

Webinar ID
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Question

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Hopefully a quick/ easy question: will there be information related to nonprofits shared today?

Answer(s)

Yes. The PPP and EIDL apply to most private non-profits.

i apply eidl loan around march 30 but still i did not here any thng when i will get loan

live answered

I got a EIDL advance and a PPP offer that I have not signed yet. I am needing to know if the EIDL advance will be subtracted from PPP and will reduce the amount of PPP forgiven?

live answered - Yes. It should be considered an 'advance' on the forgiveness of your PPP loan. Please talk with your lender.

Are the payroll protection loans for 8 weeks or six months? Or does it only apply for EIDL?

live answered - The PPP loan funds are to support your payroll to W-2 employees for the 8-week period after you receive the PPP funds. The EIDL loan is meant to help you cover your ongoing expenses for the six month period following a disaster.

Can you use it for payroll taxes? Unemployment? Anything that comes out of a paycheck?

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live answered - Please see what qualifies as payroll costs and what is excluded in the guidance (pages 10-11) in the Interim Final Rule:
<https://home.treasury.gov/system/files/136/PPP--IFRN%20FINAL.pdf>

Is this personal mortgage?

live answered - No.

What if your employees are not allowed to work because of current shelter in place guidelines

live answered - We are waiting for more guidance from the SBA/Treasury on this issue. Currently, the guidance states that the PPP loan forgiveness is based on actual payroll for the 8-weeks beginning on the date you receive the PPP loan funds. This guidance may or may not change.

On slide 18 you mentioned there is a 20 day deadline to provide needed documentation. What is the needed documentation? Is that needed documentation for loan application or loan forgiveness?

live answered - the 20 day deadline impacts the loan application being approved/funded. The forgiveness is calculated after the 8-week period is over (later in June or July).

If I got the EIDL advance do I have to except the loan offered. Is the Advance a grant and will SBA require a company to provide documents as to how the money was used?

live answered - You'll receive an email to approve some or all of the EIDL (loan) itself. I don't know what the result would be if you declined to accept (electronically sign) the EIDL documents. Yes, the SBA may inquire to ensure that the EIDL funds were used for the purposes intended for the approved business.

It should be noted, that while an employee can decline employment at the same job that they left, Laurel Klein Searles at KDOL stated that this very thing will disqualify the employee for Unemployment benefits and the business owner is to report this employee to KDOL.

Were business allowed to apply and receive both EIDL and PPP loans? The early discussions indicated that they could only obtain one or the other?? How does self-employer sole owner document payroll expense during 8 week for PPP loan forgiveness purpose?

For self employed Sch C they can receive 2.5 x 2019 net Sch C. How do they prove that 8 weeks of "payroll" was paid? Or how do they get the loan forgiveness?

Do agricultural businesses need to have shown a profit on 2019 tax return to qualify for the EIDL?

I am an Independent Contractor Physical Therapist and "only employee."

Please clarify as Independent Contractor as a Physical Therapist I will be making the payroll check out to me and then send in the respective Federal and State of Kansas payroll taxes due...correct method to proceed?

Suppose FTEs increase. How does that affect loan forgiveness?

On PPP forgiveness, we can use gross wages and payroll taxes (except FICA)?

Can you "prepay" a payroll near the end of the eight weeks?

live answered - see Question # 40 on this FAQ doc: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>

Live answered. Yes, businesses can - but they can only take the benefit from one program. Their EIDL Advance would be deducted from the PPP loan forgiveness calc. With no W-2 employees, the PPP loan and its forgiveness calculations are not based on payroll - but on their 2019 Schedule C. See slide # 13

See answer above. The PPP loan (max amount) is based on their 2019 Schedule C net profit line 31 divided by 12 x 2.5. See slide 13

No. The EIDL application asks for the ag-business' gross revenues, cost of goods sold and farm expenses (costs for fertilizer, chemicals, vaccines, feed, etc.). So, the Schedule C pertains to the PPP loan, not the EIDL application.

See slide # 13.

Yes, if you have been paid by your company as a W-2 employee. Most business owners do not do this, but if you do - you and any other W-2 employee would be accounted for on your company's payroll records.

The goal of the PPP program is to help companies sustain their full FTE count. Adding more employees would help ensure that over 75% of the PPP loan amount is used for payroll. However, the PPP loan is based on your avg monthly payroll for 2019 - so the loan (or its forgiven amount) would not increase because you may now have more FTEs.

Yes. Please see what qualifies as payroll costs and what is excluded in the guidance (pages 10-11) in the Interim Final Rule:

<https://home.treasury.gov/system/files/136/PPP--IFRN%20FINAL.pdf>

No. The PPP loan forgiveness is based on actual payroll expenses (at least 75%) and operating expenses (max 25% of total) during the 8-week period that starts on the date you receive the PPP funds from the bank.

Can you please explain the 20-day deadline to provide documentation to the bank? When does the 20 days start?

You have a 20 day time limit to provide the lender with the required documentation they requested based on the date the SBA assigns the bank our loan authorization number. This situation may not occur because most banks won't try to process the loan through the SBA system until they have all of your documentation.

For real estate agents, does their vehicle qualify for working capital? Do we have those guidelines yet?

If you are a sole proprietor (single entity LLC), you may be able to include this expense if it was a deduction or eligible to be a deduction in your 2019 Sched C - but these expenses can only equate up-to 25% of the total loan that's approved - see slide 13.

The above question is for PPP as Independent Contractor Physical Therapist; I have received my PPP loan amount; have not received the EIDL Advance with an application number that begins with "3" ...when EIDL Advance comes into my account and I receive the email, best to Decline this EIDL Advance...correct?

live answered - Your EIDL Advance (grant) should be considered an 'advance' on the forgiveness of your PPP loan. So, you could pay it to the lender when your PPP loan forgiveness is calculated after the 8-week period is over. Any outstanding (unforgiven) portion of the PPP loan would need to be paid to the lender within the 2 year period - it is a 1% interest loan.

ppp loan be used to pay work comp expenses?
Is there any way that we can get the breakdown of loans and amounts by county, both PPP and EIDL, but not the names.

Yes, but keep in mind that to obtain max forgiveness of the PPP loan, you must use 75% or more of the loan to pay your payroll expenses over the 8-week period. If it's less than that, the unforgiven balance would be a 1% loan due within the two year period.
Right now, the PPP and EIDL loan data is by State. I'm not sure if/when the breakdown by county will be released.

What if we received more PPP than we actually need for the business? Did you say the PPP can be used to pay taxes owed?

The purpose of the PPP loan is to help the business pay its employees over the 8-week period - or for the sole proprietor maintain its operations. It is not meant to pay outstanding tax bills.

If you were receiving Kansas Unemployment Benefits for past 5 weeks and then recently received a PPP loan, it is best to Stop Kansas Unemployment Benefits..correct?

live answered - You must comply with the state's unemployment insurance reporting requirements for benefits and other aid received. If not, the state may require you to pay-back the UI benefits received and/or other penalties.

If you get the EIDL loan, will the advance be added back to the loan balance?

live answered - the EIDL Advance is a grant (forgiven amount) that does not impact the amount of the EIDL loan itself.

You mentioned Temps (temporary employees), if a company is in need of additional employees and cannot find replacements, are temps considered an employee replacement and will their wages be acceptable in the PPP program?

live answered - Good question! The guidance we currently have states that the PPP loan forgiveness is calculated based on your company's actual payroll for the 8-week period. If the temp employee is on the payroll of the temp agency, it may depend on the guidance the SBA/Treasury issues on how to treat this situation - it may require you to provide proof of the temp employee's hours worked, wage rate and

evidence that you paid the temp agency for those hours/wages during the 8-week period.. at this time we are not sure. Hopefully, the new guidance for lenders about loan forgiveness calculations would include such details.