



Covid-19 Resources

FAQs – June 24, 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 very rapidly, 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 can you tell me about the Main Street Lending Program being offered by the Federal Reserve?

Answer: This is a new relief program (loan) designed to support small and mid-sized businesses impacted by COVID-19. The minimum loan size is \$250,000 with a term of 5 years. Principal payments are delayed for two years. The loan is made through eligible lenders (banks) that register for the program. A business is eligible for this loan even if they have a PPP loan. Like the EIDL loan, there are restrictions on compensation and distributions to owners although there is a provision for owners to take distributions to cover tax obligations resulting from business earnings.

The program is expected to open soon and will be available through September 30th unless extended. More information can be found at their [website](#).

Q2: What is the CARES Act Provider Relief Fund

Answer: The HHS recently launched their enhanced portal to allow additional health care providers relief that is intended to help providers experiencing lost revenues or increased expenses due to COVID-19. Dentists that participate in state Medicaid and CHIP programs may submit their annual patient revenue information to receive a distribution equal to at least 2 percent of reported gross revenues from patient care. Additional information and how to apply can be found here:

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>

One point of caution: The legal language of the attestation reads: “The Recipient certifies that it provides or provided after January 31, 2020 diagnoses, testing, *or care* [emphasis added] for individuals with possible or actual cases of COVID-19.” There is no further definition of what care of a “possible” COVID-19 patient means in the Terms and Conditions document. As it reads you may not be eligible for this money if you are not providing or have provided diagnosis, testing or care for individuals with possible or actual cases of COVID-19.

Note: The HHS has also indicated that they are working on an additional allocation to distribute relief broadly to dentists. It is unclear how or if the above application would affect your eligibility for this in any way.

Q3: Is there anything else I should be doing to reduce risks going forward?

Answer: We encourage you to consider obtaining both a personal line of credit and a business line of credit if you have not already done so.

Q4: Is there any update on when the IRS will issue refunds for 2019 tax filings?

Answer: If you are still awaiting your refund for 2019, we encourage you to continue to check the [IRS website](#) for updates. We are starting to hear of some refunds finally starting to be processed now that the IRS employees are headed back into the office.

Q5: Have we received any clarification on what we can include for owners in the PPP forgiveness application?

Answer: Schedule C and Partners - \$100,000 prorated (cannot also add retirement and health insurance premiums) or a maximum of \$20,833 over the 24-week period; or prorated 2019 net self-employment income if less than \$100,000 for the year.

Answer: S Corporation owner-employees - \$100,000 prorated or a maximum of \$20,833 over the 24-week period; or prorated 2019 adjusted income if less than \$100,000 for the year. While the guidance states that S Corporation owner health insurance cannot be added separately, there remains some debate whether retirement plan contributions can be added in addition to the \$20,833 limit, or if those are included in the limit. We doubt this will be an issue as most practices will have sufficient additional staff payroll costs to achieve full 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.