



Covid-19 Resources

FAQs – June 17, 2021

Getting you the answers to the many questions related to Covid-19 and its impact is our first priority. 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 – Any update on the reporting for HHS Provider Funds?

On Friday last week Department of Health and Human Services issued updated reporting requirements for your HHS PRF (Provider Reliefs Funds). The following should help clarify the reporting requirements.

When must I use the funds and complete the reporting for HHS funds received?

The date by which to utilize the funds has been extended to December 31, 2021 assuming receipt after July 1, 2020 (see chart below). Most practice that received HHS funds will not have a reporting requirement until January 2022. Only practices that received HHS funds for General Medicare Distribution are likely to have a reporting requirement this year.

If you received funds during multiple periods, then you must report use of funds in multiple periods as well.

	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Deadline to Use Funds	Reporting Time Period
Period 1	From April 10, 2020 to June 30, 2020	June 30, 2021	July 1 to September 30, 2021
Period 2	From July 1, 2020 to December 31, 2020	December 31, 2021	January 1 to March 31, 2022
Period 3	From January 1, 2021 to June 30, 2021	June 30, 2022	July 1 to September 30, 2022
Period 4	From July 1, 2021 to December 31, 2021	December 31, 2022	January 1 to March 31, 2023

Can I report early?

No – reporting can only occur during the reporting time period noted above. If you received HHS funds at different times, then each must be reported separately.

Are there any exceptions to the reporting rules?

Yes- if you received less than \$10,000 in total during a reporting period, the practice does not need to complete the reporting for that time frame. However, you may have to report if you received more than \$10,000 during another time frame.

Is there a template or resource on how to report and what documents will be needed?

HHS will be releasing an Excel template to help accumulate data for reporting. The template is not yet available. We currently believe that only documents related to loss of income will be required. However, if you utilized the funds for expenses, you will be required to maintain those documents as they will be subject to audit.

Remind me again how I can use the funds

Expenses - To be an allowable expense under the PRF, the expense must be used to **prevent, prepare for and respond to coronavirus**. All expenses need to be supported by adequate documentation. Providers are required to maintain documents to substantiate that these funds were used for health care-related expenses. Read [examples of allowable expenses for Provider Relief Funds - PDF](#) for more information.

Lost Revenue – as a result of coronavirus that were not reimbursed from other sources and other sources were not obligated to reimburse them.

What about Taxes? - HHS considers taxes imposed on Provider Relief Fund payments to be "healthcare related expenses attributable to coronavirus" that are reimbursable with Provider Relief Fund money, except for Nursing Home Infection Control Distribution payments.

Should I be doing anything now?

Yes, we encourage you to begin gathering the information you will need as soon as the template is available and reporting opens so that you will have it ready when it is your turn to report.

Also, providers are encouraged to register in the [PRF Reporting Portal](#) in advance of the relevant Reporting Time Period dates. The registration process will take approximately 20 minutes to complete and must be completed in one session. The entire registration form must be completed for it to be saved.

What is needed to register?

Before starting the registration process, recipients should have the following on hand:

- Tax ID Number (TIN)
- Business name of the reporting entity (as it appears on IRS Form W-9)
- Contact information of the person responsible for submitting the report
- Address as it appears on IRS Form W-9
- Payment information (for any of the payments received)
 - TIN of entity that received the payment; Payment amount; Mode of payment (check or direct deposit ACH); Check number or ACH settlement date

Where can I learn more?

Click [here](#) for more information

Q2 – What does this IRS Notice(s) mean?

The IRS has begun to send out various notices to taxpayers after playing catch up from the delayed and extended tax season this year. Most common notices that are being received are explained below. Nonetheless, be sure to forward any notice received to your account manager so we can review and assist you with any action you may be required to take.

Notice 3064C - Deferred Payroll Taxes – Form 941

Under the CARES Act Employers were allowed to defer payment of the employer's share of the Social Security Tax – part of your normal payroll taxes during 2020. Your payroll processor may have given you the option to opt in or out when you were first eligible. We recommended against deferring these payroll taxes.

Nonetheless, if you opted to defer these taxes which would have started back in March of 2020, you should expect to receive IRS notices for each quarter you had deferred taxes. Potentially up to four notices for each quarter. It is a reminder that you must pay 50% by 12/31/2021 and the remaining half by 12/31/2022 to avoid penalties and interest. Be sure to verify the deferred tax amount from the IRS Notice to your payroll reports to confirm the amounts expected by the IRS match your payroll records.

Note: Gusto (and any other payroll company as far as we are aware) is not making these tax payments; you are ultimately responsible for paying these back on your own. Therefore, we recommend paying the full balance ASAP via EFTPS for each corresponding quarter to get this out of the way so as to not miss any of these payments and deadlines – if your cash flow allows. If you are unsure if your specific payroll processor will pay these deferred payroll taxes, be sure to contact them to confirm.

Letter 6416 – Child Tax Credit Eligibility

As part of the American Rescue Plan Act (ARPA), the child tax credit has been expanded for 2021, from \$2,000 per child to up to \$3,600 for each child under the age of 6 or \$3,000 for children ages 6-17. The temporary expansion includes advanced monthly payments of this credit from July 15 through December 15 which can range anywhere up to \$250 - \$300 per month. The credit phases out by \$50 for every \$1,000 earned for income thresholds above \$200,000 for single filers and \$400,000 for married filers.

The IRS is sending out general notices to those who may be eligible based on information provided on their 2019 or 2020 tax returns. However, you may not want to receive the new monthly child tax credit payments since the credit is based on your 2021 information and instead, opt to receive the full credit amount when you file your 2021 tax return in 2022.

You can opt out of the payments altogether by using the Child Tax Credit Update Portal on the IRS website. If you do nothing, you will likely receive these advanced payments which will reduce any potential tax refund or increase your tax due next year by the amount advanced to you. Please consult with your account manager if you are unsure about opting out.

Q3 – Can I file for PPP Forgiveness on the First Loan? How about the Second?

Time is approaching for most to file PPP Forgiveness on their first draw PPP loan. As a reminder you, have 10 months after the end of your 24-week covered period. For most dentists that took out a loan in May of 2020, you will have until August 2021 before any loan payments become due.

Keep in mind you should review your eligibility for claiming the 2020 Employee Retention Credit **before** applying so as to maximize the benefits of claiming wages between the two programs. You will also want to ensure the correct amount of payroll costs is claimed on your PPP Forgiveness in coordination with what was utilized for the ERC. We have been working on providing preliminary calculations to existing Dental Group clients. If you have not yet been notified of your eligibility or would like to learn more about the ERC/PPP program, please reach out to us directly.

As far as the second draw PPP loan, we recommend waiting until you have reached the end of your full 24-week covered period. Once again, you have 10 months after this to apply for forgiveness. For most that took out a second draw loan in January, the end of your covered period would be in July, giving you until April of 2022 to file for forgiveness.

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.