



PPP Loan: Questions still unanswered by the Treasury & SBA

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We understand many of you have received PPP loans and are either in the beginning of your 8 week period, or are about to begin it. Once you start your 8 week period, questions start to come up that you didn't think about previously. We suggest everyone review our prior newsletters, webinars, and templates:

[Click here](#) for our 4-29 Webinar "Getting Ready for Opening Day"

[Click here](#) for our 4-15 Webinar "I Applied for my PPP Loan...Now What?"

[Click here](#) to download the PPP expense tracker

All of our newsletters, templates and webinars can be found at:
<https://www.rosentalcpa.com/resources/taxscriptions/>

We have been receiving many questions regarding specific calculations of the loan forgiveness. We understand the need for answers on these questions as we have been struggling with them since the CARES Act was enacted. It is important to note that the PPP loan has two components:

1. The Loan – Guidance has been issued on this and the SBA continues to update us with FAQ's, although they have been less relevant over the last few weeks. Guidance was issued over time because of the initial rush to get information out and start the loan process.
2. Forgiveness – The CARES Act required the SBA to issue guidance within 30 days of the Act's signing which was more than a week ago and we still do not have guidance. We believe guidance has been slow to come out because forgiveness applications won't begin to be processed for another month when the earliest 8 week periods begin to expire. This approach by the SBA is frustrating, as we know it is critical to understand these rules now, not just when the application is filed.

Dentists, other business owners, accountants, politicians – everyone – is frustrated with the SBA’s lack of guidance on the forgiveness. In the CARES Act, Congress required the SBA to release guidance on forgiveness by 4/26/20 and they still haven’t issued this guidance as of the date of this newsletter. The delay is hurting the effectiveness of the program as there are uncertainties in how the funds can be spent to make sure it complies with the program. The ADA, the AICPA, and others have submitted requests that the PPP dates be expanded to account for the delay in guidance and to account for the fact that some states are not allowing businesses to open, however such action would require an act of Congress.

As soon as the SBA releases guidance on forgiveness we will immediately send out a newsletter and host a series of webinars on the next steps. Stay tuned.

Common questions we simply don’t know yet:

1. How much hazard pay/bonus is allowed?
2. Can I pay my 2019 retirement contribution?
3. How do I calculate my 2020 retirement contribution?
4. Can I increase payments to related parties?
5. Can I begin paying wages to related parties that previously weren’t employed by the practice?
6. How do I calculate a full-time employee?
7. If I rehire employees by 6/30/20, how long must they remain employed?
8. If I hire different employees at different rates, how does that impact the FTE count?

We know these are great questions which you need to know the answer to now. Unfortunately they have not yet been addressed as guidance on forgiveness has not yet been released.

Stay safe and healthy.

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