



WELCOME!!! WE WILL START AT 10:02AM HST (4:02PM EST)
YOU SHOULD BE HEARING MUSIC!!!

PPP LOANS: THE LATEST ON FORGIVENESS AND QUICKBOOKS TRACKING

Gregg S. Bossen, CPA
QuickBooks Made Easy for Nonprofits
Atlanta, GA
www.quickbooksmadeeasy.com

QuickBooks Made Easy for Nonprofits Webinar

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About Our Instructor

- **Certified Advanced QuickBooks ProAdvisor®**
- **Specializes in Industry Specific Training**
- **Author of QuickBooks® Made Easy™ for Nonprofits**
- **National Trainer – seminars around the country**



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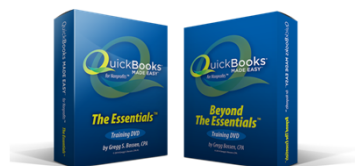


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AGENDA:

- 1. LATEST CHANGES TO FORGIVEABLE RULES**
- 2. FORGIVABLE RULES IN DETAIL**
- 3. DOCUMENTATION**
- 4. TRUMP'S EXEC ORDERS AND FUTURE PPP LEGISLATION**

- 5. QUICKBOOKS TRACKING**

POLL:

DID YOU GET PPP MONEY?

- YES**

- NO, NOT YET**

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1.

LATEST CHANGES TO FORGIVABLE RULES...

QuickBooks Made Easy for Nonprofits Webinar

BEFORE WE GET STARTED:

BIG DEAL!!!! BIG DEAL!!!! BIG DEAL!!!!

- PENDING LEGISLATION
- THE PPP SM
- **ANY PPP \$150,000 OR LESS-----
AUTOMATIC FORGIVENESS**
(SIGN 1 PAGE ATTESTATION)

...one supports it)

» DEMOCRATS
» BUSINESS
» BANKS

FORGIVABLE AMOUNT : 4 FACTORS LATEST

- I. SPENT IN AN **8 OR 24 WEEK PERIOD**
- II. SPENT ON CERTAIN THINGS (ELIGIBLE COSTS)
 - **60%** SPENT ON P/R COSTS
 - **40%** SPENT ON MORT. INT, RENT, UTIL
- III. COMPENSATION LEVELS MAINTAINED
- IV. EMPLOYEE LEVELS MAINTAINED

PPP NEW LEGISLATION

• COMPARING NEW LEGISLATION:

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$		
% ON P/R		
MINIMUM PAYBACK PERIOD		
DELAYED P/R TAX PAYMENTS		

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PPP NEW LEGISLATION

- **COMPARING NEW LEGISLATION:**

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$	8 WEEKS	
% ON P/R		
MINIMUM PAYBACK PERIOD		
DELAYED P/R TAX PAYMENTS		

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PPP NEW LEGISLATION

- **COMPARING NEW LEGISLATION:**

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$	8 WEEKS	8 OR 24 WEEKS
% ON P/R		
MINIMUM PAYBACK PERIOD		
DELAYED P/R TAX PAYMENTS		

PPP NEW LEGISLATION

- COMPARING NEW LEGISLATION:

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$	8 WEEKS	8 OR 24 WEEKS
% ON P/R	75% P/R	
MINIMUM PAYBACK PERIOD		
DELAYED P/R TAX PAYMENTS		

PPP NEW LEGISLATION

- COMPARING NEW LEGISLATION:

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$	8 WEEKS	8 OR 24 WEEKS
% ON P/R	75% P/R	60% P/R
MINIMUM PAYBACK PERIOD		
DELAYED P/R TAX PAYMENTS		

PPP NEW LEGISLATION

- COMPARING NEW LEGISLATION:

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$	8 WEEKS	8 OR 24 WEEKS
% ON P/R	75% P/R	60% P/R
MINIMUM PAYBACK PERIOD	2 YEARS	
DELAYED P/R TAX PAYMENTS		

PPP NEW LEGISLATION

- COMPARING NEW LEGISLATION:

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$	8 WEEKS	8 OR 24 WEEKS
% ON P/R	75% P/R	60% P/R
MINIMUM PAYBACK PERIOD	2 YEARS	5 YEARS
DELAYED P/R TAX PAYMENTS		

PPP NEW LEGISLATION

- COMPARING NEW LEGISLATION:

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$	8 WEEKS	8 OR 24 WEEKS
% ON P/R	75% P/R	60% P/R
MINIMUM PAYBACK PERIOD	2 YEARS	5 YEARS ON LOANS JUNE 5 OR AFTER
DELAYED P/R TAX PAYMENTS	-	YES

PPP NEW LEGISLATION

- COMPARING NEW LEGISLATION:

TO BE FORGIVEN	OLD LAW	NEW LAW
TIME TO SPEND \$	8 WEEKS	<u>8 OR 24 WEEKS</u>
% ON P/R	75% P/R	60% P/R
MINIMUM PAYBACK PERIOD	2 YEARS	5 YEARS
DELAYED P/R TAX PAYMENTS	-	YES

TIME PERIOD TO USE

- **LOAN RECEIVED**
 - JUNE 5TH OR AFTER
 - 24 WEEKS (NOT TO EXCEED DEC 31,2020)

JUNE 5 TO JUNE 30 = GOT 24 WEEKS	JULY 1 and AFTER = GOT TILL 12/31
-------------------------------------	--------------------------------------
 - BEFORE JUNE 5TH MAY CHOOSE
 - 8 WEEKS
 - 24 WEEKS (NOT TO EXCEED DEC 31, 2020)

8 WEEKS VS. 24 WEEKS

- **ADVANTAGES OF 8 WEEKS**
 - GET IT OVER WITH
 - IF PLANNING ON BORROWING MORE
 - GET'S THE PPP LOAN EARLIER
 - IF YOU KEPT EMPLOYEES AND WAGES UP
 - DON'T WORRY ABOUT LAYING PEOPLE OFF
 - PAY AFTER THE 8 WEEKS
- **ADVANTAGES OF 24 WEEKS**
 - MORE TIME TO SPEND THE MONEY
 - GET STAFF AND PAY BACK UP

MY ADVICE: IF YOU CAN GET FULL FORGIVENESS AFTER 8 WEEKS – DO IT!

8 WEEKS VS. 24 WEEKS STARTING
WHEN?

**THE DAY YOU
RECEIVE THE
MONEY!!!**

WHEN CAN I FILE???

- WHEN THE BANK SAYS YOU CAN!!!
- THERE IS A SBA FORGIVENESS FORM
 - FORM 3508
 - FORM 3508 EZ
- BUT....
 - MOST BANKS ARE NOT ACCEPTING THEM AND
 - INSTEAD HAVE THEIR OWN FORM
 - JUST GOTTA WAIT

HOW LONG DO I HAVE TO FILE?

- **MUST FILE NO LATER THAN:**
 - 10 MONTHS AFTER LAST DAY OF FORGIVENESS PERIOD
 - QUES: LAST DAY FOR **ANYONE** FILING FOR FORGIVENESS SHOULD BE...

October 31, 2021

LAST DAY OF FORGIVENESS PERIOD = 12/31

TEN MONTHS LATER IS 10/31

CAN I FILE EARLY?

- **YES!!!!**
- **YOU CAN FILE BEFORE YOUR 24 WEEK PERIOD IS UP**

SHOULD I FILE EARLY?

- **ONLY IF**
 - **YOU'VE SPENT ALL THE MONEY AND**
 - **YOU'RE STAFF LEVELS ARE BACK UP**
 - **YOU'RE STAFF PAY IS BACK UP**

2.

PAYROLL PROTECTION PROGRAM (PPP) FORGIVABLE RULES IN DETAIL...

FORGIVABLE AMOUNT :

4 FACTORS

- I. SPENT IN AN 8 OR 24 WEEK PERIOD**
- II. SPENT ON ELIGIBLE COSTS**
 - **60% SPENT ON P/R COSTS**
 - **40% SPENT ON MORT. INT, RENT, UTIL**
- III. COMPENSATION LEVELS MAINTAINED**
- IV. EMPLOYEE LEVELS MAINTAINED**

FORGIVABLE AMOUNT : 4 FACTORS

- I. SPENT IN AN 8/24 WEEK PERIOD
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FORGIVABLE AMOUNT : 4 FACTORS

- I. SPENT IN AN 8/24 WEEK PERIOD
- II. SPENT ON ELIGIBLE COSTS
 - 60% SPENT ON P/R COSTS
 - 40% SPENT ON MORT. INT, RENT, UTIL

60% P/R COSTS

- 8/24 WEEK TIME PERIOD
- ELIGIBLE COSTS

40% OTHER COSTS

- 8/24 WEEK TIME PERIOD
- ELIGIBLE COSTS

2.1

MAKING PPP FORGIVABLE:

P/R COSTS TIME PERIOD

P/R COSTS TIME PERIOD RULE

- LATEST RULES AS TO WHAT COUNTS:
[REDACTED]
 - PAID DURING FORGIVENESS PERIOD (8/24 WEEKS)
 - EVEN IF FOR A PRIOR PERIOD
 - WHEN IT WAS INCURRED DOESN'T MATTER

**GOOD NEWS: CAN
INCLUDE ENTIRE FIRST
P/R NOW !!!**

FIRST P/R DURING PERIOD

- EXAMPLE
- Got PPP on
- Next
- THE ENTIRE P/R PAID ON THE 17TH CAN BE PAID FROM PPP!!!
- 20
- WHICH INCLUDED???

P/R COSTS TIME PERIOD RULE

BUT WHAT ABOUT LAST PAYROLL OF FORGIVENESS PERIOD?

–IT WOULDN'T BE PAID TILL AFTER FORGIVENESS PERIOD ENDS

LAST P/R DURING PERIOD

- EXAMPLE
- Forgive
- Next
- For
- "I gotta pay them on the 16th thru the 16th?"

THAT'S WEIRD!!!

P/R COSTS TIME PERIOD RULE

- LATEST RULES AS TO WHAT COUNTS:

GOOD NEWS: LAST P/R OF PERIOD CAN BE INCLUDED EVEN THOUGH PAID OUTSIDE OF PERIOD (PAID ON/BEFORE NEXT P/R DATE)

WHEN DOES IT START?

- **IF YOUR PAY PERIOD IS LESS OFTEN THAN BIWEEKLY**
 - SEMI MONTHLY
 - MONTHLY
 - ETC...

**STARTS THE DATE YOU RECEIVED
THE MONEY (P/R COVERED PERIOD)**

WHEN DOES IT START?

- **IF YOUR PAY PERIOD IS**
 - **BIWEEKLY (EVERY TWO WEEKS)**
 - **OR MORE**
 - WEEKLY
 - DAILY
 - ETC...

STARTS EITHER:

- **DAY GOT MONEY (P/R COVERED PERIOD) -**
- OR-**
- **1ST DAY OF NEXT PAY PERIOD (P/R
ALTERNATIVE COVERED PERIOD)**

ELIGIBLE P/R COSTS Time Period

- EXAMPLE – COVERED P/R PERIOD

- Got Money 5/8/2020
- SemiMonthly P/R
- Next P/R is 5/17/2020 for 5-1-20 to 5-15-20
- Then 6/2/2020 for 5-16-20 to 5-30-20
- **BEGIN 8 WEEK P/R PERIOD =**

5-8-2020 **1st p/r included is 5-17**

ELIGIBLE P/R COSTS Time Period

- EXAMPLE – ALTERNATIVE P/R PERIOD

- Got Money 5/8/2020
- BiWeekly P/R
- Next P/R is 5/17/2020 for 4-24-20 to 5-6-20
- Then 5/31/2020 for 5-07-20 to 5-20-20
- **BEGIN 8 WEEK P/R PERIOD =**

5-07-2020 **1st p/r included is 5-31**

REMEMBER: ALTERNATIVE PERIOD ONLY FOR P/R COSTS

2.2

MAKING PPP FORGIVABLE: ELIGIBLE P/R COSTS

ELIGIBLE COSTS

- **P/R COSTS – 60%**
- **NON P/R COSTS – 40%**

Where'd they come up with 75% anyway?

- They loaned you 2.5 times monthly P/R costs
- 52 weeks in a year/12 months = 4.34 weeks in a month
- $4.34 \times 2.5 = 10.85$ weeks of P/R was loaned
- They are only giving you 8 weeks to pay it out
- 8 weeks to pay/10.85 weeks loaned = 73.7% paid out
- **ROUNDED to 75%**

ELIGIBLE COSTS

**Does this mean I have to
spend 60% on P/R costs
to get ANY forgiven?**

**NO – YOU JUST GET A
REDUCED AMOUNT
FORGIVEN**

ELIGIBLE COSTS

**Can I spend more than
60% on P/R and still get
it forgiven?**

**OF Course – the goal
was to fund P/R!!!**

You just gotta spend at least 60% to get 100% forgiven!!!!

ELIGIBLE COSTS

- **P/R COSTS – 60%**
- **NON P/R COSTS – 40%**

P/R ELIGIBLE COSTS

- **P/R COSTS (what)**
 - **CASH COMPENSATION**
 - **OTHER P/R COSTS**

P/R ELIGIBLE COSTS

- **P/R COSTS (what)**
 - **CASH COMPENSATION**
 - OTHER P/R COSTS

P/R ELIGIBLE COSTS

- **P/R COSTS (what)**
 - **CASH COMPENSATION**
 - Gross Salary/Wages
 - Gross Tips
 - Gross Commissions
 - Paid Leave (vacation, med, family)*

*excluding amounts
reimbursed by Families First
Corona Virus Response Act p/r
tax credit

HOUSING ALLOWANCE – YES!!!

P/R ELIGIBLE COSTS

- WHAT ABOUT EXTRA PAY?
 - Bonus?
 - Hazard Pay?

Answer:

- **All that matters is when you pay it**
- What you call it is irrelevant

Poll:

- Which is a P/R cost eligible for forgiveness?
 - a) Overtime Pay
 - b) Back Pay
 - c) Bonus Pay
 - d) Hazard Pay
 - e) Commission Pay
 - f) All of them!!!!

P/R ELIGIBLE COSTS

- **P/R COSTS (what)**
 - **CASH COMPENSATION**

LIMITED TO LESS
THAN 100K
ANNUALIZED PER
EMPLOYEE

P/R CASH COMPENSATION

**LIMITED TO LESS
THAN 100K
ANNUALIZED PER
EMPLOYEE**

MEANS THAT:

- **24** WEEKS OF PAY
- FOR SOMEONE MAKING \$100K OR MORE ANNUALLY
- THE AMOUNT FORGIVEN --- IS CAPPED AT
- $\$100K / 52 \text{ WEEKS} = \$1,923 \times 24 \text{ WEEKS} = \$46,154$

P/R ELIGIBLE COSTS

- **P/R COSTS (what)**
 - **CASH COMPENSATION**
 - **OTHER P/R COSTS**

P/R ELIGIBLE COSTS

- **P/R COSTS (what)**
 - CASH COMPENSATION
 - **OTHER P/R COSTS**

OTHER P/R ELIGIBLE COSTS

- **EMPLOYER PAID**
 - HEALTH INSURANCE
 - RETIREMENT
 - STATE TAX

ELIGIBLE P/R COSTS

Pay Stub

Gross pay \$ 2,500

Fed Tax \$(300)

Fica/Med \$(200)

State Tax \$(150)

Health Ins \$(150)

403b Ret \$(200)

NET PAY \$ 1,500

WHAT'S ELIGIBLE?

A.) \$1,500

B.) \$2,500

C.) \$2,850

OTHER P/R ELIGIBLE COSTS

- **EMPLOYER PAID**
 - HEALTH INSURANCE
 - RETIREMENT
 - STATE TAX

ELIGIBLE P/R COSTS

Gross pay	\$ 2,500	
Fed Tax	\$(300)	
Fica/Med	\$(200)	EMPLOYER
State Tax	\$(150)	MATCH
Health Ins	\$(150)	\$200 = TOTAL \$350
403b Ret	\$(200)	\$200 = TOTAL \$400
NET PAY	\$ 1,500	
		\$2,500 + \$200 + \$200 = \$2900 FORGIVABLE

2.3

MAKING PPP FORGIVABLE: OTHER COSTS TIME PERIOD

OTHER COVERED COSTS: TIME PERIOD

- OTHER COSTS (RENT/UTILITIES ...) 8/24 WEEKS
 - **ONLY** WHEN LOAN RECEIVED
 - **PAID** DURING FORGIVENESS PERIOD
 - NO PREPAYMENTS

IN ADDITION: BILLS INCURRED DURING FORGIVENESS PERIOD PAID WITH NEXT BILLING DATE ARE OKAY, EVEN IF PAID AFTER FORGIVENESS PERIOD

2.4

MAKING PPP FORGIVABLE: ELIGIBLE OTHER COSTS

ELIGIBLE COSTS

- **NON P/R COSTS** - IN PLACE BY 2/15/2020
 - **MORTGAGE INTEREST** (REAL AND PERSONAL BUSINESS PROPERTY)
 - **RENT OR LEASE PAYMENTS** (REAL AND PERSONAL BUSINESS PROPERTY)
 - **UTILITIES**
 - **ELECTRICITY, GAS AND WATER**
 - **TELEPHONE**
 - **INTERNET**
 - **TRANSPORTATION (GAS, RIDE SHARE)**

STARTING WHEN YOU GOT THE PPP

2.5

MAKING PPP FORGIVABLE:

COMPENSATION LEVELS

MAINTAINED

COMPENSATION LEVELS MAINTAINED

- **GOAL:**
 - ENCOURAGE YOU TO KEEP YOUR STAFF PAY AT OR NEAR THE PRE-COVID LEVELS
- **HOW TO MEASURE:**
 - COMPARE PAY RATE BEFORE COVID TO PAY RATE DURING 8/24 WEEK PERIOD

COMPENSATION LEVELS MAINTAINED

- **THE RULE:**
 - **COMPARE PAY RATE**
 - **BEFORE COVID** (1-1-20 TO 3-31-20)
 - **TO PAY RATE DURING** FORGIVENESS PERIOD
 - **ANY EMPLOYEE REDUCTION OF MORE THAN 25% MAY RESULT IN A REDUCTION**
 - **SAFE HARBOR: MAY BE ABLE TO AVOID, IF RESTORE PAY LEVELS BY END OF FORGIVENESS PERIOD**

NOTE: DOESN'T APPLY TO OVER \$100K EMPLOYEES IN 2019

COMPENSATION LEVELS MAINTAINED

- WHAT ABOUT PEOPLE THAT ARE GONE:
 - EXCLUDE PEOPLE WHO
 - WORKED DURING 1ST QTR 2020
 - ARE GONE DURING FORGIVENESS PERIOD

DON'T WORRY ABOUT PEOPLE NOT EMPLOYED DURING COVERED PERIOD -----THEY DON'T COUNT FOR THIS CALCULATION!!!! 😊😊😊

NOTE: DOESN'T APPLY TO OVER \$100K EMPLOYEES IN 2019

COMPENSATION LEVEL COMPARISON

ONLY APPLIES FOR PEOPLE THAT MADE \$100K OR LESS IN 2019	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	24 WEEK COVERED PERIOD (OR ALTERNATIVE) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided/by (A) =	

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COMPENSATION LEVEL COMPARISON

ONLY APPLIES FOR PEOPLE THAT MADE \$100K OR LESS IN 2019	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	24 WEEK COVERED PERIOD (OR ALTERNATIVE) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided/by (A) =	
JANE - SAL				

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COMPENSATION LEVEL COMPARISON

ONLY APPLIES FOR PEOPLE THAT MADE \$100K OR LESS IN 2019	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	24 WEEK COVERED PERIOD (OR ALTERNATIVE) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided/by (A) =	
JANE - SAL	75,000			

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COMPENSATION LEVEL COMPARISON

ONLY APPLIES FOR PEOPLE THAT MADE \$100K OR LESS IN 2019	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	COVERED PERIOD (OR ALTERNATIVE) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided/by (A) =	
JANE - SAL	75,000	80,000		

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COMPENSATION LEVEL COMPARISON

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JANE - SAL	75,000	80,000	1.067	

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COMPENSATION LEVEL COMPARISON

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JANE - SAL	75,000	80,000	1.067	OKAY☺

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JANE - SAL	75,000	80,000	1.067	OKAY☺
SAM - SAL				

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JANE - SAL	75,000	80,000	1.067	OKAY☺
SAM - SAL	40,000			

COMPENSATION LEVEL COMPARISON

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JANE - SAL	75,000	80,000	1.067	OKAY☺
SAM - SAL	40,000	30,000		

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JANE - SAL	75,000	80,000	1.067	OKAY 😊
SAM - SAL	40,000	30,000	.75	

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JANE - SAL	75,000	80,000	1.067	OKAY 😊
SAM - SAL	40,000	30,000	.75	OKAY 😊
BILL - SAL				

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SAM - SAL	40,000	30,000	.75	OKAY 😊
BILL - SAL	30,000			

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SAM - SAL	40,000	30,000	.75	OKAY 😊
BILL - SAL	30,000	20,000		

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JANE - SAL	75,000	80,000	1.067	OKAY 😊
SAM - SAL	40,000	30,000	.75	OKAY 😊
BILL - SAL	30,000	20,000	.667	

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JANE - SAL	75,000	80,000	1.067	OKAY 😊
SAM - SAL	40,000	30,000	.75	OKAY 😊
BILL - SAL	30,000	20,000	.667	UH-OH 😞

COMPENSATION LEVEL COMPARISON

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BILL - SAL	30,000	20,000	.667	UH-OH 😞
JENNY - HOURLY				

COMPENSATION LEVEL COMPARISON

ONLY APPLIES FOR PEOPLE THAT MADE \$100K OR LESS IN 2019	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	24 WEEK COVERED PERIOD (OR ALTERNATIVE) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided/by (A) =	
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JENNY - HOURLY	\$20			

COMPENSATION LEVEL COMPARISON

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JENNY - HOURLY	\$20	\$10		

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COMPENSATION LEVEL COMPARISON

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BILL - SAL	30,000	20,000	.667	UH-OH ☹️
JEN - HOUR	\$20	\$10	.5	UH-OH ☹️

COMPENSATION LEVELS MAINTAINED

- **THE SAFE HARBOR RULE:**
 - CAN AVOID REDUCTION IF.....
 - RESTORE PAY LEVELS BY END OF FORGIVENESS PERIOD

NOTE: NOT PENALIZED IF YOU DROP PAY BACK DOWN AFTER APPLYING FOR FORGIVENESS!!!

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COMPENSATION LEVEL SAFE HARBOR RULE

- **THE TEST:**
 - IF YOU HAD TO LOWER PAY BECAUSE OF COVID
 - COMPARE AVERAGE PAY ON 2-15-20 VS. 2-15 TO 4-26-20
 - AND-
 - YOU RAISED IT BACK UP BY END OF FORGIVENESS PERIOD
 - THEN , WON'T GET A REDUCTION

PROBLEM**** APPLICATION SAYS :
APPLICATION DATE

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COMPENSATION LEVEL SAFE HARBOR RULE ISSUE

- **PROBLEM :APPLICATION SAYS GOT TO HAVE SALARY BACK UP BY APPLICATION DATE???**
- THIS DATE MAY BE WAY AFTER FORGIVENESS PERIOD
- BANKS NOT ACCEPTING THIS YET
- WHAT IF AFTER FORGIVENESS PERIOD YOU ARE FORCED TO DROP PAY?
- THEN LATER BANK LET'S YOU FILE
- NOW YOU GET REDUCTION?????

UNFAIR!!!! ☹️

I SAY: FORGET THIS – THEY WILL CORRECT THIS ERROR!!! DON'T WORRY 😊

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COMPENSATION LEVEL COMPARISON

	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	8 WEEK COVERED PERIOD (OR ALT) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided/ by (A) =	
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JEN - HOUR	\$20	\$10	.5	UH-OH ☹️

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COMPENSATION LEVEL COMPARISON

	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	8 WEEK COVERED PERIOD (OR ALT) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided /by (A) =	2/15/20 AVERAGE BEFORE COVID	2/15/20 TO 4/26/20 AVERAGE DURING COVID	12/31/20 AVERAGE END OF PERIOD	
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JEN	\$20	\$10	.5				

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JEN	\$20	\$10	.5				

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COMPENSATION LEVEL COMPARISON

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BILL	30,000	20,000	.667	30,000	20,000	30,000	OKAY 😊
JEN	\$20	\$10	.5				

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JEN	\$20	\$10	.5	20			

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COMPENSATION LEVEL COMPARISON

	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	8 WEEK COVERED PERIOD (OR ALT) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided /by (A) = 	2/15/20 AVERAGE BEFORE COVID	2/15/20 TO 4/26/20 AVERAGE DURING COVID	12/31/20 AVERAGE END OF PERIOD	
BILL	30,000	20,000	.667	30,000	20,000	30,000	OKAY 😊
JEN	\$20	\$10	.5	20	10		

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COMPENSATION LEVEL COMPARISON

	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	8 WEEK COVERED PERIOD (OR ALT) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided /by (A) =	2/15/20 AVERAGE BEFORE COVID	2/15/20 TO 4/26/20 AVERAGE DURING COVID	12/31/20 AVERAGE END OF PERIOD	
BILL	30,000	20,000	.667	30,000	20,000	30,000	OKAY 😊
JEN	\$20	\$10	.5	20	10	12	

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COMPENSATION LEVEL COMPARISON

	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	8 WEEK COVERED PERIOD (OR ALT) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided /by (A) =	2/15/20 AVERAGE BEFORE COVID	2/15/20 TO 4/26/20 AVERAGE DURING COVID	12/31/20 AVERAGE END OF PERIOD	
BILL	30,000	20,000	.667	30,000	20,000	30,000	OKAY 😊
JEN	\$20	\$10	.5	20	10	12	REDUCTION ☹️

COMPUTING THE SALARY/WAGE REDUCTION

- FOR JEN
- WE REDUCED HER WAGE FROM \$20 TO \$10 (50%)
- WE ARE ALLOWED TO REDUCE TO \$15 (75%)
- WE REDUCED \$5 TOO MUCH
- CALCULATION =
 - AVERAGE WEEKLY HOURS (1ST QTR 2020) = 20 HOURS
 - x 24 WEEKS
 - = 480 HOURS x \$5 excess reduction **\$2,400**

\$2400 will be subtracted from P/R costs

SUMMARY OF COMPENSATION LEVELS MAINTAINED

- THE GOAL IS TO ENCOURAGE NOT REDUCING PAY MORE THAN 25% DURING COVID PERIOD
- IF YOU DO, AS LONG AS YOU RAISE IT BACK UP TO PRE COVID LEVELS BY END OF PERIOD YOU ARE OK
- IF YOU DON'T:
 - THE AMOUNT YOU LOWERED MORE THAN 25%
 - WILL BE SUBTRACTED FROM YOUR ELIGIBLE P/R COSTS

OBSERVATION: LOOKS TO ME LIKE YOU CAN INCREASE OTHERS PAY TO COUNTER THIS ISSUE

2.6

MAKING PPP FORGIVABLE:

EMPLOYEE LEVELS MAINTAINED

EMPLOYEE LEVELS MAINTAINED

- GOAL:
 - ENCOURAGE YOU TO KEEP YOUR WORKFORCE AT PRE COVID LEVELS
- HOW TO MEASURE :
 - COMPARE FTE'S (FULL-TIME EQUIVALENT) STAFF
 - FROM BEFORE COVID TO COVERED PERIOD

EMPLOYEE LEVELS MAINTAINED

- QUESTION:
 - What if I don't keep levels the same?
 - Does that mean I can't get ANY forgiven?
- ANSWER:

YOU CAN STILL GET SOME FORGIVEN,
JUST A REDUCED AMOUNT!

EMPLOYEE LEVELS MAINTAINED

- HOW TO MEASURE :
 - COMPARE **FTE'S** (FULL-TIME EQUIVALENT) STAFF
 - FROM BEFORE COVID
 - TO COVERED PERIOD

EMPLOYEE LEVELS MAINTAINED

- **WHAT IS FTE'S:**
 - THE NUMBER OF “FULL-TIME EQUIVALENT” STAFF
 - ONE 40 HOUR EMPLOYEE = 1 FTE
 - TWO 40 HOUR EMPLOYEES = 2 FTE
 - ONE 20 HOUR EMPLOYEE = .5 FTE
 - TWO 20 HOUR EMPLOYEES = 1 FTE

EMPLOYEE LEVELS MAINTAINED

- **CALCULATE FTE for each employee**
 - **STANDARD METHOD**
 - (Average weekly hours/40) =
 - Round answer to nearest 10th of a point

EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF STANDARD METHOD FTE CALC

	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME				

EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF STANDARD METHOD FTE CALC

	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40			

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EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF STANDARD METHOD FTE CALC

	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40	/40		

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EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF STANDARD METHOD FTE CALC

	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40	/40	1	

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EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF STANDARD METHOD FTE CALC

	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40	/40	1	1 FTE

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SAM PARTTIME				

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FAY FULLTIME	40	/40	1	1 FTE
SAM PARTTIME	30			

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SAM PARTTIME	30	/40		

EMPLOYEE LEVELS MAINTAINED

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	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40	/40	1	1 FTE
SAM PARTTIME	30	/40	.75	

EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF STANDARD METHOD FTE CALC

	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40	/40	1	1 FTE
SAM PARTTIME	30	/40	.75	.8 FTE

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BILL BARELY WORKS	12			

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BILL BARELY WORKS	12	/40	.3	

EMPLOYEE LEVELS MAINTAINED

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	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40	/40	1	1 FTE
SAM PARTTIME	30	/40	.75	.8 FTE
BILL BARELY WORKS	12	/40	.3	<u>.3 FTE</u>

TOTAL = 2.1 FTE'S

EMPLOYEE LEVELS MAINTAINED

- **CALCULATE FTE for each employee**
 - **STANDARD METHOD**
 - (Average weekly hours/40) =
 - Round answer to nearest 10th of a point
 - **SIMPLIFIED METHOD**
 - 40 HOURS WEEKLY = 1 FTE
 - LESS THAN 40 HOURS = .5 FTE

EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF SIMPLIFIED METHOD FTE CALC

	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME				
SAM PARTTIME				
BILL BARELY WORKS				

EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF SIMPLIFIED METHOD FTE CALC

	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40			
SAM PARTTIME				
BILL BARELY WORKS				

EMPLOYEE LEVELS MAINTAINED

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EMPLOYEE LEVELS MAINTAINED

- EXAMPLE OF SIMPLIFIED METHOD FTE CALC

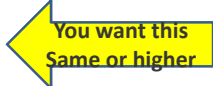
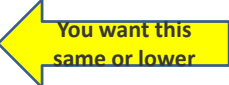
	AVERAGE WEEKLY HRS	/40 HOURS	= FTE	ROUNDED FTE (.x)
FAY FULLTIME	40	/40	1	1 FTE
SAM PARTTIME	30	/40	.75	.5 FTE
BILL BARELY WORKS	12	/40	.3	.5 FTE

TOTAL = 2.0 FTE'S

EMPLOYEE LEVELS MAINTAINED

- **HOW TO MEASURE :**
 - COMPARE *FTE'S* (FULL-TIME EQUIVALENT) STAFF
 - FROM BEFORE COVID TO COVERED PERIOD

EMPLOYEE LEVELS MAINTAINED

- **HOW TO MEASURE :**
 - COMPARE *FTE'S* (FULL-TIME EQUIVALENT) STAFF
 - **FROM BEFORE COVID TO FORGIVENESS PERIOD**
 - **COMPARING TOTAL FTE**
 - FORGIVENESS PERIOD (8/24 WEEKS) 
 - TO
 - **PRIOR "REFERENCE PERIOD"** 
 - » 2-15-19 TO 6-30-19
 - » 1-1-20 TO 2-29-20
 - » SEASONAL ORGS. HAVE A 3RD OPTION

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EMPLOYEE LEVELS MAINTAINED

- **COMPARING FTE:**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED		
SALLY FT, CFO		
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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EMPLOYEE LEVELS MAINTAINED

- **COMPARING FTE:**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	
SALLY FT, CFO		
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- **COMPARING FTE:**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO		
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- **COMPARING FTE:**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	fired
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	fired
JAY FT, CFO	-	
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
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JAY FT, CFO	-	1
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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SALLY FT, CFO	1	fired
JAY FT, CFO	-	1
JENNY, PROGRAM	1	
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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SALLY FT, CFO	1	fired
JAY FT, CFO	-	1
JENNY, PROGRAM	1	1
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	fired
JAY FT, CFO	-	1
JENNY, PROGRAM	1	1
DAVIS, PROGRAM	.5	
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	fired
JAY FT, CFO	-	1
JENNY, PROGRAM	1	1
DAVIS, PROGRAM	.5	.5
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	fired
JAY FT, CFO	-	1
JENNY, PROGRAM	1	1
DAVIS, PROGRAM	.5	.5
ALAN, ADMIN	.8	
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	fired
JAY FT, CFO	-	1
JENNY, PROGRAM	1	1
DAVIS, PROGRAM	.5	.5
ALAN, ADMIN	.8	.8
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	fired
JAY FT, CFO	-	1
JENNY, PROGRAM	1	1
DAVIS, PROGRAM	.5	.5
ALAN, ADMIN	.8	.8
TOTAL AVERAGE FTE	4.3	

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	fired
JAY FT, CFO	-	1
JENNY, PROGRAM	1	1
DAVIS, PROGRAM	.5	.5
ALAN, ADMIN	.8	.8
TOTAL AVERAGE FTE	4.3	4.3

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED		
SALLY FT, CFO		
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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EMPLOYEE LEVELS MAINTAINED

- **COMPARING FTE:** **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	
SALLY FT, CFO		
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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EMPLOYEE LEVELS MAINTAINED

- **COMPARING FTE:** **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO		
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:** **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
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SALLY FT, CFO	1	-
JAY FT, CFO		
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:** **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

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- COMPARING FTE:** **REDUCED EMPLOYEE HOURS**

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SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM		
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM	1	
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM	1	.5
DAVIS, PROGRAM		
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM	1	.5
DAVIS, PROGRAM	.5	
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM	1	.5
DAVIS, PROGRAM	.5	-
ALAN, ADMIN		
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM	1	.5
DAVIS, PROGRAM	.5	-
ALAN, ADMIN	.8	
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM	1	.5
DAVIS, PROGRAM	.5	-
ALAN, ADMIN	.8	.5
TOTAL AVERAGE FTE		

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM	1	.5
DAVIS, PROGRAM	.5	-
ALAN, ADMIN	.8	.5
TOTAL AVERAGE FTE	4.3	

EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE: **REDUCED EMPLOYEE HOURS**

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
SAM FT, ED	1	1
SALLY FT, CFO	1	-
JAY FT, CFO	-	1
JENNY, PROGRAM	1	.5
DAVIS, PROGRAM	.5	-
ALAN, ADMIN	.8	.5
TOTAL AVERAGE FTE	4.3	3.0

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EMPLOYEE LEVELS MAINTAINED

- COMPARING FTE:** REDUCED EMPLOYEE HOURS

	FTE REFERENCE PERIOD 2/15/19 TO 6/30/19	FTE COVERED 24 WEEKS 5/3/20 TO 10/17/20
TOTAL AVERAGE FTE	4.3	3.0

WHAT WAS THE FTE REDUCTION?

COVERED 24 WEEKS FTE /PRIOR REFERENCE PERIOD FTE = REDUCTION

$$\frac{3.0}{4.3}$$

= **70%**

FTE IS 70% OF WHAT IT WAS

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EMPLOYEE LEVELS MAINTAINED

- EFFECT OF LOWERED FTE**
- YOU GOT \$100,000
- YOU SPENT 60% P/R
- YOU WOULD HAVE HAD 4.3 FTE
- BUT NOW YOU ONLY HAVE 3.0 FTE
- \$100,000 - \$30,000 = \$70,000
- \$70,000 FORGIVEN
- YOU OWE BACK \$30,000

UNFAIR: I COULDN'T HIRE PEOPLE

3 WAYS TO AVOID FTE REDUCTION

- 1.) HIRE BACK PEOPLE BY END OF FORGIVENESS PERIOD
- 2.) EXCLUDE FROM CALCULATION CERTAIN EMPLOYEES (WOULDN'T COME BACK, QUIT ETC...)
- 3.) COULD NOT OPERATE AT PRE COVID LEVELS DUE TO GOVERNMENT REQUIREMENTS/GUIDELINES

1.) GET FTE'S BACK UP

- **FTE SAFE HARBOR RULE**
 - YOU REDUCED STAFF AFTER 2/15/20
 - IF YOU BRING STAFF LEVELS BACK UP BY END OF PERIOD
 - YOU CAN IGNORE THE REDUCTION
 - TO CALCULATE, COMPARE:
 - FTE AT FEBRUARY 15TH, 2020 (BEFORE COVID)
 - TO
 - FTE AT END OF **AND YOU HAD TO LET PEOPLE GO IN THE INTERIM ☹☹☹**

I SAY: FORGET THIS – THEY WILL CORRECT THIS ERROR!!! DON'T WORRY 😊

GET FTE'S BACK UP

• CALCULATING SAFE HARBOR FTE:

	FTE PRE - COVID PAY PERIOD 2/15/20	COVID FTE PERIOD 2/15/20 TO 4/26/20	EARLIER OF DEC 31 AND DATE APPL. FILED
TOTAL AVERAGE FTE	4.3	3.0	4.5

2.) EXCLUDE EMPLOYEES THAT LOWERED YOUR FTE'S

– EXCLUDABLE IF

- ASKED FOR A REDUCTION IN HOURS or
- FIRED WITH CAUSE or
- QUIT or
- OR REFUSED A REHIRE OFFER

IN ALL CASES YOU ALSO MUST HAVE

- TRIED BUT COULDN'T FIND A QUALIFIED REPLACEMENT

Keep Records!!!!

3.) SAY THAT YOU COULDN'T OPERATE

- **MADE A GOOD FAITH EFFORT TO OPERATE**
- **COULDN'T RETURN TO SAME LEVEL ????**
- **BECAUSE OF FED GOVERNMENT STATED**
 - REQUIREMENTS (“YOU CAN’T HAVE SHOWS!!!)
 - GUIDANCE (LIKE THE CDC GUIDANCE)

- **THIS CAN BE A**
 - DIRECT FED AGENCY (CDC,HHS,OSHA ...)
 - OR AN INDIRECT AGENCY AS WELL
 - » STATE OR LOCAL SHUT DOWN (STEMMING FROM FED)

3.

PPP DOCUMENTATION

DOCUMENTATION

- YOUR BANK WILL BE THE ONE DECIDING WHAT THEY WANT FROM YOU
- NOT THE SBA

- SOME THINGS THEY WILL LIKELY ASK FOR

- OTHER THINGS YOU ARE REQUIRED TO HAVE IN CASE THEY ASK FOR THEM

- KEEP DOCUMENTS FOR 6 YEARS AFTER
 - FORGIVENESS
 - LOAN PAYBACK

DOCUMENTATION LIKELY YOU WILL NEED TO PROVIDE

PAYROLL COMPENSATION

- BANK STATEMENTS SHOWING PAY DRAFTS
- TAX FORMS – 941'S
- PAYROLL JOURNALS FROM 3RD PARTY P/R SERVICE REPORTS SHOWING
 - AMOUNTS EARNED/PAID
 - AVERAGE NUMBER OF FTE'S FOR ALL CALCULATIONS

OTHER PAYROLL COSTS

- HEALTH INSURANCE PAYMENT RECEIPTS, CANCELLED CHECKS ETC...
- RETIREMENT PLAN PAYMENT RECEIPTS, CANCELLED CHECKS ETC...

NON PAYROLL COSTS

- MORTGAGE INT PAYMENTS
 - RECEIPTS, CANCELLED CHECKS ETC...
 - SOMETHING SHOWING INTEREST PORTION OF EACH PAYMENT
- RENT OF LEASE PAYMENTS
 - RECEIPTS, CANCELLED CHECKS ETC...
 - COPY OF LEASE
- UTILITY PAYMENTS
 - RECEIPTS, CANCELLED CHECKS ETC...
 - STATEMENTS VERIFYING THOSE PAYMENTS

DOCUMENTATION SHOULD HAVE ON HAND BUT WILL LIKELY NOT BE ASKED FOR

- DOCUMENTATION SHOWING WAGES/SALARIES WEREN'T REDUCED – P/R RECORDS

COMPENSATION LEVEL COMPARISON

ONLY APPLIES FOR PEOPLE THAT MADE \$100K OR LESS IN 2019	1/1/20 – 3/31/20 AVERAGE SALARY OR HOURLY WAGE (A)	COVERED PERIOD (OR ALTERNATIVE) AVERAGE SALARY OR HOURLY WAGE (B)	(B) divided/by (A) =	
JANE - SAL	75,000	80,000	1.067	OKAY 😊
SAM - SAL	40,000	30,000	.75	OKAY 😊
BILL - SAL	30,000	20,000	.667	UH-OH 😞
JENNY - HOURLY	\$20	\$10	.5	UH-OH 😞

DOCUMENTATION SHOULD HAVE ON HAND BUT
WILL LIKELY NOT BE ASKED FOR

- DOCUMENTATION SHOWING WAGES/SALARIES WEREN'T REDUCED – P/R RECORDS
- DOCUMENTATION REGARDING AVOIDING FTE REDUCTION
 - JOB OFFERS AND REFUSALS
 - FIRINGS WITH CAUSE
 - WRITTEN REQUESTS FOR HOUR REDUCTIONS
 - UNSUCCESSFUL ATTEMPTS TO HIRE
 - GOVERNMENT REQUIREMENTS/GUIDANCE THAT PREVENTED OPERATING AT PRE COVID LEVELS
- **REMEMBER: KEEP FOR 6 YEARS!**

4.

POSSIBLE FUTURE
LEGISLATION

TRUMP'S EXECUTIVE ORDERS

- UNEMPLOYMENT FED ADD-ON EXTENDED AT LOWER RATE (\$400)
- EVICTION ORDER PROTECTION
- EXTENDS STUDENT LOAN PAYMENT DEFERMENT
- PAYROLL TAX "HOLIDAY"

TRUMP'S EXECUTIVE ORDERS

- UNEMPLOYMENT FED ADD-ON EXTENDED AT LOWER RATE (\$400)

DON'T EXPECT THIS MONEY FOR A WHILE, IF IT ALL!

TRUMP'S EXECUTIVE ORDERS

- EVICTION ORDER PROTECTION
 - EVICTIONS ARE NOT ACTUALLY BANNED
 - LEAVES THE DECISION TO HHS AND CDC
 - PROVIDES NO RENTAL SUPPORT

MEANINGLESS!!!

TRUMP'S EXECUTIVE ORDERS

- EXTENDS STUDENT LOAN PAYMENT DEFERMENT
 - WAIVES PAYMENTS THROUGH END OF YEAR
 - INTEREST IS ALSO WAIVED
 - ONLY FOR LOANS HELD AT DEPARTMENT OF EDUCATION
 - NOT PRIVATE LOANS THROUGH A BANK

THIS IS HELPFUL!

TRUMP'S EXECUTIVE ORDERS

- PAYROLL TAX HOLIDAY
 - VOLUNTARY
 - WAIVED WITHHOLDING OF FICA TAX (7.65% OF GROSS)
 - STILL IS OWED! THIS IS JUST A DEFERRAL
 - WILL HURT SOCIAL SECURITY AND MEDICARE
 - IRS MUST ADJUST THE ENTIRE 941 FORM AND SYSTEM

THIS IS A MESS!!!

POSSIBLE FUTURE LEGISLATION

- UNEMPLOYMENT FED ADD-ON EXTENDED AT LOWER RATE (\$400)
- ANOTHER \$1,200 CHECK (AGI <\$40,000)
- 70-120 BILLION FOR SCHOOLS
- COVID LIABILITY PROTECTIONS
- **ANOTHER ROUND OF PPP**

ANOTHER ROUND OF PPP

DON'T GET TOO EXCITED.....

- BUSINESSES CAN GET A 2ND PPP
 - REVENUES MUST HAVE GONE DOWN 50%
 - LESS THAN 100 EMPLOYEES
 - MUST NEED MONEY FOR P/R

5. TRACKING PPP IN QUICKBOOKS

PPP QUICKBOOKS TRACKING

- WHY?
 - UNDERSTAND HOW YOU ARE USING THE FUNDS
 - HELP YOU GET READY TO ASK FORGIVENESS
 - ENSURE YOU DON'T MESS UP YOUR GRANTS
 - SAY YOU HAVE A GRANT THAT PAYS FOR P/R
 - NOW YOU GOT PPP PAYING THAT P/R
 - CAN'T USE BOTH FOR SAME PAYCHECKS
 - POINTING EXPENSES AVOIDS DOUBLE DIPPING

**BETTER CALL FUNDERS TO RENEGOTIATE
THESE 24 WEEKS**

PPP QUICKBOOKS TRACKING

- HOW?
 - WHEN YOU GET THE FUNDS
 - CREATE A “PPP LOAN” ACCOUNT (TYPE: OTHER CURRENT LIABILITY)
 - DEPOSIT TO “OTHER CURRENT LIABILITY ACCOUNT”
 - CREATE A CUSTOMER “PPP LOAN”
 - POINT COSTS TO THE “PPP LOAN” CUSTOMER
 - REPORT: P & L BY CUSTOMER FOR PPP LOAN
 - MOVE VIA J/E FORGIVEN AMOUNT FROM LIABILITY TO GRANT INCOME ON P & L

PPP QUICKBOOKS TRACKING

DEMO

RESOURCES

WHAT IT IS	LINK
PPP LOAN FORGIVENESS APPLICATION	https://www.sba.gov/sites/default/files/2020-06/PPP%20Loan%20Forgiveness%20Application%20%28Revised%206.16.2020%29-fillable_0-508.pdf
FAQ'S ABOUT THE PPP PROGRAM thru June 25th	https://www.sba.gov/sites/default/files/2020-06/Paycheck-Protection-Program-Frequently-Asked-Questions%20062520-508.pdf
FAITH BASED ORGANIZATIONS FAQ'S ABOUT THE PPP PROGRAM	https://www.sba.gov/sites/default/files/2020-06/SBA%20Faith-Based%20FAQ%20Final-508.pdf
MORE QUICKBOOKS TRAINING FOR NONPROFITS	https://quickbooksmadeeasy.com/

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- QUICKBOOKS ONLINE

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THANK YOU!!!!

Presenter: Gregg S. Bossen, CPA

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