

# IEEE Consultants' Network of Silicon Valley IEEE-CNSV

## *PPP Loan/Grant Panel*

**CNSV CPP Program**

**11 June, 2020**



### **Panelists:**

- **Kim Parnell**
- **Jeff Safire**
- **Mike Wach**
- **Chris Wilson**
- **Tom Coughlin**

### **Disclaimer:**

This Presentation is not to be interpreted as Legal or Financial advice. Consult with your financial professional on all financial decision making.



## Tonight's Agenda

- 6:00pm Opening & Introduction
- 6:05pm PPP (Paycheck Protection Program)
- 6:10pm Discussion/Q&A
- 7:00pm Wrap-Up

# CNSV is a Network of Consultants

- Currently 216 members
- Our website is our most valuable asset
  - [www.CaliforniaConsultants.org](http://www.CaliforniaConsultants.org)
- Member profile: your marketing tool
- Monthly Membership Meetings
  - 2<sup>nd</sup> Tuesday of each month ~~(except June – August)~~
- Membership Fee is \$50 / year (\$100 first year)

## Consulting Practices Program (CPP)

- March 27, 2020 - Jonathan Sweet – “Legal Issues for Consultants”
- June 11, 2020 – “PPP (Paycheck Protection Program) Panel”
- Date – TBD - *Rachel Gillespie, CPA*, “Taxes for Small Businesses”
- October – TBD - AB5 Update

*Want to help with CPP? Contact Jeff Safire or Kim Parnell*

# PPP Overview for Small Business & Sole Proprietors

- Latest PPP update rules signed into law June 5, 2020
- Important changes include:
  - Increase from 8 weeks (ending June 30, 2020) now up to 24 weeks to utilize funds (no later than Dec 31, 2020)
  - Requirement for salary use reduced from 75% to 60% for loan forgiveness
  - For any unforgiven Loan Portion at 1% Interest, repayment term increased from 2 years to 5 years
- Still >\$130B available from 2<sup>nd</sup> Phase PPP allotment.

***Urgent: PPP Application by June 30, 2020. Move Fast!!***

# PPP Overview for Small Business & Sole Proprietors

- Maximum salary for PPP calculation capped at \$100K/year
- Limited types of expenses may be included (Mortgage, rent, utilities)
- Calculate an average monthly amount (for Sole Proprietor, use 2019 Sch.C L.31 (Net Income))(Capped at \$100K if L.31 exceeds \$100K Sole Proprietor).
- Use a DRAFT 2019 Sch.C if you have not filed at time of application (capped at \$100K) Income and best estimate expenses
- **Ex: Sole Proprietor, no expenses, salary cap at \$100K**  
**Max.Loan:  $\$100K/12 \times 2.5 = \$20.8K$**

# PPP Overview for Small Business & Sole Proprietors

- **Note:**

If your business has W-2 Employees, then they count with the same \$100K/year cap.

- 1099-Contractors do not count for your business in determining the allowable loan amount
- The overall goal is to maintain your headcount (FTE)
- **PPP Loan/Grant is not taxable income!**

# PPP Overview for Small Business & Sole Proprietors

- Loan forgiveness rules have been clarified, but additional guidance will likely appear soon
- Forgiveness Application is handled with Lender
- Some move to simply allow forgiveness of all PPP loans <\$150K, but this is not in place yet!
- 60% Salary for Forgiveness: Partial forgiveness available if <60% spent on Salary
- **Ex: If <60% Loan spent on Salary:  
Max Forgiveness = Salary Amount Spent / 60%**



## PPP Application Options

- Local Banks, some Credit Unions
- Online Funding Sources:
  - *Lendio.com*
  - *Fundera.com*
  - *Kabbage.com*
  - *Bluevine.com*
  - *Crossriver.com*

## PPP Information Sources

- Many online articles & info
  - <https://claracfo.com>
  - <https://www.natlawreview.com/article/more-changes-to-paycheck-protection-program>
- Many detailed Youtube videos

An excellent series of articles and Youtube videos are available through the **Clara CFO Group** at:

  - <https://claracfo.com>
  - <https://claracfo.com/ppp-resource-round-up-self-employed-and-partnerships/>
  - <https://www.youtube.com/watch?v=0lgn4-ozp-U>
- **JJ the CPA** provides another set of informative info & videos
  - <https://www.youtube.com/watch?v=3ejS-IrQsZM>

## Spreadsheet for Reconciliation

- Excel Spreadsheet to track forgiveness data from Clara CFO Group. Last Updated June 11, 2020 to v8 *"PPP Budget Planning - 2020\_v8.xlsx"*

<https://el2.convertkit-mail.com/c/p9umq7x3x0f9hxve36sq/lkiehmhk2654d6/aHR0cHM6Ly9kb3dubG9hZC5maWxla2l0Y2RuLmNvbS9kLzV6eHg3QkQ3bWY5REFXWGtQUXlpU0IvYzZWVWpOQXJYNkFHaGpZVTY3dHRZeQ==>

# Final Comments?