



## **Covid-19 Resources®**

### **Installment One**

#### **Office Closures and Planning**

Both the CDA (California) and MDS (Massachusetts) are recommending that dentists close their offices to patients seeking elective and non-urgent care. As of the writing of this correspondence, there is nothing posted on the WSDA site recommending the same in Washington State (<https://www.wsda.org/member-center/covid-19>); however, offices are already experiencing a weakening in the schedule and are anticipating a reduced schedule and or intermittent closing. We recommend checking the ADA and WSDA site for more updated information.

Reliance on a strong team will be critical during this time. You will need to avoid supply chain disruption especially with products from outside the United States and sterilization supplies. You may look to re-arrange schedules, temporarily close offices where the schedule is light or pair down your schedule and run with a skeleton staff.

#### **Team Reassurance and Support**

The New York Times article over the weekend seemed to indicate that dentists and clinical staff were relatively high on the list for becoming infected. For this reason, you may find some team members wishing to take time off. Conversely, others will be concerned about the possibility of not working and getting paid. Of course, the team will be feeling very unsettled by the recent developments and you may need to provide them with reassurance and leadership. Below you will find a link to the Washington State Employment Security Department. There you will find some options for your practice and employees related to the different programs the state has available to help.

#### **HR and Payroll**

In light of all of this, being prepared to deal with HR and payroll/ cash flow issues is critical.

Get the facts on **When should I layoff, When and how do I ask employees to stay home, and How can I plan for staffing in this time of uncertainty?** All Things HR is hosting a 1 hour webinar on Wednesday the 18th - follow the attached link for more information <https://allthings-hr.com/event/covid-19-what-we-know-now-webinar/>

Also check with Bent Ericksen (An HR Consulting firm for Dentists) at <https://bentericksen.com/coronavirus-faqs/>.

As noted in our communication from last week, we recommend you visit the Employment Security Department website <https://esd.wa.gov/newsroom/covid-19> to learn more about the options available which may include using state programs (Washington Paid Family Medical Leave, Sick and Safe), paid time off, and of course considering temporary lay-offs. They have a helpful chart that compares the various state programs and when they would come into play.

We have been told (and again urge you to confirm) that you may pay out PTO in advance and that if you are paying an employee hourly with no employment contract you may drop pay to minimum wage. We do not know how this would interact with the employee's ability to claim unemployment or utilize the SharedWork Program.

And, as always, we urge you to discuss all HR issues with your attorney and or HR specialist.

## **Cash Flow**

Now to you and the practice cash flow.

**Can you file a business interruption insurance claim?** Some have inquired whether their business interruption insurance would cover any costs should they have to close their office. We urge you to consult with your attorney or insurance agent on this issue. What we have read thus far indicates that the loss would have to be due to a direct physical loss rather than preventative measures.

**Federal Tax Support** - As of today, the deadline for filing and paying 2019 taxes and first quarter 2020 taxes remains April 15, 2020. However, in a letter sent to the IRS on Friday, lawmakers argued for an additional 90 days to help mitigate the impact the virus is having. Further, the AICPA (American Institute of Certified Public Accountants) commented on Sunday that based on their conversations with the IRS commissioner, they anticipate that Treasury and the IRS will announce this week an extension of the April 15th deadline by as much as 90 days and a waiver of penalties and interest for most taxpayers. We will continue to update you as this develops.

As specifically relates to you and how to manage your cash flow, our recommendations include the following:

- Limit your personal and unnecessary spending
- Consider ways to reduce your overhead in the short term by condensing your schedule
- Contact your bank and lender about any hardship programs that may become available
- While we don't recommend "borrowing" from the IRS, there may be merit to reducing or eliminating your federal tax payments in the form of either changing (reducing) your April 15th estimated tax payments (if you pay quarterly) or reducing your federal withholding (if you pay your taxes via salary).
- It may be worthwhile to reach out to your landlord and request a rent reduction due to the impact on your business. We are hearing from real estate professionals that a landlord will typically ask to see tax returns, bank statements and P&L statements to evaluate the situation. If this is something you are considering, be prepared before talking with your landlord.

**Dental Group, LLC** - We will be working both in the office and remotely in the coming weeks. Our meetings will be done via teleconference and or online collaboration. If you plan to drop off tax documents, please call ahead to coordinate a time when we will be in the office as there is no safe place to leave documents at the door.

Our focus in the coming weeks will be on finishing tax returns such that if a refund is due to you, we can get that as quickly as possible; we are of course continuing to monitor developments so that we can be a resource to you in making decisions relative to your practice and personal finances.

If you have any questions, please do not hesitate to contact us directly at (425) 216-1612.