019 net earnings from self-employment (reduced by Section 179 deductions, unreimbursed partnership expenses and depletion.	Lesser of \$20,833 or 2019 cash compensation (+ 2019 employer paid health care plans + qualified plan contribution)	\$20,833 (\$100,000/12*2.5)	\$46,154 (\$100,000/52 * 24)
+ employer paid health care plans	no	yes	no	yes
+ qualified plan contributions	no	yes	yes	yes

Compensation

8-Week Covered Period

	Self-employed/ General Partners	Owner Employee – C Corporations	Owner Employee – S Corporations	Employees \geq \$100,000
Compensation	Lesser of \$15,385 or net profit from line 31 of 2019 Schedule C. General partners – Lesser of \$15,385 or 2019 earnings from self-employment (reduced by Section 179 deductions, unreimbursed partnership expenses and depletion.	Lesser of \$15,385 or 2019 cash compensation (+ 2019 employer paid health care plans + qualified plan contribution)	\$15,385	\$15,385
+ employer paid health care plans	no	yes	no	yes
+ qualified plan contributions	no	yes	yes	yes

- + When can the short form be used?
 - + self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application
 - + No reduction of the number of employees or the average paid hours of employees between January 1, 2020, and the end of the Covered Period
 - + Unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020

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Thank You

See our full coverage and updates at applegrowth.com/COVID19