



Covid-19 Resources

FAQs – June 18, 2020

Getting you the answers to the many questions related to Covid-19 and its impact to you is our first priority. Things continue to evolve and change very rapidly, but please know that our team is working as quickly as possible to understand all that is taking place and going to the source for the answers. Our goal is to get you answers and information that is in **your** best interest and not get waylaid with distractions. Below are the most recent questions we have been fielding.

Q1: I hear there are new rules and a new application for PPP loan forgiveness.

Answer: The SBA issued a new forgiveness application that adjusts for the expanded 24-week covered period. Other than the new dates and measurement period not much changed, but see the questions below for updates. They also provided a new “EZ” form that streamlines much of the application. We may need additional guidance to determine who is eligible for the simpler form, but you do not need to make that determination for quite some time. Whichever form you end up using, that should not change how you currently spend or track your use of PPP funds.

Recommendation: Shoot for using 100% of the loan on payroll to allow for a more simplified forgiveness application and not having to give the bank more information to review. With the expanded covered period, you essentially now have 24 weeks to spend about 10 weeks’ worth of payroll. You are still free to include rent, mortgage interest, utilities, and other costs in the forgiveness calculation, but each category of expense will require more documentation. If you count only payroll, it may be as simple as printing out a report from your payroll provider.

Q2: Is there any guidance or update related to the \$100,000 limit for employees and owners?

Answer: The new information makes clear that payroll, as limited by the \$100,000 annualized amount, covers all payroll over the (up to) 24-week period.

Employees who earned more than \$100,000 in 2019 are limited to \$46,154 over the 24-week period (up from \$15,385 under the prior and now alternative 8-week period).

Owners, including Employee-Owners, are limited to \$20,833 over the 24-week period. Treasury/SBA “decided” that this was in the spirit of the original legislative intent and is based on the two and one-half month period upon which the PPP Loan itself was based.

Even though the practice owner is limited to \$20,833 for purposes of forgiveness, if cash flow allows, you may resume your pre-Covid normal salary schedule or draw schedule without negatively impacting the forgiveness.

Q3: When can I (do I need to) file for forgiveness?

Answer: Once you have maximized your qualified spending and gathered the required documentation, it is simply a matter of waiting for your lender to begin accepting applications. Perhaps as soon as early or mid-July.

Q4: I hear that the SBA is accepting applications for the EIDL loan again. Should I apply for that to get the grant?

Answer: The SBA opened the Economic Injury Disaster Loan (EIDL) and Advance program to all eligible applicants once again this week. If you have not yet applied and are considering the additional loan please refer back to our FAQs found [here](#) addressing some of our concerns regarding the loan terms.

With regards to the EIDL Advance, it does not need to be repaid to the SBA however, it does reduce the amount of loan forgiveness under the PPP Loan program; this essentially means you are repaying the advance under the PPP loan terms. Therefore, if you have already applied for and received a PPP Loan and not an EIDL Advance at this point it may not be prudent to apply just for the advance unless you are in need of additional cash (which is to be repaid later under the PPP loan terms). The maximum advance is \$1,000 per employee capped at a total of \$10,000.

Dental Group, LLC - We continue to work both in the office and remotely. Our meetings will be done via teleconference and or online collaboration. If you plan to drop off 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.

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