IEEE Consultants’ Network of Silicon Valley
IEEE-CNSV

PPP Loan/Grant Panel

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
- Member profile: your marketing tool
- Monthly Membership Meetings
  - 2nd 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 2nd Phase PPP allotment.

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 x 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://www.youtube.com/watch?v=0IgN4-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/aHR0cHM6Ly9kb3dubG9hZC5maWxla2I0Y2RuLmNvbS9kLzV6eHg3QkQ3bWY5REFXWGtQUXIpU0IvYzZWVWpOQXJYNkFHaGpZVTY3dHRZeQ==
Final Comments?