



## HHS Provider Funds & PPP Update

### Headlines

1. If you have received additional HHS Provider Relief funds recently, please set aside 40 – 45% for taxes
2. Continue to monitor our newsletters as we will be providing updates if any stimulus agreement is passed and signed into law
3. PPP Loans
  - For PPP loans, do a full-time equivalent (FTE) check to make sure your 12/31/20 FTE's meet the safe harbor requirements
  - We continue to recommend waiting to apply for forgiveness
  - Currently, the expenses used for the PPP loan forgiveness are still nondeductible in 2020

### HHS Funding

Many practices are beginning to receive the next round of HHS funding.

**To do:** HHS Provider Relief Funds are considered taxable income. You should set aside approximately 40% - 45% for taxes in addition to any tax projection numbers we may have already communicated.

\*\*\*According to the new HHS guidance, HHS considers taxes imposed on the Provider Relief Fund payments to be an eligible use of these funds.

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/faqs/provider-relief-fund-general-info/index.html#use-of-funds>

### PPP Full Time Equivilant (FTE)

The 24 week covered period for your PPP loan is likely over and you are waiting to apply for forgiveness. We recommend that you continue to wait, but you need to make sure you satisfy the FTE rehire safe harbor requirement.

**To do:** To qualify for forgiveness, you need to meet the safe harbor test. Your full-time equivalent count for the week including 12/31/20 must be the same as it was on 2/15/20, less allowed reductions mentioned below. FTE's using paid vacation time still count as an employee.

The practice may exclude any reduction in FTE's due to the reasons below:

1. The practice made a good-faith written offer to rehire an employee and the employee rejected the offer
2. Employees who were fired for cause
3. Employees voluntarily resigned or requested a reduction in their hours.

## Stimulus Bill

In the next few days or weeks there will likely be a new stimulus bill passed by Congress.

**To do:** Continue to make planned tax payments and follow our newsletters for updates. There could be new programs or opportunities in the final bill, but we will need to wait until they have enacted changes.

Stay safe and healthy,

Rosen & Associates, LLP



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