



SBA & PPP Loan Forgiveness Considerations

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Presenters



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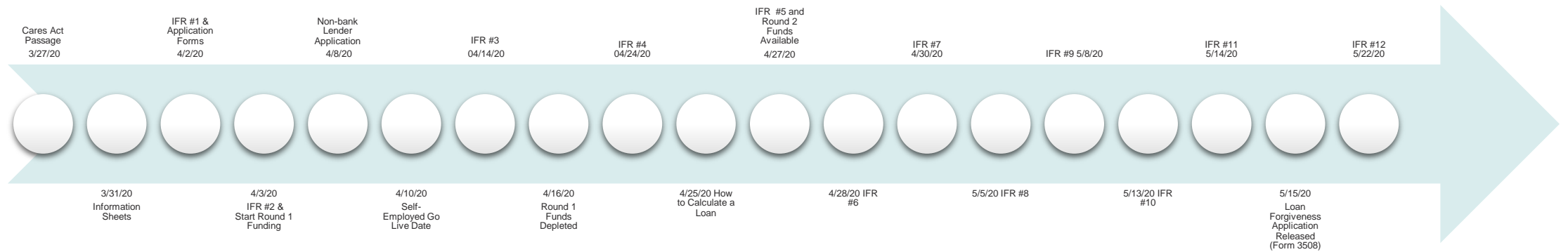


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PPP Timeline



Agenda

- › PPP Loan Forgiveness Application & Rules
 - Significant concepts & certifications
 - Detailed explanation of eligible costs “paid &/or incurred”
 - Limitations placed on amount of eligible loan forgiveness
 - Examples, key takeaways & unanswered questions

Loan Amount in Excess of \$2 Million?

- Form 3508 Question: If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here
 - › \$2 million is important because of guidance contained in FAQ 46
 - Any borrower that, together with its affiliates, received PPP loans with an original principal amount of less than \$2 million will be deemed to have made the required certification concerning necessity of the loan in good faith. Important to not that safe harbor is only for certification and can still be reviewed for eligibility.
 - Borrowers with loans greater than \$2 million that do not satisfy this safe harbor may still have an adequate basis for making the required good-faith certification, based on their individual circumstances in light of the language of the certification & SBA guidance
 - Loans in excess of \$2 million will be reviewed by SBA. If the borrower repays the loan after receiving notification from SBA, SBA will not pursue administrative enforcement or referrals to other agencies based on its determination with respect to the certification concerning necessity of the loan request

New Borrower Certifications

- › Funds were used to pay costs that are eligible for forgiveness
- › Any FTE or salary/wage reductions were reflected
- › Nonpayroll costs are limited to 25% of the amount requested
- › Owner-employee or self-employed compensation limited to lesser of \$15,385 or 2019 equivalent (prevents artificial increases)
 - Latest guidance confirms that retirement and health care contributions are to be included in measuring against \$100,000 cap.
- › General certifications related to fraud, accuracy, false statements, required documentation, cooperation with SBA & lender

Significant Concepts & Provisions

- › Lender must make first disbursement within 10 days of loan approval
- › Borrower is eligible for loan forgiveness for the following costs
 - Eligible payroll costs
 - Eligible nonpayroll costs
- › Amount of forgiveness may be subject to reductions for
 - FTE reductions
 - Salary/Hourly wage reductions
 - 75% payroll costs requirement

Significant Concepts & Provisions

- › Loan disbursement starts an eight-week (or 56-day) Covered Period (CP) for purposes of measuring payroll & nonpayroll costs eligible for loan forgiveness
 - Example: Loan proceeds were received on Monday, April 20. The CP runs from Monday, April 20 to Sunday, June 14.
- › For purposes of eligible *payroll* costs only, the forgiveness application introduces a new alternative testing period

Alternative Payroll Covered Period (APCP)

- › New concept with the 5/15 SBA release of Form 3508. Adds flexibility & avoids some administrative hoops to maximize payroll costs during the eight weeks
- › Only available for biweekly or more frequent payrolls
 - For some unstated reason, this would seem to exclude semimonthly & monthly payrolls
- › APCP not allowed for nonpayroll costs (rent, utilities, interest)
- › If elected, must use for same period for FTE calcs as well & the salary/hourly wage reduction

APCP

- › For payroll costs only, borrower can elect for the eight-week period to begin on the first day of the first pay period after the disbursement of the loan proceeds
 - Example: Loan proceeds received on Monday, April 20. The first day of the first pay period after 4/20 is Sunday, 4/26. The first day of the APCP is Sunday, 4/26 & the last day of the APCP is Saturday, June 20. This becomes the eight-week period for payroll costs only
- › When combined with paid & incurred language, allows use of normal pay periods & pay dates resulting in eight weeks of payroll. **No supplemental payrolls are necessary**

Eligible Payroll Costs

- › IFR #3 uses starting point of Medicare wages & adds pre-tax employee contributions for health insurance & other fringes excluded from Medicare wages
 - Loan forgiveness application instead simply says start with cash compensation which includes gross pay, paid leave (not including leave covered by FFCRA) & allowances for dismissal or separation
- › Employer contributions to health plans
- › Employer contributions to retirement plans
- › SUTA

Eligible Nonpayroll Costs

- › Governing document (lease, loan, service start date) must be prior to 2/15/20
- › Eligible for loan forgiveness
 - Real or personal property mortgage interest
 - Real or personal property rents
 - Utilities – payments for a service for the distribution of electricity, gas, water, transportation, telephone or internet access
 - › Fuel for business vehicles was added by the IFR #3 on 4/15/20, related to self employed
- › Eligible use of PPP loan proceeds, but not eligible for loan forgiveness
 - Interest expense not considered real or personal property mortgage interest

Paid & Incurred – General

- › Section 1106(b) of CARES Act says costs eligible for forgiveness are “... the following costs incurred & payments made during the covered period ...”
- › There was considerable debate as to whether incurred & paid was one item or two items. Common thinking until Friday, May 15, was both tests had to be met, & this was one of the most significant areas in which further guidance was needed
- › The language in the forgiveness application and 5/22 IFR is favorable for both payroll & nonpayroll costs.

Paid & Incurred – Payroll Costs

- › With the guidance, forgiveness applies generally to “payroll costs paid & payroll costs incurred” during either the CP or APCP
 - This allows the first payroll to be fully eligible for forgiveness for borrowers using CP instead of APCP, even though the payroll period began before the CP
- › Payroll costs are considered paid when checks are distributed, or when an ACH transaction is originated
- › Payroll costs are incurred on the day the pay is earned
- › Any payroll incurred but not paid at the end of the CP or APCP are eligible for forgiveness if paid on or before the next regular pay date

Paid & Incurred – Payroll Costs

- › Reminder that eligible payroll costs also includes employer paid health insurance (including self-funded plans) & employer paid retirement plan contributions & SUTA
 - If electing APCP, must use that same eight-week period for these costs as well
- › For payroll costs other than compensation, allowable for potential forgiveness are amounts paid during the CP or APCP on a cash basis. There is no provision indicating they must be incurred during the CP or APCP
- › Some limitations have been added with the latest guidance with respect to payroll for owner-employees, self-employed individuals and general partners which we will discuss on a later slide.
- › Some good news that incurred is not requirement if you are self insured. Although there are likely less new health claims being generated due to closure of non-essential medical providers, prior claims in process can be paid & count toward forgivable payroll costs. Watch for large claims
 - See FAQ 68 on IRS website for Employee Retention Credit. Provides a mechanism for pro-rating the annual amount per employee for self-insured plans. Just pointing out this is out there

Paid & Incurred – Nonpayroll Costs

- › Nonpayroll costs fared even better than payroll costs
- › Nonpayroll costs must be either paid during the CP OR incurred during the CP & paid on or before the next regular billing date for that particular bill
 - Example, assume CP begins on April 20 and ends on June 14. Utility payments made during the CP for pre April 20 service are eligible for forgiveness. Furthermore, utility expense incurred during the CP but paid after the CP ends and with the next regularly billing cycle are also included as eligible for forgiveness
 - Would allow for some limited rent prepayment. In above example, the June rent is paid on June 1, all would be included as a forgivable nonpayroll cost as was paid in the CP. Will not help you if the rent for the month of loan receipt has been paid prior to the receipt of the loan proceeds
 - While this provides flexibility & allows for more nonpayroll costs than originally anticipated, there is a practical limit as nonpayroll cannot exceed 25% of the total forgivable amount or stated another way, cannot exceed more than 1/3 of the payroll costs

Guardrails & Restrictions

› Full-Time Equivalent (FTE) Reduction Factor

- 5/15 Form 3508 made clear the calculation. For either the CP or APCP & the chosen base period described below, calculation is as follows (Example on next page)
 - › For each employee, calculate the average number of hours worked per week during the respective period & divide by 40 & round to the nearest tenth with a maximum of one. Add the total for each employee during the respective period & that is total FTE for that period
 - › At borrower election, a simplified method. During the respective period, any employee with 40 or more hours is one FTE & any employee with under 40 average hours per week is .50 FTE. Must use in all FTE calculations if elected

Guardrails & Restrictions

BKD LOAN FORGIVENESS WEBINAR FTE CALCULATION EXAMPLE

		CP or APCP Week Number								Weekly	Reg. Method	Simplified Method
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>Avg</u>	<u>FTE</u>	<u>FTE</u>
Employee A	Hours Worked	30.0	35.0	40.0	40.0	60.0	30.0	30.0	35.0	37.5	0.9	0.5
Employee B		60.0	50.0	40.0	45.0	50.0	40.0	35.0	40.0	45.0	1.0	1.0
Employee C		20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	0.5	0.5
Employee D		15.0	20.0	15.0	0.0	20.0	20.0	15.0	20.0	15.6	0.4	0.5
Employee E		60.0	60.0	50.0	40.0	50.0	45.0	50.0	50.0	50.6	1.0	1.0
Employee F		10.0	10.0	15.0	10.0	20.0	15.0	10.0	10.0	12.5	0.3	0.5
FTE's											4.1	4.0

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Guardrails & Restrictions

- › Full-Time Equivalent (FTE) Reduction Factor
 - Concept is to maintain same number of average weekly FTEs during the CP or APCP as during one of two base periods, 2/15/19 to 6/30/19 or 1/1/20 to 2/29/20
 - If borrower does not, forgivable amount is reduced by multiplying by the FTE Reduction Quotient
 - › The FTE Reduction Quotient is the percentage of FTEs in CP or APCP as compared to the selected base period FTEs. See example calculation

Guardrails & Restrictions

› Full-Time Equivalent (FTE) Reduction Factor

- FTE Reduction Exception added by the 5/15 release. Gives four situations that you do not have to reduce your FTEs during the CP or APCP
 - › You make an employee a good-faith written offer to re-hire & it is rejected (FAQ 40)
 - › You fire an employee for cause
 - › An employee requests & receives a reduction in hours
 - › The employee voluntarily terminates employment
- The FTE Reduction Exception applies only if you do not replace that employee.

Guardrails & Restrictions

› The FTE Reduction Safe Harbor

- There is no loan forgiveness reduction based on FTE employee levels if
 - › A Borrower's total average FTE for the period 2/15/2020 to 4/26/20 (calculated in the same manner as for the FTE Reduction Quotient) is less than the total FTE for the pay period that includes 2/15/20, & the borrower restores its total FTEs as of June 30, 2020, to the total FTE level for the pay period that includes 2/15/20
 - › See next page for another way to state the FTE Reduction Safe Harbor"
 - › Will 6/30/2020 date get pushed back?
- This only eliminates the FTE forgiveness reduction, it has no effect on what was paid & no requirement that you restore the pay

FAQ – FTE Reduction Safe Harbor

› Question: When does a PPP borrower need to measure FTEs or Average FTEs?

› Answer:

1. The eight-week CP or APCP;
2. a. February 15–June 30, 2019 or 2b. January 1 – February 29, 2020;
3. Payroll that includes February 15, 2020;
4. Avg FTE for Feb 15–April 26, 2020;
5. June 30, 2020

If 1 is less than the lower of 2a or 2b you have a reduction in forgiveness. However, if 4 is less than date 3 & date 5 is greater than or equal to date 3, you meet the FTE Reduction Safe Harbor. (See steps 1–5 on page 9 of Form 3508)

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FTE REDUCTION SAFE HARBOR CALCULATION

FTE Reduction Quotient (Assumptions)

1	Average FTE for CP or APCP	6.0
2	Average FTE for selected base period	<u>10.0</u>

FTE Reduction Quotient	<u><u>60%</u></u>
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FTE Reduction Safe Harbor

4	Average FTE's of period 2/15 to 4/26/20	4.5 Next slide
3	Total FTE's for the pay period that includes 2/15/20	7.0 Assumed

If 4 is greater than 3, stop, there is no FTE Reduction Safe Harbor available

5	Borrower's FTE's at 6/30/20	8.0 Assumed
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If 5 is equal to or greater than 3, Borrower meets the FTE Reduction Safe Harbor and there is no reduction in the loan forgiveness related to FTE reductions.

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FTE REDUCTION SAFE HARBOR CALCULATION

For The Period 2/15/20 to 4/26/20												Simplified	
Hours Worked	<u>WEEK ENDED</u>										Weekly	Method	
	<u>2/21</u>	<u>2/28</u>	<u>3/6</u>	<u>3/13</u>	<u>3/20</u>	<u>3/27</u>	<u>4/3</u>	<u>4/10</u>	<u>4/17</u>	<u>4/24</u>	<u>Avg</u>	<u>FTE</u>	
	Employee A	40.0	30.0	30.0	35.0	20.0	30.0	40.0	40.0	40.0	50.0	35.5	0.5
	Employee B	50.0	40.0	30.0	30.0	25.0	25.0	25.0	40.0	40.0	40.0	34.5	0.5
	Employee C	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	0.5
	Employee D	15.0	10.0	10.0	15.0	10.0	10.0	5.0	10.0	5.0	5.0	9.5	0.5
	Employee E	50.0	60.0	50.0	50.0	40.0	55.0	50.0	60.0	50.0	50.0	51.5	1.0
	Employee F	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	0.5
	Employee G	30.0	35.0	40.0	25.0	30.0	40.0	30.0	30.0	30.0	30.0	32.0	0.5
	Employee H	25.0	40.0	25.0	25.0	30.0	10.0	15.0	10.0	20.0	20.0	22.0	0.5
Average FTE, 2/15/20 to 4/26/20												4.5	

Guardrails & Restrictions

› Salary/Hourly Wage Reduction

- Amount of loan forgiveness is reduced to extent any employee employed during the CP or APCP has a more than 25% reduction in average annual salary or hourly rate as compared to the period 1/1 to 3/31/2020
- Can exclude from this analysis any employee that during ANY single pay period in 2019 was paid salary or wages in excess of \$100,000 annualized
 - › If on 24-pay period (15th & 30th), \$4,167 gross pay for any 2019 pay period
 - › If on 26-pay period (every two weeks) \$3,847 gross pay for any 2019 pay period
 - › If on weekly pay period, \$1,924 gross pay for any 2019 pay period

Guardrails & Restrictions

› Salary/Hourly Wage Reduction

- Speculation was all over on this. The 5/15 Form 3508 release took this into a very mechanical calculation. Entirely based on annual salary & hourly pay rate, not total compensation paid
- The calculation must be done on an employee by employee basis
- Three step process, very suitable for an Excel template, see attached
 - › Determine if pay rate was reduced more than 25%
 - › Determine if the Salary/Hourly Wage Reduction Safe Harbor (SHWRSH) applies
 - › Calculate the amount of the Salary/Hourly Wage Reduction

Guardrails & Restrictions

› Salary/Hourly Wage Reduction

- Salary/Hourly Wage Reduction Safe Harbor (SHWRSH)

- › For any employee employed during the CP or APCP, if the average annual salary or average hourly rate for the period from 2/15 to 4/26/20 is less than the same item at 2/15/20, there will be no Salary/Hourly Wage Reduction for that employee in the loan forgiveness amount if
 - The employee's annual salary or hourly rate at 6/30/20 is at least equal to the same item on 2/15/20
 - There is currently no guidance on whether on how long the salary at 6/30/20 must be maintained

XYZ, Inc.

FORM 3508, SCHEDULE A WORKSHEET

TABLE 1

SALARY/HOURLY WAGE REDUCTION CALCULATION

Manual Input

From Other Input

Computed

Employee Name

John Doe

Employee ID

123456

Average hourly pay rate 6/30/20

19.00

Salary (S) or Hourly (H)

h

Determination if Pay Was Reduced Greater Than 25%

Average hourly rate for CP or APCP

12.00

Average hourly rate 1/1 to 3/31/20

20.00

Percentage

60.00%

Determine If Salary/Hourly Wage Reduction Is Met

Hourly pay rate on 2/15/20

20.00

Average hourly pay rate 2/15 to 4/26/20

16.00

Average hourly pay rate 6/30/20

19.00

Meet SHWRSH?

No

*** - If hourly, total paid 2/15 to 4/26 divided by total hours represented by those payments
If salary, total paid multiplied by 365 then divided by 72

Determine Salary/Hourly Wage Reduction Amount

Salary Hourly Wage Reduction For This Employee

960

Input In Salary/Hourly Wage Reduction Column For This Employee

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XYZ, Inc.

FORM 3508, SCHEDULE A WORKSHEET

TABLE 1

SALARY/HOURLY WAGE REDUCTION CALCULATION

Employee Name	John Doe
Employee ID	123456
Salary (S) or Hourly (H)	H

Calculation For Hourly Employee

	1/1/20 to 3/31/20	CP or APCP	
Total Pay	10,400	3,840	
Hours Worked	520.00	320.00	
Average Rate Per Hour	20	12	60% Percentage
75% of 1/1 To 3/31/2020 And 100% of CP or APCP	15	12	3 Excess over 75%
Average Hours Per Week, 1/1 To 3/31/20		40	If Hourly
Weeks worked in CP or APCP		8	320
Reduction in forgiveness attributable to this employee			960

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FORM 3508, SCHEDULE A WORKSHEET

TABLE 1

SALARY/HOURLY WAGE REDUCTION CALCULATION

Manual Input

From Other Input

Computed

Employee Name

Janice Doe

Employee ID

246800

Average annual salary on 6/30/20

75,000.00

Salary (S) or Hourly (H)

S

Determination if Pay Was Reduced Greater Than 25%

Average annual salary for CP or APCP

50,048.75

Average annual salary for 1/1 to 3/31/20

70,000.00

Percentage

71.50%

Determine If Salary/Hourly Wage Reduction Is Met

Annual salary on 2/15/20

70,000.00

Average annual salary 2/15 to 4/26/20

50,000.00 ***

Average annual salary on 6/30/20

75,000.00

Meet SHWRSH?

Yes

*** - If hourly, total paid 2/15 to 4/26 divided by
total hours represented by those payments
If salary, total paid multiplied by 365 then
divided by 72

Salary/Hourly Wage Reduction Does Not Apply, Enter 0 In Salary/Hourly Wage Reduction For This Employee

0

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FORM 3508, SCHEDULE A WORKSHEET

TABLE 1

SALARY/HOURLY WAGE REDUCTION CALCULATION

Employee Name	Janice Doe
Employee ID	246800
Salary (S) or Hourly (H)	s

Calculation For Salaried Employee

	1/1/20 to 3/31/20	CP or APCP	
Gross Salary	17,500	7,700	
Annualization Factor	0.25	0.15385	
Average Annualized Salary	70,000	50,049	71% Percentage
75% of 1/1 To 3/31/2020 And 100% of CP or APCP	52,500	50,049	2,451 Excess over 75%
Weeks worked in CP or APCP		8	
Divided by weeks in year		52	15.385%
Reduction in forgiveness attributable to this employee			377

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Guardrails & Restrictions: 75/25 Rule

- › 75/25 rule, SBA adopted this by administrative authority, it is not in the text of the law
 - Not more than 25% of the loan forgiveness can be on nonpayroll cost items
 - Stated another way, nonpayroll costs cannot be more than one-third of payroll costs
 - Search hard for these costs if under one-third, it can be found money depending on FTE fraction
 - Remember, “other interest” cannot be forgiven even though good use of proceeds, automatic two-year loan
- › Congress or Treasury may modify to 50/50, or eliminate altogether, but nothing is finalized

Guardrails & Restrictions: Ordering

- › Before release of Form 3508, there was uncertainty as to which limitation comes first, the 75/25 limit or the FTE reduction
 - Uncertainty was caused by the 75/25 limit not being part of CARES Act. The FTE limit is specifically applied to the **total** of payroll costs & qualifying nonpayroll costs during the CP or APCP, this is in the CARES Act, while the 75/25 rule was applied to the undefined “forgivable amount”
- › Form 3508 confirms the forgiveness amount is the lesser of three amounts
 - › Modified total costs (defined on next slide)
 - › The PPP loan amount
 - › Total eligible payroll costs divided by 75%

Guardrails & Restrictions: Ordering

- › Modified total costs are computed as follows
 - Add all eligible payroll & nonpayroll costs
 - Reduce the total above by any salary/hourly wage reduction (if applicable)
 - Multiply the result above by the FTE reduction quotient (if applicable)
- › End result is any limitation by FTE or salary/wage reductions does not stack on top of the 75/25 rule

Line 1	Payroll Costs	2,300,000
Line 2	Business Mortgage Payments	350,000
Line 3	Business Rent or Lease Payments	300,000
Line 4	Business Utility Payments	50,000
Line 5	Salary/Hourly Wage Reduction	-
Line 6	Pre-FTE Reduction Totals	3,000,000
Line 7	FTE Reduction Quotient (below)	100%
Line 8	Modified Total	3,000,000
Line 9	PPP Loan Amount	3,000,000
Line 10	75-25 Rule	3,066,667
Line 11	Final Forgiveness Amount	3,000,000
		77% Payroll

Line 1	Payroll Costs	2,000,000
Line 2	Business Mortgage Payments	400,000
Line 3	Business Rent or Lease Payments	400,000
Line 4	Business Utility Payments	200,000
Line 5	Salary/Hourly Wage Reduction	-
Line 6	Pre-FTE Reduction Totals	3,000,000
Line 7	FTE Reduction Quotient (below)	100%
Line 8	Modified Total	3,000,000
Line 9	PPP Loan Amount	3,000,000
Line 10	75-25 Rule	2,666,667
Line 11	Final Forgiveness Amount	2,666,667
		75% Payroll

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Line 1	Payroll Costs	2,300,000
Line 2	Business Mortgage Payments	350,000
Line 3	Business Rent or Lease Payments	300,000
Line 4	Business Utility Payments	50,000
Line 5	Salary/Hourly Wage Reduction	50,000
Line 6	Pre-FTE Reduction Totals	2,950,000
Line 7	FTE Reduction Quotient (<i>below</i>)	95%
Line 8	Modified Total	2,802,500
Line 9	PPP Loan Amount	3,000,000
Line 10	75-25 Rule	3,066,667
Line 11	Final Forgiveness Amount	2,802,500
		82% Payroll

Line 1	Payroll Costs	2,000,000
Line 2	Business Mortgage Payments	350,000
Line 3	Business Rent or Lease Payments	300,000
Line 4	Business Utility Payments	50,000
Line 5	Salary/Hourly Wage Reduction	-
Line 6	Pre-FTE Reduction Totals	2,700,000
Line 7	FTE Reduction Quotient (<i>below</i>)	100%
Line 8	Modified Total	2,700,000
Line 9	PPP Loan Amount	3,000,000
Line 10	75-25 Rule	2,666,667
Line 11	Final Forgiveness Amount	2,666,667
		75% Payroll

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Caps on Forgiveness for Owner-Employees, Self-Employed, & General Partners

Owner-Employees	Self-Employed Individuals	General Partners
<p>Lesser of:</p> <ul style="list-style-type: none"> (1) 8/52 of 2019 employee cash compensation and employer retirement and health care contributions made on their behalf or (2) \$15,385 per individual across all businesses or (3) Eligible compensation during CP or APCP 	<p>Lesser of:</p> <ul style="list-style-type: none"> (1) 8/52 of 2019 net profit or (2) \$15,385 	<p>Lesser of:</p> <ul style="list-style-type: none"> (1) 92.35% of 2019 Net earnings from self-employment (reduced by claimed section 179 expense deduction, unreimbursed partnership expenses, and depletion from oil and gas or (2) \$15,385
	(Note – no additional forgiveness for retirement or health insurance contributions)	Note – no additional forgiveness for retirement or health insurance contributions)
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Forgiveness Is Tax Free, Right?

- › The CARES Act excludes PPP loan forgiveness from gross income subject to tax
- › Recent IRS guidance applies principle that expenses allocable to tax-exempt income are not deductible. Therefore, expenses covered by a PPP loan that is forgiven will not be deductible by the borrower
- › Many in Congress are not happy with the IRS interpretation, but allowing the relevant expenses to be deductible would require a change to the tax law to specifically permit a deduction

Documentation for Forgiveness

- › Who makes the final determination on whether all or apportion of my PPP loan will be forgiven?
- › The lender makes this decision not later than 60 days after the date on which a lender receives an application for loan forgiveness from the borrower. See page 10 of Loan Forgiveness Application for documents each borrow must submit with their application
 - › Broad Categories of documentation include
 - › Payroll
 - › FTE
 - › Nonpayroll
- › Page 10 of Application also includes documents borrower must maintain & not submit

Additional Clarification from IFR

- › An Interim Final Rule (IFR) was issued on 5/22 that provided us with additional clarification to accompany the loan forgiveness application.
- › Key takeaways
 - Payments to furloughed employees during the CP are eligible for forgiveness
 - Hazard pay and bonuses are eligible for forgiveness
 - Non-payroll costs paid after the end of the CP under the next billing cycle exemption must be prorated to only include the period inside of the CP
 - Still no indication of how long the FTE and salary/wage reduction safe harbors must be in place before or after 6/30/2020

BKD Forgiveness Calc Template

- › BKD has created a calculator for PPP loan forgiveness
 - › The calculator is based on existing PPP guidance from Treasury & SBA & is currently being updated by our National Office to incorporate the information in the SBA forgiveness application and 5/22 IFR
 - › We are consulting with our clients on the inputs for this calculator

Questions?

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BKD COVID-19 Tax & Accounting Resource Center

- › BKD has created a resource center to help disseminate important tax & accounting information for our clients & friends as we evaluate ways to mitigate the inevitable financial effects of the SARS-CoV-2 virus & the incidence of COVID-19 (Coronavirus)
- › <https://www.bkd.com/covid-19-resource-center>



COVID-19 Resource Center
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Additional Questions or Concerns

- › Following the webinar today, you will receive a short, 4 question survey.
- › This survey will allow you to submit additional questions or comments regarding today's webinar.

We look forward to assisting you in the future!



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Thank You!

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