

Navigating Through Uncertainty



ARE YOU STRUGGLING WITH YOUR PPP LOAN?



WEBINAR #5

May 21, 2020

PPP Loan Forgiveness Insights

Andrea P. Sardone
Director



Introduction

Rob Klingensmith

Partner

*Consulting Line Leader
Today's Moderator*



Meet Our Panelists



Kasey M. Pittman
CPA, MSA Tax

Senior Manager, Tax



Sean R. O'Connell
CPA/PFS, CGMA

*Partner,
Tax Service Line Co-Leader*



Rob Klingensmith
Partner

Consulting Line Leader

PPP: Where are we now?

Kasey M. Pittman, CPA, MSA Tax

Senior Manager, Tax



CARES Act - March 27th



PPP Opens

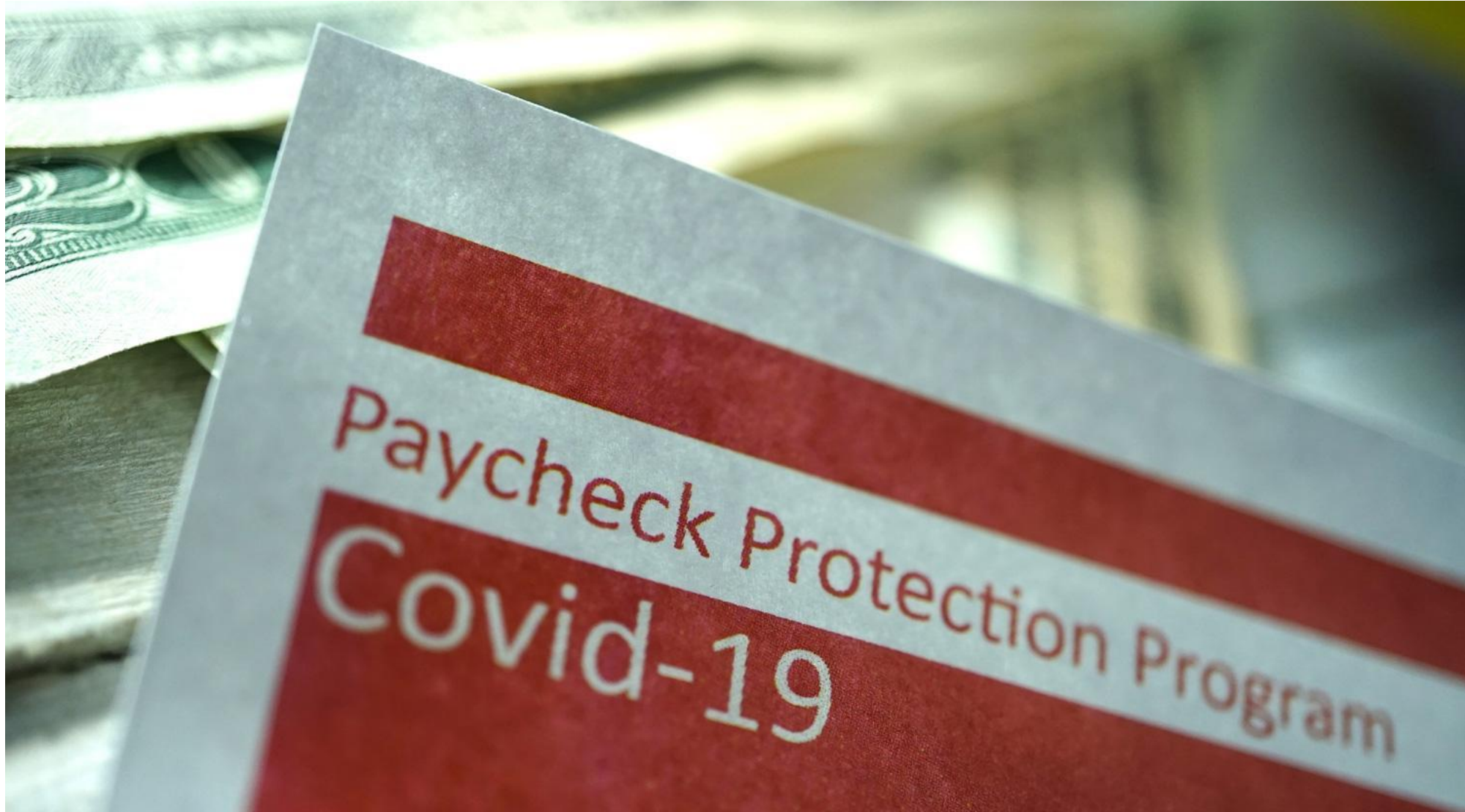
PPP Opens

CARES Refuel

**\$513
Billion**

**\$4.34
Million
Loans**

PPP Forgiveness Application



Least of these 3:

PPP Application – Forgiveness Amount



**Potential Forgiveness
Amount A**
(PPP Loan Amount)



**Potential Forgiveness
Amount B**
(Payroll / .75)



**Potential Forgiveness
Amount C**
(Shown in Next Slide)

How Does Calculation Work?

	\$ Qualified Payroll Costs
+	Other Qualifying Costs
-	<u>Salary/Hour Wage Reduction</u>
=	Sub Total
x	<u>FTE Reduction Quotient %</u>
=	Potential Forgiveness Amount (C)

PPP: Four Hurdles to Forgiveness

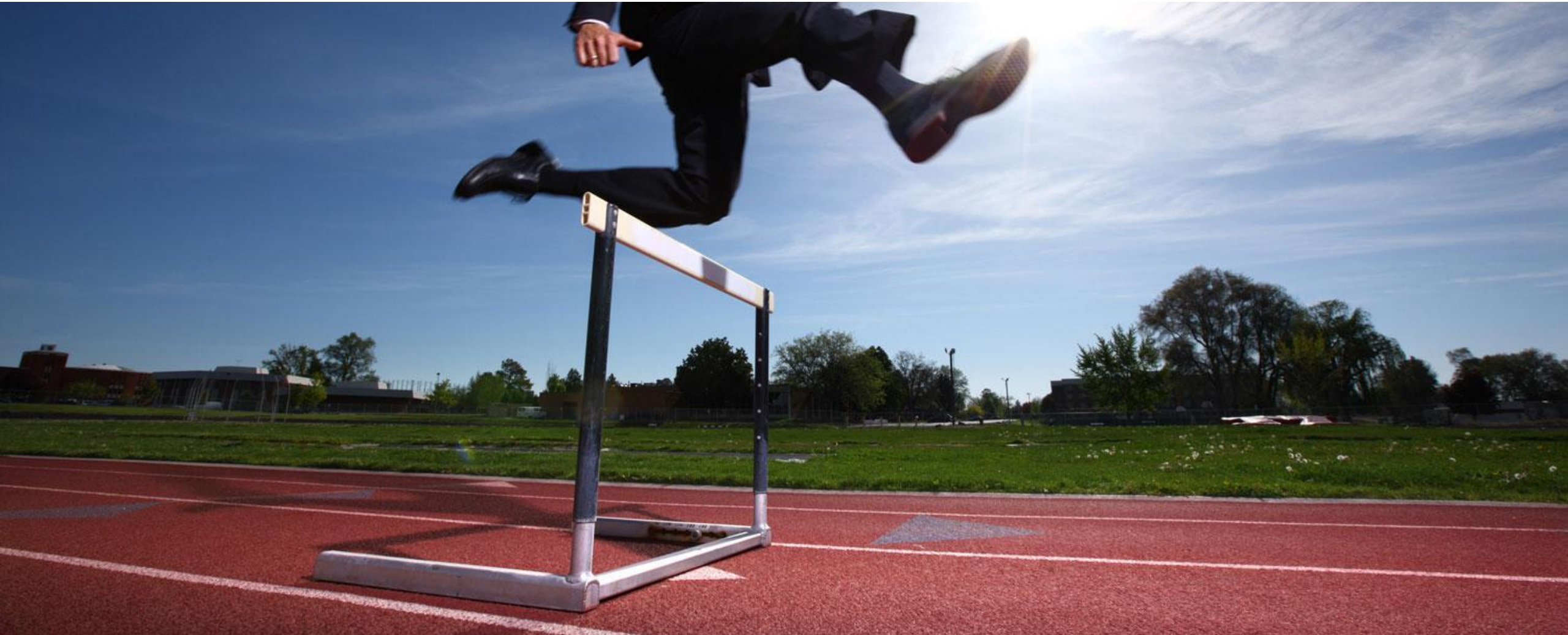
Sean R. O'Connell, CPA/PFS, CGMA
Partner, Tax Line Leader



Each Received
\$1,000,000



Clearing the Hurdles of PPP Calculations



Jerry Taylor

Taylor Remodeling

- Cut Pay Levels
- Expanded Workforce



Hurdle #1 – Forgiveness Reduction if Any Employee's Pay Cut Exceeds 25%



Jerry's Outcome



PPP Amount Received	\$1,000,000
Total Eligible Qualifying Costs	<u>\$920,000</u>

Must Repay

\$80,000

Hurdle #1 – Forgiveness Reduction if Any Employee's Pay Cut Exceeds 25%

Peter Wall Landscaper

- Fewer average FTEs during these 8 weeks



Hurdle #2 – Maintained Average FTE's During These 8 Weeks



Peter's Outcome



PPP Amount Received	\$1,000,000
Total Eligible Qualifying Costs	<u>\$880,000</u>

Must Repay	\$120,000
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Hurdle #2 – Maintained Average FTE's During These 8 Weeks

Dr. Sienna Miller

City Orthopaedics

- Over \$1MM of qualifying costs during these 8 weeks, but...
75% were not payroll



Hurdle #3 – 75% of Total Qualified Costs Were Payroll



Sienna's Outcome



PPP Amount Received	\$1,000,000
Total Eligible Qualifying Costs	<u>\$900,000</u>

Must Repay

\$100,000

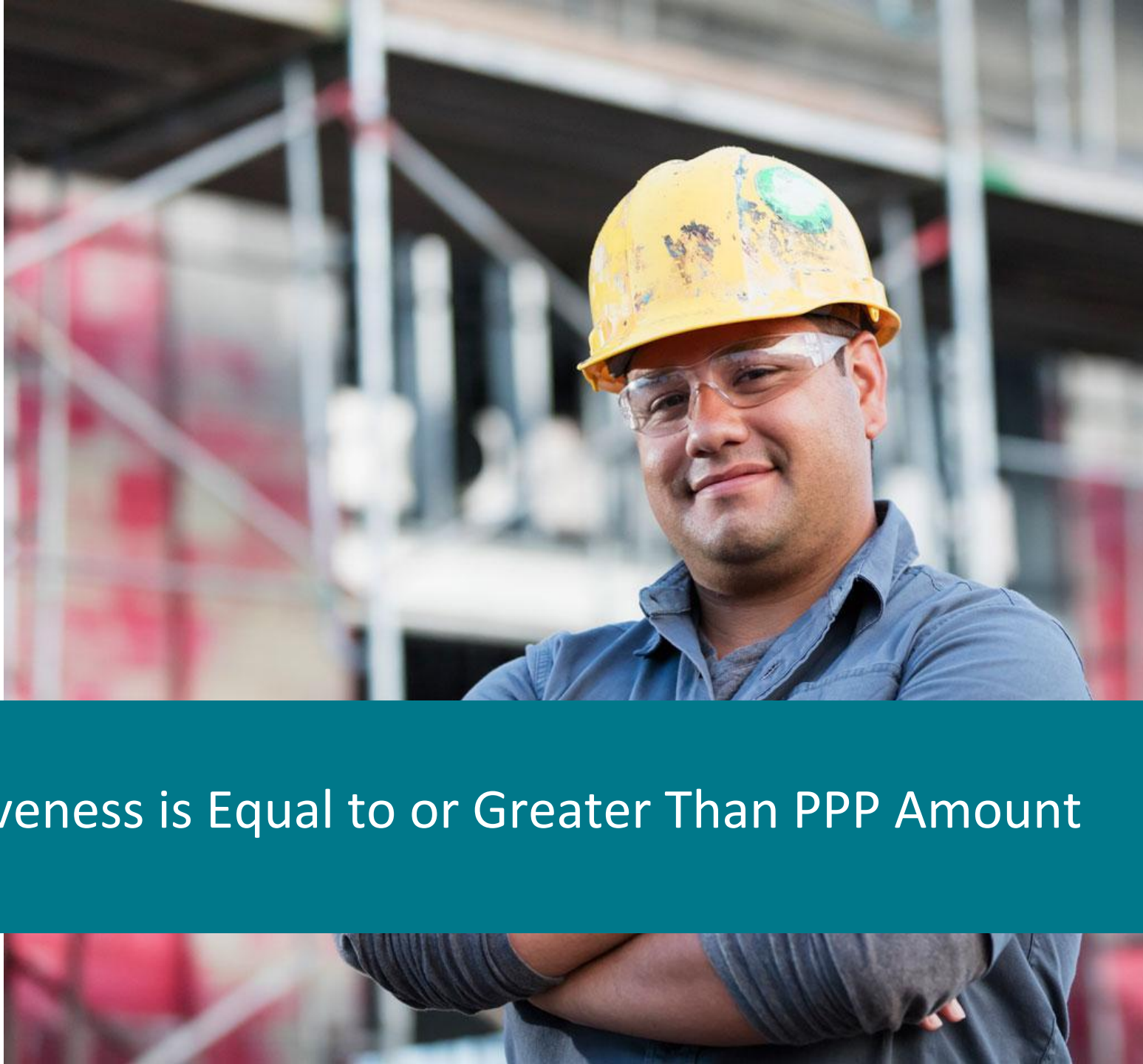
Hurdle #3 – 75% of Total Qualified Costs Were Payroll

Mark Lego

Lego Home Builders

- Kept all employees
- Relatively low overhead during these 8 weeks

Hurdle #4 – Potential Forgiveness is Equal to or Greater Than PPP Amount



Mark's Outcome



PPP Amount Received	\$1,000,000
Total Eligible Qualifying Costs	<u>\$920,000</u>

Must Repay	\$80,000
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Hurdle #4 – Potential Forgiveness is Equal to or Greater Than PPP Amount

Kelly Sanders

Midwest Bookkeeping

- Kept all employees
- Relatively low overhead during these 8 weeks



Expansion



Kelly's Outcome



PPP Amount Received	\$1,000,000
Total Eligible Qualifying Costs	<u>\$1,100,000</u>

Must Repay **\$0**

Expansion

Same Loan Amount; 5 Different Outcomes

Must Repay
\$80,000



Must Repay
\$120,000



Must Repay
\$100,000



Must Repay
\$80,000



Must Repay
\$0

Documentation

PPP Loan Forgiveness Application Released: What Documents Businesses Should Maintain



As a large portion of PPP loans have been disbursed and more funds on their way to businesses in need, SBA and Treasury have now turned their attention to the forgiveness portion of the PPP program. SBA and Treasury released the official PPP loan forgiveness application for borrowers to submit at the end of their 8 week covered period.

One of the key takeaways from the application is what documents borrowers must maintain in order to qualify for forgiveness. The application requires businesses to gather the following documents:

Visit our blog at
www.pbmares.com/insights



Kasey M. Pittman, CPA, MSA Tax

Senior Manager, Tax



Takeaways



What are we watching?





Rob Klingensmith
Partner

Consulting Line Leader



Questions



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Rob Klingensmith
*Partner,
Consulting Line Leader*



Bradley C. Wilks, LACP
Wealth Advisor



Daniel H. Yoo, CFP®, CEPA®
Wealth Advisor



Addison Pock, CFP®
Wealth Advisor



Alex Crawford, CFP®, CIMA®
*Portfolio Manager,
Wealth Advisor*



Derek Hess
Associate Wealth Advisor

Visit our COVID-19 Resource Center

www.pbmaries.com/covid-19-resource-center

Coronavirus (COVID-19) Resource Center

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Helping You to Navigate Information

Given the rapidly changing news ranging from the federal, state and local government agencies, we have created this resource center to make it easy to find the information most relevant to your family and business. The information is from a variety of sources including insights from our trusted team of tax and business professionals. We understand this is a difficult time and we're here to help navigate these uncertain times.

Please visit this section often for regular updates on news and information.

PBMares COVID-19 Insights



CARES Act Webinar – Insights for Your Business

March 30, 2020



How the CARES Act Helps Non-Profits

March 28, 2020



How the CARES Act Directly Helps Individuals

March 27, 2020



Business Benefits Available, Courtesy of the CARES Act

March 27, 2020



Forgivable Small Business Loans – How the \$2 Trillion Stimulus Bill Can Help You

March 27, 2020



Plan Options for COVID-19 Impacted Businesses

March 26, 2020

CORONAVIRUS (COVID-19) RESOURCE LINKS

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- > [PBMARES COVID-19 NEWS](#)
- > [WORKING WITH US](#)
- > [FEDERAL & STATE UPDATES](#)
- > [RESOURCES FOR BUSINESSES](#)
- > [SUBSCRIBE TO OUR NEWSLETTER](#)

GET IN TOUCH: *Required

First Name* Last Name*