

## PYA Webinar, Monday, March 30, 2020 "The CARES Act: Your Piece of the \$2 Trillion Pie"

Question Asked	Answer Given
<p><b>So no need to do Cover letter....just the form by MAC. If our MAC doesn't have updated form, how do we handle getting in today?</b></p>	<p>You will need to monitor your MAC's website frequently for the form and submittal directions to become available over the next few days. Per MR: To apply, one need only complete, sign, and submit the on-line application form; no cover letter is required. Continue to check your MAC's website for an updated form. Some MACs have posted links to prior versions of the application form (i.e., for pre-CARES Act accelerated payment requests). These forms are not consistent with CMS' program instructions published on March 28. They request information regarding a provider's receipts and liabilities, which is not relevant under the CARES Act Medicare Advance Payment program. If you cannot locate a current form on your MAC's website, call the MAC's COVID-19 hotline. Note that most hotlines are only operational during normal business hours.</p>
<p><b>Can we borrow enough that would include payment for the owning physicians?</b></p>	<p>Payroll costs include compensation to an individual employee (which may be an owner) up to an annual salary of \$100,000 as prorated for the covered period. Compensation to or income of a sole proprietor/independent contractor that is for wages, commissions, income, net earnings from self-employment, or similar compensation is included but not more than \$100,000 in one year as prorated for the covered period.</p>
<p><b>Does the PPP take into account payment to physician/owners?</b></p>	<p>Payroll costs include compensation to an individual employee (which may be an owner) up to an annual salary of \$100,000 as prorated for the covered period. Compensation to or income of a sole proprietor/independent contractor that is for wages, commissions, income, net earnings from self-employment, or similar compensation is included but not more than \$100,000 in one year as prorated for the covered period.</p>
<p><b>FQHC- billing requirements - we bill on UB with Gcode for service - how would we bill the telehealth services now authorized by CARES Act?</b></p>	<p>The CARES Act directs CMS to establish new telehealth billing codes and payment rates for RHCs and FQHCs. These providers will not be able to submit claims for these services until CMS publishes those codes and rates. The CARES Act does not include a specific deadline for CMS to publish this information. Nor does the statutory language address whether CMS can make the codes and rates retroactive to services furnished before their publication.</p>
<p><b>How soon is it expected Providers need to post the cash price of COVID tests?</b></p>	<p>CARES Act Section 3202(b)(1), which imposes the posting requirement, does not specify a time frame by which a provider must post pricing information on its website.</p>
<p><b>I interpret that we include in payroll costs those individuals making greater than \$100,000 but it's just limited to \$100,000. Obviously you take \$100,000/12 x2.5 x all individuals making greater than \$100,000</b></p>	<p>You would include all employees, including those with compensation greater than \$100,000. For purposes of the payroll cost calculation, the average would only consider the individuals compensation up to \$100,000 as prorated for the covered period.</p>
<p><b>Question about calculating payroll costs. If you have NOT funded your 2019 retirement but included on your 2019 tax return can you include in calculating that average for payroll costs?</b></p>	<p>It would be dependent on the date paid and the period for which average monthly payroll costs are determined.</p>
<p><b>Request for accelerated Medicare payments. On the form it asks a. general cash position b. anticipated receipts c. anticipated expenditures d. indicated cash position in next 30 days. Is this how they determine what to fund? How much you are in the whole? I don't understand the amount they will advance? Typical receipts x 3 months?</b></p>	<p>The MAC is using a form for the pre-CARES Act accelerated payment process. These questions are not relevant to the methodology the MACs have been instructed to follow in CMS' March 28 guidance. We recommend contacting the MAC on its COVID-19 hotline to inquire when the corrected form will be posted.</p>

<p><b>Beyond the \$500B in direct relief funds, are there any other funds/loans that hospitals could apply for to assist with payroll if you have more than 500 employees?</b></p>	<p>Hospitals and health systems with more than 500 employees may be eligible for loans under Section 4003 of the CARES Act. These loans are not eligible for forgiveness. The Treasury Department will be issuing guidance regarding application for and conditions on these loans shortly. Section 4003 includes the following provision: “[t]he Secretary shall endeavor to seek the implementation of a program or facility described in subsection (b)(4) that provides financing to banks and other lenders that make direct loans to eligible businesses including, to the extent practicable, nonprofit organizations, with between 500 and 10,000 employees, with such direct loans being subject to an annualized interest rate that is not higher than 2 percent per annum. For the first 6 months after any such direct loan is made, or for such longer period as the Secretary may determine in his discretion, no principal or interest shall be due and payable.” The statute specifies a number of conditions on these loans.</p>
<p><b>Leased employees?</b></p>	<p>For purposes of the PPP Loan calculation, payroll costs do include compensation paid to service providers (independent contractors) as would be reported on a 1099 but still only up to \$100,000.</p>
<p><b>For the PPP program, regarding an employee who has compensation greater than \$100,000 is the employee not eligible or is it compensation greater than \$100,000 that is not eligible?</b></p>	<p>Annual compensation up to \$100,000 per employee is included in the payroll cost calculation as prorated for the covered period.</p>
<p><b>To clarify - can we take first 100K of an employee's salary toward average monthly payroll (if they make more than 100K)?</b></p>	<p>Payroll costs include compensation of an individual employee up to an annual salary of \$100,000, as prorated for the covered period.</p>
<p><b>And, retirement benefits includes 401K match, profit sharing, etc.?</b></p>	<p>The guidance simply indicates “payment of any retirement benefit.”</p>
<p><b>And, group health includes all health services provided (health insurance, vision, dental)?</b></p>	<p>Payroll costs include group health care benefits, including insurance premiums. The key word here is “health insurance.”</p>
<p><b>Are we including Guaranteed payments to owners as a part of the payroll cost? Or the draw to a SCh. C employer?</b></p>	<p>Payroll costs include compensation to an individual employee (which may be an owner) up to an annual salary of \$100,000 as prorated for the covered period. Compensation to or income of a sole proprietor/independent contractor that is for wages, commissions, income, net earnings from self-employment, or similar compensation is included but not more than \$100,000 in one year as prorated for the covered period.</p>
<p><b>Can you take loan capped at 100k based on employees that make more than 100k for that individual employee?</b></p>	<p>Annual compensation up to \$100,000 per employee is included in the payroll cost calculation as prorated for the covered period.</p>
<p><b>What options (if any) are available to small businesses that lease personnel from larger entities (ie hospitals greater than 500 employees)?</b></p>	<p>For purposes of the PPP Loan calculation, payroll costs do include compensation paid to service providers (independent contractors) as would be reported on a 1099 but still only up to \$100,000.</p>
<p><b>I have a staff member that asthma and has decided to self quarantine prior to April 1. How do I handle paying her? Her own sick/pto or am I required to pay her like she was working?</b></p>	<p>Because FFCRA does not take effect until April 1, you can require her to take PTO or sick pay if available, or not pay her at all, provided that she is an hourly/non-exempt employee and that she is not doing any work from home. If she is salaried, you must pay her full weekly salary for any partial week worked.</p>
<p><b>Would costs of malpractice premiums, EMR fees, billing service fees all be considered under utilities as they are monthly costs?</b></p>	<p>At this time, the guidance indicates that the amount of the loan should be spent on payroll costs, interest payments on mortgages incurred prior to February 15, 2020, payments on covered rents in force prior to February 15, 2020, and utility payments (i.e., gas, water, transportation, telephone, internet) for which services began before February 15, 2020.</p>
<p><b>will 401K payments for employees made during the 8 week period be part of the loan forgiveness?</b></p>	<p>The guidance indicates that payroll costs include costs associated with any retirement benefits. The assumption would be that if those were incurred during the 8 week period they would be considered part of the loan forgiveness.</p>

<p><b>I know this presentation is about the CARES Act. Just wondering if CMS has addressed "incident to" and "split/shared" services for telehealth? If so, please provide where I can find. Thank you! We appreciate your presentations.</b></p>	<p>If a physician and NPP are 1) in the same office suite, 2) the NPP performs a telehealth visit for a Medicare patient who is established, and 3) the conditions addressed and treatment plans were established by a physician, it would seem reasonable that the service could be billed under the supervising physician under the incident to guidelines. The same is true of split/shared visits in the hospital outpatient and inpatient settings. However, there is no specific guidance regarding this scenario. Therefore, it is recommended that you bill under the NPPs NPI. In the office setting, if the patient is a new patient, presents with a new problem, or is a member of a plan which does not recognize incident to guidelines, bill under the NPPs NPI for those plans that credential NPPs and the physician's NPI for those that do not. Note that CMS revised its plan, as of March 27, 2020, to use POS 02 for telehealth services, and is asking providers to submit the POS where the physician/NPP is providing the service for the professional claim. Use modifier 95 to indicate the service is a telehealth service instead.</p> <p>In the interim final rule published March 30, CMS seems to indicate "incident to" billing is not permitted for telehealth services: "For telehealth services that need to be personally performed by a physician, such as an E/M visit, the physician would need to personally perform the E/M visit and report that service as a Medicare telehealth service."</p>
<p><b>Has CMS discussed non-physician providers billing as incident to the physician using telehealth if the provider has direct supervision in the clinic where they provide the telehealth?</b></p>	<p>If a physician and NPP are 1) in the same office suite, 2) the NPP performs a telehealth visit for a Medicare patient who is established, and 3) the conditions addressed and treatment plans were established by a physician, it would seem reasonable that the service could be billed under the supervising physician under the incident to guidelines. The same is true of split/shared visits in the hospital outpatient and inpatient settings. However, there is no specific guidance regarding this scenario. Therefore, it is recommended that you bill under the NPPs NPI. In the office setting, if the patient is a new patient, presents with a new problem, or is a member of a plan which does not recognize incident to guidelines, bill under the NPPs NPI for those plans that credential NPPs and the physician's NPI for those that do not. Note that CMS revised its plan, as of March 27, 2020, to use POS 02 for telehealth services, and is asking providers to submit the POS where the physician/NPP is providing the service for the professional claim. Use modifier 95 to indicate the service is a telehealth service instead.</p> <p>In the interim final rule published March 30, CMS seems to indicate "incident to" billing is not permitted for telehealth services: "For telehealth services that need to be personally performed by a physician, such as an E/M visit, the physician would need to personally perform the E/M visit and report that service as a Medicare telehealth service."</p>
<p><b>because the ppp program is first come first serve should I go ahead and apply for a 7a loan within the sba and then try to refinance with the sba bank after may 1?</b></p>	<p>The EIDL is currently open for application. The PPP loan is an option under 7(a) and is pending the application process which should be released no later than April 11, 2020. Businesses would be unable to receive assistance for the same economic loss under both programs.</p>
<p><b>If we do not do testing and send to outside lab, do we then need to post on our website our price to collect the specimen for the testing?</b></p>	<p>No, CARES Act Section 3202(b)(1) only requires posting of the cash price for the testing, not specimen collection.</p>
<p><b>Does the increase in payment for a patient with a COVID-19 diagnosis apply to Doctors or facility only?</b></p>	<p>The only COVID-19-specific payment adjustment relates to hospital DRG payments for inpatients diagnosed with COVID-19.</p>
<p><b>Is there a percentage in collections down you must have to qualify? what if you are 25% down in collections versus 5% down?</b></p>	<p>The guidance does not indicate a required reduction in collections in order to qualify.</p>
<p><b>Can you give details about the 50% payroll tax credit?</b></p>	<p>If this is related to FFCRA, preliminary information (press release by IRS, DOL, Treasury) indicates employers will receive immediate credit for 100% of required payments made under FFCRA through deductions from amounts otherwise remitted to the IRS for withheld and employer portion of payroll tax. Guidance on exact logistics is still pending.</p>

<p><b>Can you include the first \$100,000 of earnings for the higher earners (annual salary above \$100,000) in payroll calculations for loan forgiveness?</b></p>	<p>Annual compensation up to \$100,000 per employee is included in the payroll cost calculation as prorated for the covered period.</p>
<p><b>Will interest be assessed on the Medicare advance payments?</b></p>	<p>No interest will be assessed during the recoupment phase. If a provider is unable to pay the full amount owing at the end of the recoupment period, the MAC likely will accept an extended repayment plan which would include interest payments.</p>
<p><b>Are self-insured plans required to cover COVID testing, and without cost sharing?</b></p>	<p>Yes, first-dollar coverage for all COVID-19 diagnostic testing is mandated under Section 3203 of the CARES Act and Section 6001 of the Families First Coronavirus Response Act.</p>
<p><b>CARES act excludes Medicaid beneficiaries in this 7(a) program? SEC. 1102. 7(a) LOAN PROGRAM. * * *</b></p> <p><b>(b) INCREASED ELIGIBILITY FOR CERTAIN SMALLBUSINESSES AND ORGANIZATIONS.-</b></p> <p><b>(1) IN GENERAL.-</b>During the covered period, any business concern, private nonprofit organization, or public nonprofit organization which employs not more than 500 employees shall be eligible to receive a loan made under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), in addition to small business concerns.</p> <p><b>(2) EXCLUSION OF NONPROFITS RECEIVING MEDICAID EXPENDITURES.-</b>Paragraph (1) shall not apply to a nonprofit entity eligible for payment for items or services furnished under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under a waiver of such plan.</p>	<p>The provision in the proposed CARES Act to exclude non-profits was struck from the final rule. Per the CARES Act final rule, Medicaid-participating businesses are eligible to receive SBA loans.</p>
<p><b>is that for people making up to \$100k?</b></p>	<p>Annual compensation up to \$100,000 per employee is included in the payroll cost calculation as prorated for the covered period.</p>
<p><b>I am still a little confused with the HHS Marshall grant. Will everyone qualify on first come first serve?</b></p>	<p>The provision in the CARES Act creating the \$100 Billion fund does not include any criteria for HHS to apply in awarding these monies to providers, other than to state awards should be made on a rolling basis. We anticipate HHS will establish some criteria as it fully develops the program.</p>
<p><b>You mentioned posting the cost of the Coronavirus testing price on yur website is that for all patients or just for Medicare patients?</b></p>	<p>The provider should post the price it would charge an individual paying cash (i.e., not insurance coverage) for the test.</p>
<p><b>Can we apply for both PPL and Eidl loans?</b></p>	<p>You are unable to take out an EIDL and PPP loan for the same purposes.</p>
<p><b>Three months of payments, is that the most recent 3 months of payments we have received from Medicare? Or what is the measurement period</b></p>	<p>CMS' program instructions to the MACs does not specify the time period by which to measure total Medicare payments for purposes of determining the amount of the advance payment. Presumably, each MAC will make this determination.</p>
<p><b>Physician practices have been lobbying for change to the audio AND vide requirements for telehealth. Any update on that?</b></p>	<p>By interim final rule published on March 30, CMS announced Medicare will now cover telephonic E/M services, CPT 98966-68 (non-physician practitioner) and 99441-43 (physician). However, a service may be billed as a telehealth service only if interactive audio-visual communication system is utilized.</p>
<p><b>Related party rent and S-corp owners qualify as forgiveness under PPP?</b></p>	<p>At this time, the guidance indicates that the amount of the loan should be spent on payroll costs, interest payments on mortgages incurred prior to February 15, 2020, payments on covered rents in force prior to February 15, 2020, and utility payments (i.e., gas, water, transportation, telephone, internet) for which services began before February 15, 2020.</p>
<p><b>can we furlough staff now, apply for sba loan...then re-hire staff if approved for sba loan - without negatively affecting our eligibility, loan amount or forgiveness?</b></p>	<p>The goal of the CARES Act is to keep businesses open and employees paid. If you obtain the PPP loan, an organization would work to rehire any of the prior employees so that no reduction in forgiveness would occur. Any individuals laid off between February 15, 2020 and April 26, 2020 would need to be rehired by June 30, 2020.</p>

<p><b>If loans are not available for another month or so, what is your recommendation on how to make payroll to staff until that time? Would unemployment be the way to go until the cash is received?</b></p>	<p>That would certainly be an option. In order to obtain loan forgiveness under the PPP, any employees would need to be rehired by June 30, 2020 for purposes of calculating the loan forgiveness amount.</p>
<p><b>Are physician salaries included?</b></p>	<p>Payroll costs include compensation to an individual employee (which may be a physician) up to an annual salary of \$100,000 as prorated for the covered period. Compensation to or income of a sole proprietor/independent contractor that is for wages, commissions, income, net earnings from self-employment, or similar compensation is included but not more than \$100,000 in one year as prorated for the covered period.</p>
<p><b>I understand that the 7(a) loans are to be used to pay for payroll support, group health benefits payments, debt, and utilities, but in the section of the bill outlining the terms of the loan forgiveness, the term "payroll continuity" is used. Does that mean that all costs related to continuing payroll will be forgivable, including wages, payroll taxes, health benefits, and 401(k) contributions, or are only the wages themselves forgivable?</b></p>	<p>Payroll costs, as defined in the CARES Act, include "the sum of payments of any compensation with respect to employees that is a:</p> <ul style="list-style-type: none"> <li>- Salary, wage, commission, or similar compensation;</li> <li>- Payment of cash tip or equivalent;</li> <li>- Payment for vacation, parental, family, medical, or sick leave;</li> <li>- Allowance for dismissal or separation;</li> <li>- Payment required for the provisions of group health care benefits, including insurance premiums;</li> <li>- Payment of any retirement benefit;</li> <li>- Payment of State or local tax assessed on the compensation of employees; and</li> <li>- The sum of payments of any compensation to or income of a sole proprietor or independent contractor that is a wage, commission, income, net earnings from self-employment, or similar compensation and that is an amount that is not more than \$100,000 in 1 year, as prorated for the covered period."</li> </ul>
<p><b>If I get the PPP Loan and am paying staff while they are home furloughed, do I still have to file for partial unemployment on their behalf? That would mean they would be getting their full pay as well as unemployment....? What if they are getting paid a part of their pay...would we still file partial unemployment then?</b></p>	<p>They can't be paid their full salary under the PPP loan and also receiving unemployment. However, if they receive a decrease in pay, then they are eligible to file for partial unemployment, and, at least in Georgia, the employer is required to handle that filing on the employee's behalf.</p>
<p><b>If I re-open during the 8 week term of the PPP Loan, and the company begins to receive revenue, can I still use the loan to pay the employees now that they are back at work?</b></p>	<p>The purpose of the PPP Loan is really to keep businesses open and employees on staff. The 8-week period after the loan is made is the period under consideration for the loan forgiveness. During that period, the monies can be used for operational expenditures, including payroll costs, interest payments on mortgage, covered rent, and covered utilities. We do not yet know what documentation will be required for purposes of the forgiveness.</p>
<p><b>Does the CARES Act exclude Medicaid beneficiaries in the 7(a) loan program?</b></p>	<p>The provision in the proposed CARES Act to exclude non-profits was struck from the final rule. Per the CARES Act final rule, Medicaid-participating businesses are eligible to receive SBA loans.</p>
<p><b>I plan on my staff receiving unemployment from the State starting this week. I have heard from one of my dentist friends in Perry that he has been doing the Employer Filed Partial Claims since he has closed his office. Since I plan on keeping all of my staff through all of this, is this the best way for them to receive benefits? He said he just plugged everything in through the Georgia DOL website.</b></p>	<p>If employees are receiving some pay during this time, then the partial unemployment option is available and must be completed by the employer on the Georgia DOL website. Our understanding is that employees file their own claims for full unemployment (a.k.a. no funds coming from their employer). This blog has new info from GA DOL that may be helpful. <a href="https://dol.georgia.gov/blog/new-information-filing-unemployment-partial-claims-and-reemployment-services">https://dol.georgia.gov/blog/new-information-filing-unemployment-partial-claims-and-reemployment-services</a></p>
<p><b>Does the base calculation for CARES Act SBA loans include group health, retirement and social security matching? Are federal and state unemployment included?</b></p>	<p>The base calculation includes group health and retirement, but not social security matching. "State or local tax assessed on the compensation of employees" is included in the definition of payroll costs which get multiplied by 2.5 to determine the amount which may be borrowed. In states where employers must pay an unemployment insurance "tax," amounts paid for it would be included in payrolls, subject to all the calculation rules and definitions in the CARES Act.</p>

<p><b>For self-funded groups, does the calculation include one-month average claims plus fixed cost, reinsurance, network rental fees, etc.?</b></p>	<p>While this is not addressed in the law, the formula above sounds logical. Your lending institution may have further information on how to account for these expenses.</p>
<p><b>We understand we can include payroll costs for our partners who are technically self-employed. For them, we will include \$8,333 per month in the base. For forgiveness calculations, what documentation do we need to “prove” their payroll? K1s? Monthly draw and bonus stubs?</b></p>	<p>Quote from the law, “An eligible self-employed individual.....seeking a covered loan shall submit such documentation as is necessary to establish such individual as eligible, including payroll tax filings reported to the Internal Revenue Service, Forms 1099-MISC, and income and expenses from the sole proprietorship, as determined by the Administrator and the Secretary.” The foregoing could be interpreted to read that the partners, since they are considered self-employed, may have to apply individually. I believe this is one of the areas where guidance is needed.</p>
<p><b>For partners, all their payroll and benefits run through a captive sub-entity. Will we need to apply for a loan for every single captive sub-entity? Each one has a separate tax ID.</b></p>	<p>Quote from the law, “An eligible self-employed individual.....seeking a covered loan shall submit such documentation as is necessary to establish such individual as eligible, including payroll tax filings reported to the Internal Revenue Service, Forms 1099-MISC, and income and expenses from the sole proprietorship, as determined by the Administrator and the Secretary.” The foregoing could be interpreted to read that the partners, since they are considered self-employed, may have to apply individually. I believe this is one of the areas where guidance is needed.</p>
<p><b>I am researching if our Ambulatory Surgery Centers (ASCs) could qualify for SBA loan with forgiveness. We have no plans to lay off any team members. The ASCs are partnerships with owners being the Health System and non-employed physicians. Less than 500 employees. Seem to meet all the other criteria. Any thoughts?</b></p>	<p>Upon client research, client found that BayCare Health System owns over 50% of each ASC and probably has control (tracking down articles and bylaws now). If System controls, probably need to include System in small business tests and would not meet revenue criteria. Additional guidance from David provided via e-mail: ASCs can now apply for advanced payments from CMS, and can provide hospital services to patients - and bill as such. We have more information coming soon on that front, but it may be a way to get some revenue back into the ASCs. Finally, make sure you look into the payroll tax deferrals in the CARES Act that may apply to your JVs.</p>
<p><b>1) we can include up to 100k, for employees that make over 100k, in determining payroll costs? 2) retirement benefits includes 401k and profit sharing? 3) group health care benefits include health insurance... but also vision? dental? disability insurance? life insurance?</b></p>	<p>Payroll costs include (in response to your questions below):</p> <ul style="list-style-type: none"> <li>- Compensation of an individual employee up to an annual salary of \$100,000, as prorated for the covered period</li> <li>- The guidance simply indicates “payment of any retirement benefit.”</li> <li>- Group health care benefits, including insurance premiums. The key word here is “health insurance.”</li> </ul>
<p><b>When should we put our staff back at 75/80% of their normal payable hours? Our next pay roll is April 11. They have been reduced to 50%.</b></p>	<p>The PPP loan does not specifically address timing of adjustments in payroll percentages. Let me address the two key areas for you that do relate to compensation reduction or alternatively layoffs and rehires:</p> <ol style="list-style-type: none"> <li>1. Calculation of the amount: This calculation is looking at 2.5x the average “monthly” payroll costs, measured over the 12 months preceding the loan origination date. The reduction in pay may impact the “average” amount; however, it really just depends on the period calculated – either January 1, 2019 through February 29, 2020 or February 1, 2019 through March 31, 2020, depending on when you might apply.</li> <li>2. Loan Forgiveness: Loan forgiveness looks to the 8-week period after the origination date of the loan. A reduction in the amount forgiven may be due to the fact the organization failed to maintain the average number of FTE employees versus the period from either February 15, 2019 through June 30, 2019 or January 1, 2020 through February 29, 2020. The forgiven amount may also be reduced to the extent compensation for an individual during the 8-week period making less than \$100,000 per year is reduced by more than 25%. The guidance did indicate they would ignore any lay-offs occurring between February 15, 2020 through April 26, 2020, if the individuals were rehired on or before June 30, 2020.</li> </ol>

<p><b>Should I be applying for EIDL? How do I apply for EIDL?</b></p>	<p>As I see it under the Enacted Act, for companies that do not think they could qualify for more than a \$2mm PPP loan, it may be advisable for then to seek an EIDL loan, but if and only if they need the money very quickly, the PPP loan application process is not up and running yet, and they do not care if the principal amount will be forgiven. Bear in mind that it may end up being the case that PPP loan funds will be delivered to borrowers more quickly than EIDL funds. Also, the EIDL loans may have more restrictions and requirements, including requiring personal guarantees, which will really matter for loans that cannot be forgiven. Note that refinancing of EIDL into a PPP will not be available for EIDL loans obtained after 3/27/20.</p> <p>You can fill out the EIDL application (must be COVID-19-specific application) via the SBA website (<a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a>) and request the \$10,000 emergency advance during the application process. According to the U.S. Chamber of Commerce, businesses that apply for EIDL loans should be able to get the \$10,000 cash advance within three days of applying for the EIDL loan (application serves as certification under penalty of perjury that applicant is eligible). Applicants are not required to repay advance payments, even if subsequently denied for an EIDL loan.</p>
<p><b>If I make partial unemployment claims during this time ... does that negate the forgiveness for the paycheck protection program? The WHOLE thing? Or just the portion that my employees have been paid by the federal government?</b></p>	<p>The reduced wages will affect total loan amount; having them back as an FTE will impact their loan forgiveness. I don't see that them receiving unemployment insurance benefits in the interim will impact loan forgiveness.</p> <p>The loan forgiveness is for costs (payroll, rent, etc.) incurred and payments made during the 8-week period following the loan origination date. The principal of the loan can not exceed the forgiveness amount. Also the amount of loan forgiveness is not subject to federal income tax.</p>
<p><b>I have a client who wants to know if she can use the CARES Act SBA proceeds to continue full (partial as a last resort) payroll for individuals who are not working aka can she use the money to tide everyone over until work and normal operations resume? She's derm, volume is down to 5-10% previous levels even with telederm. We talked about the business considerations in that decision but she wants to know what the rule says.</b></p>	<p>The goal of the CARES Act is to keep businesses open and employees paid. The PPP loans can be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward (bringing back employees that have been laid off by 6/30). The loan proceeds do not need to be used for payroll only in that you can pay rent, mortgages, utilities as well. But the loan amount is based on the payroll costs only. The goal is to retain employees so I would think the goal is to pay them – even if business is not back up and running. By retaining her folks, she should have any amount forgiven. Quite honestly, the majority of folks this is intended to help are not working at this time due to the pandemic.</p>
<p><b>Are there certification requirements for the PPP loan application?</b></p>	<p>The draft PPP loan application form requires borrowers to certify that "it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs."</p>
<p><b>As a small rural hospital we use temporary (locums) staffing a lot. These are contracts with Nursing companies. Can we include those hours for FTE's and those dollars as salaries? They are part of our core staffing because of nursing shortages. The same is true with Rehab.</b></p>	<p>Payroll costs are defined broadly as salary, wage, commission or similar compensation and include payments to an independent contractor as long as it does not exceed \$100,000 for each individual. Inclusion of the hours associated with these individuals appears reasonable.</p>
<p><b>We are Community Owned, so there are really no true owners. It is the community. Do we use the Board Officers as owners on the application, each with an equal share of ownership?</b></p>	<p>To apply for the PPP loan, you should be classified as a 501(c)(3) organization. As such, you would not have any ownership unless wholly-owned or wholly-own another tax-exempt entity. Do not list the board officers as owners with any ownership percentage.</p>

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Disclaimer: To the best of our knowledge, these answers were correct at the time of publication. Given the fluid situation, and with rapidly changing new guidance issued daily, be aware that these answers may no longer apply. Please visit our COVID-19 hub frequently for the latest information, as we are working diligently to put forth the most relevant helpful guidance as it becomes available.

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