



Covid-19 Resources

FAQs – June 12, 2020

Getting you the answers to the many questions related to Covid-19 and its impact to you is our first priority. Things continue to evolve and change quickly, but please know that our team is working as quickly as possible to understand all that is taking place and going to the source for the answers. 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: What is the latest guidance on the recent changes to PPP Loan Forgiveness?

Answer: The SBA released interim rule revisions on Thursday, June 11th to clarify that the 60%/40% rule under the recently enacted PPP Flexibility Act for Payroll Costs versus Qualified Nonpayroll Costs will not be a cliff. Rather, it will be a proportional limit on nonpayroll costs as a share of the borrower's loan forgiveness amount instead of a threshold for receiving forgiveness. We still recommend trying to spend all of the funds on payroll if possible, to simplify the forgiveness application given the extra time to do so.

The interim rule did not address if the annual \$100,000 cap on employees and/or owners will be prorated from \$15,385 (for 8 weeks) to \$46,154 (for 24 weeks) but additional guidance on the forgiveness procedures will be forthcoming.

Q2: What if I already spent funds on qualified Non-Payroll Costs? Do I have to include them on the Forgiveness Application or can I use Payroll Costs?

Answer: As mentioned in a previous FAQ, if you have already "spent" some of it on rent or other non-payroll items, that is okay. We can reallocate the funds to payroll as you spend it. For most, using the 24-week period will allow you to list only payroll costs on your forgiveness application which should simplify the application process and recordkeeping requirement.

Q3. Can I still apply for a PPP loan? What if my bank says they are not accepting applications?

Answer: Yes, applications are still being accepted, but the deadline for acceptance is June 30th. We still recommend applying for a loan if you have not already done so. Some banks have made the decision to no longer process loans, but you can apply with other lenders. The funding will be received within 10 calendar days of Etran (SBA) approval by the bank.

Q4. You mentioned in a previous FAQ to sign up for EFTPS for estimated tax payments. Is this in the name of the practice or as an individual?

Answer: Sign up under your own name, not the practice. This is true whether your practice is setup as an LLC, partnership, S-corporation, or sole proprietor (Schedule C). In those cases, all business income flows to your personal tax return, and you as the individual pay the income tax, not the practice. The only scenario where the practice pays income tax directly is when it is a C-corporation, which is extremely rare for dental practices.

You can sign up for EFTPS here <https://www.eftps.gov/eftps/direct/Help.page>

As a reminder, if you are an S-corporation, most (if not all) of your estimated taxes are paid via payroll withholdings, and you may not have to make any additional estimated payments. For those clients, we will be evaluating your withholding in the next month or so and making any necessary adjustments for the rest of the year.

Q5. I received the EIDL loan and have decided I don't want to use it. How do I pay it back?

Answer: If you have determined that you do not want to keep EIDL money, you can pay it back to the SBA through the government website and an electronic payment or via check. Paying EIDL money back is not done through your bank. Instructions for paying back EIDL money:

Online: [Pay.gov](https://pay.gov)

- a. In the middle of the page find the section titled: ***Make an SBA 1201 Borrower Payment***
 - i. Click on: ***Pay it right here >***
- b. Click on: ***Continue to the Form***
- c. Fill out the ***Agency Form*** making sure you use the same information you used for completing the EIDL application.
- d. Click on: ***Continue*** and ***confirm*** the amount you are paying. Make sure you are including only the EIDL loan portion and not the EIDL Grant money (up to \$10,000 or \$1,000 per employee) which you are allowed to keep.
- e. Elect the ***payment method***. We recommend ***Bank Account (ACH) – You will have to provide the business bank account number and routing number.***

Check or Phone: [SBA](https://www.sba.gov)

- a. When returning funds, please also provide a short note stating that you are seeking to return a disbursement and include the following information to ensure the funds are properly addressed:
 - i. Business Name and Borrower's Name
 - ii. Tax ID or SSN
 - iii. Application Number

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.