COVID-19 Federal Laws and Financial Options for Optometry
PPP Forgiveness with “Flexibility”

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#AskAOA COVID-19 Advocacy

- COVID-19 Telehealth (March 19)
- COVID-19 Financial Resources—CARES and Families First (March 31)
- COVID-19 Financial Resources—PPP update part 2 (April 8)
- COVID-19 Telehealth Update (April 20)
- COVID-19 Reactivate Your Practice (April 29)
- COVID-19 Hot Topics: Reopen, Telehealth, PPP (May 12)
- COVID-19 PPP Forgiveness (May 26)
- COVID-19 PPP Forgiveness with “Flexibility” (June 30)
Disclosure

• The information presented is:
  • Up to date as of today
  • Subject to change with
    • Rules changes by SBA/US Treasury or Congressional updates 🤷‍♂️
    • Updated interpretations/Interim Rules by SBA/US Treasury
  • Thank you Kara Webb, AOA DC Office
  • Decisions about running your business?
    • Furlough, lay off, convert a loan...
    • Consult a lawyer, accountant, business consultant, others as needed
Have Questions?

• Most get answered before we finish...wait

• Agenda
  • New “Flex Act” rules
    • Changes from May 26 AOA webinar
  • 2 new Forgiveness forms
  • Brief update
    • Families First reminder
    • EIDL

• Today’s webinar is being recorded, it will go on aoa.org/coronavirus
How We Got Here

• CARES Act (March 2020)
  • Payroll Protection Program (PPP)
  • PPP Increased Funding (April 2020)


H. R. 748

To amend the Internal Revenue Code of 1986 to repeal the excise tax on high cost employer-sponsored health coverage.

Referred to the Committee on ________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by ____________

Viz:

1. Strike all after the enacting clause and insert the fol-
2. lowing:

3. **SECTION 1. SHORT TITLE.**
4. This Act may be cited as the “Coronavirus Aid, Re-
5. lief, and Economic Security Act” or the “CARES Act”.

AMERICAN OPTOMETRIC ASSOCIATION
How We Got Here

• CARES Act (March 2020)
  • Payroll Protection Program (PPP)
  • PPP Increased Funding (April 2020)
• Interim Rules and FAQs
  • US Treasury and SBA
How We Got Here

• CARES Act (March 2020)
  • Payroll Protection Program (PPP)
  • PPP Increased Funding (April 2020)

• Interim Rules and FAQs
  • US Treasury and SBA

• PPP Flexibility Act of 2020 (June 2020)
  • “Flex Act”
Flex Act Big Picture

• Changes Covered Period to 24 weeks (instead of 8 weeks)
• Changes payroll/non-payroll to 60/40 (instead of 75/25)
• Changes loan to 5 years for relatively few (instead of 2 years)
• Changes 1st loan payment date
• Changes owner and non-owner max pay differently
• Changes owner health and retirement allowances depending on business type
Covered Period Changes
Covered Period Changes: 24 weeks (vs 8 weeks)

• Everyone is changed to 24 weeks to spend your PPP (instead of 8 weeks)

• For forgiveness, you must spend by December 31!
  • Regardless of when your 24 weeks ends
  • PPP spent in 2021 will NOT be forgiven
  • Every Covered Period ends by Dec 31, 2020
Still Want 8 Weeks?

• You can elect to use 8 weeks if your loan was made before June 5
  • “Made”: date SBA assigns a loan #
    • Not your loan deposit date
  • Loan “made” date only applies to:
    • Flexibility to use original 8 weeks for PPP; AND
    • 2 year vs 5 year loan payback terms (loan maturity)
    • (doesn’t change your thought about “deposit date” staring your PPP)
• Not sure when your loan was “made”? Ask your bank
  • Don’t want 8 weeks: then don’t worry about the “made” date
Still Want 8 Weeks?

• No extra paper work (just spend PPP in your original 8 week window)
  • Forgiveness application: 56 days/8 weeks

• Staying with 8 weeks gets you:
  • 60% payroll, 40% non-payroll (new)
  • $15,385 max wage
  • FTE counts based on 8 weeks
Covered Period: 24 weeks (vs 8 weeks)

- Rules that did not change
  - Day 1 is when the deposit hit your bank account
  - Deadline to get loan deposit is June 30

- Payroll spending thought process
  - Alternative Payroll Covered Period
    - Moving Payroll to get 24 clean weeks of payroll

- Non-payroll spending
  - Incur expense or paid expense during your 24 weeks
  - Example given next slide
Non-Payroll Paid and Incurred Dates

• 6+ months thought process
  • Example: If your Covered Period 168 days was May 11-Oct 25
    • You receive Electricity bill on May 8. You pay it on May 11
      • Let’s say it covers a time frame of April 1-April 30
    • You can pay bills received in May, Jun, Jul, Aug, Sept and Oct bills
    • You CAN pay the portion of the Electric bill that covers thru Oct 25
      • I receive electricity bill for Oct 1-31 on November 8 (outside my 168 days)
        • October 1-25 are dates incurred during your PPP
        • You pay it November 15 (outside your 168 days)
        • You can submit forgiveness for that
        • I can only pay up to October 25
          • Divide October bill: Total bill $ ÷ 31 days in October x 25 days (I pay October 1-25)
    • You cannot pre-pay: that means I cannot pre-pay for any time frame Oct 26 and later
    • 24 week thought process: must spend by Dec 31
Making Payments (not new thoughts)

- Need to make payments before the following billing cycle
  - Payroll or non-payroll
  - You can’t pay October electric bill in December
    - You can pay the October electric bill in November
  - If you want to give bonuses, give before the 1st non-PPP payroll comes
    - Your final PPP Payroll is paid on October 23
      - Every other Friday
      - Your next non-PPP payroll comes on November 6
      - Give bonuses before November 6
My loan was “made” before June 5, should I do 8 weeks or 24 weeks?

• Start with 8…if you spend it all then you are done
  • Or if you are happy with unspent money (that will become loan)
• You are automatically extended to 24 weeks
  • No paper work
    • Your bank expects you to extend to 24 weeks
  • Longer time to spend money
  • Longer time before forgiveness
  • Longer time to wait and see
All Spent?

• Many of you will spend all your PPP before 24 weeks
  • That’s ok!
  • You can apply for Forgiveness early

• Example:
  • Spent all PPP in 20 weeks and applying early
    • If Wage reductions and/or FTE reduction
    • Apply math across the entire 24 weeks
Payroll Changes
Payroll Changes 60/40 Rule (vs 75/25)

• Payroll vs non-payroll is now 60/40
  • 24 and 8 week
• 60% spent on payroll
  • If spend <60%, you **do not** lose total forgiveness!
    • There is no “cliff” or all-or-nothing mentality
      • Early talking heads were wrong
      • Total payroll money spent $ ÷ .60 = Total Forgiveness amount
• Helps single doc (no other employees, no utilities)
  • Couldn’t get the 75% payroll, couldn’t spend all the PPP
Maximum Payroll (Gross Pay)

8 week rules

• All business owners
  • 2019 Pay ÷ 52 x 8
    • Up to $15,385

• Non-owners
  • $15,385
    • And you add employer paid health/retire (no max)

24 week rules

• All business owners
  • 2019 Pay ÷ 12 x 2.5
    • Up to $20,833

• Non-owners
  • $46,154
    • And you add employer paid health/retire (no max)

General Partners: more math: see AOA Webinar May26

** this is a change
Owners: Employer Paid Health and Retirement (8 or 24)

- S Corp
  - Health and Retirement
- C Corp
  - Health and Retirement
- Sole Proprietor, Self-Employed, 1099
  - Health and Retirement
- General Partner
  - Health and Retirement
- If you file Schedule C (any kind of business)
  - Health and Retirement
- LLC?
  - Use rules for your business type above: Health? Retirement?

** this is a change
I’m an owner, how do I know what my 2019 pay was?

• W2, 1040, Schedule C, other???

• For W2 owners, use your last check stub from 2019
  • YTD gross pay
  • DO NOT USE
    • Tax forms, W2 forms

• For Sole Proprietor, Self-Employed, 1099
  • Use Line 31 of Schedule C
60/40 Rule (vs 75/25)

- Rules that did not change
  - You can spend 100% on payroll
  - Employer portion of employee health care is Payroll cost
    - Non-owners: No max $
    - Owners, if allowed (24 week): 2019 $$ ÷ 12 \times 2.5^*
      - (or 8 week) 2019 $$ ÷ 52 \times 8
  
- Employer portion of retirement is Payroll cost
  - Non-owners: No max $
  - Owners, if allowed (24 week): 2019 $$ ÷ 12 \times 2.5^*
    - (or 8 week) 2019 $$ ÷ 52 \times 8

- Non-payroll definition
  - Rent, mortgage interest, debt interest, utilities

* this is a change
Rule of (Loan) Construction
Loan Construction Changes: 10 months (vs Oct 31)

• You have 10 months from the end of your 8 or 24 week Covered Period to apply for forgiveness (not October 31, 2020)
  • This may take some borrowers into 2021 to apply for forgiveness
    • Spending must be completed by Dec 31, 2020

• Failure to apply for forgiveness?
  • Loan payments will automatically be owed at the 10th month following end of Covered Period

• You have time to think about it!
Is the deadline to apply for forgiveness October 31, 2020?
Applying for Loan Forgiveness

• You can apply for forgiveness WHENEVER you want
  • As long as it’s within 10 months from your Covered Period ending
    • 8 weeks (plus 10 months)
    • 24 weeks (plus 10 months)
  • You can apply any time before these deadlines
    • Don’t wait until the end!!!!
    • If you spend it and are ready for forgiveness, then apply early!
• Most banks will create an online process
Loan Maturity (Payback) Changes
Loan Payback

Loan “made” before June 5

• 2 year PPP loan payback

• Borrower and lender can mutually agree to longer term up to 5 years
  • You need to advocate with banker

Loan “made” June 5 or later

• 5 year PPP loan payback
Loan Maturity: 5 years (or 2 years)

• Rules that did not change
  • Money not spent becomes the loan
  • Money not forgiven becomes the loan
  • Interest is accruing from the date of your PPP deposit
    • It’s not owed until 1st payment is owed (if any)
    • If 100% PPP forgiven, then 100% interest is also forgiven
• If 100% is not forgiven, you will owe interest on your remaining loan portion from the start of the PPP deposit
  • PPP is $200,000 and only spent $150,000 and forgiven
  • $50,000 becomes loan with interest on that $50k from bank deposit date
1st Loan Payment

• First payment for everyone is due when the forgiveness amount is determined by SBA (Instead of 6 months after origination)

  8 or 24 weeks PPP
  + 10 months to apply for forgiveness with your lender
  + 2 months for lender review and send to SBA
  + 3 months for SBA to respond (Forgiveness Determination)

  SBA has 4.5 million loans to respond to

≤ 15 months for 1st payment due
What if I don’t make loan repayments?

• Recourse if you use PPP inappropriately
• No recourse against individual or business for non-payment of loan
  • SBA will have a claim against the business and owners
    • Claim by subrogation
  • Credit evaluation
  • Borrowing in the future
• (consult a lawyer)
FTE Reduction
FTE Counts

• Rules that did not change
  • Safe Harbors still exist to help with FTE counts
  • Exceptions still exist to help with FTE counts
    • Employee refuses to come back, etc.
  • You still calculate FTE per employee vs Look Back (maybe)
    • Look back periods did not change
      • Jan1-Feb29, 2020 or Feb15-June30, 2019
FTE Counts

• Rules that *did* change
  • You can rehire up to December 31 or the date of your Forgiveness application (whichever is sooner)
    • (used to be by June 30 or the end of your PPP)
  • There is a new Safe Harbor added
    • Goal is to help you get it all forgiven!
FTE Safe Harbor #1 (new)

• 8 week or 24 week
  • Any time between Mar 1st to end of your Covered Period

• Document in good-faith, unable to operate at the same level of business activity**
  • Due to compliance with guidance issued by CDC related to COVID (shut down)
    • Compared to before Feb 15

• If this is you, you get the new FTE Safe Harbor #1
  • No rehire required
  • No penalty in FTE calculation!
  • No FTE counting!!!!!!

**FTE, wages or revenue
Documentation for FTE Safe Harbor #1

• Compliance with COVID Guidance from CDC
• Relevant financial records
  • No minimum in revenue loss
  • No minimum in patient scheduling loss
CDC Compliance

- Any time between March 1 - end of your Covered Period
  - March 17 – May 12, 2020
- aoa.org/coronavirus
FTE Safe Harbor #2

• 8 week or 24 week
  • Same thought as old FTE Safe Harbor from AOA May 26 webinar
    • You lowered FTE during shut down (Feb15-Apr26)
    • You restore by **Dec 31 or Forgiveness application date (whichever sooner)**
  • Not sure who would use #2 if using Safe Harbor #1
    • Safe Harbor #1: Shut down occurred due to CDC, no rehire required

**this is a change**
FTE and Wage Reduction Count?

• May 26 AOA Webinar
• FTE count, FTE exceptions, Wage reduction count
  • Apply math over 24 weeks
What if I go longer than 8 weeks but not all the way to 24 weeks?

• You are allowed to spend your money before 24 weeks

• Example: spent it in 20 weeks
  • Covered period (24 weeks) was May 11-Oct 25
    • You spend all after 20 weeks
    • Covered period is now May 11-Sept 27
      • 760 hours worked
      • $760 ÷ 20 weeks = 38 hours
        • FTE: $40 ÷ 38 hours = .95 (true math)
        • FTE: .50 (anything <40 math)
  • Wage and FTE penalties still calculated on full 24 weeks even if I end it early!
Forgiveness Application

https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses

• For Borrowers
• Both Loan Forgiveness applications & instructions
PPP Forgiveness Amount (same thought process)

- Forgiveness will be lesser of 3 possible numbers
  1. Full PPP amount
  2. All PPP funds spent minus FTE reduction
  3. Payroll 60%
     - All payroll spent is forgiven plus non-payroll 40%
       - Calculate Payroll $ spent ÷ .60
       - This means forgiveness is **NOT** all or nothing based on payroll!
Forgiveness Application Form 3508

• Reviewed Form 3508 in AOA Webinar May 26
  • Forgiveness Calculation Form
  • Schedule A
  • Schedule A Worksheet (employee name, hours, pay)

• New version (June 16)
  • Form 3508
  • Form 3508 EZ

• Your bank likely to create online version
### Paycheck Protection Program

#### Loan Forgiveness Application Form 2020

#### Loan Forgiveness Calculation Form

**Table 1: List of employees who were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States, and whose annual compensation from the Borrower was not more than $100,000 for all pay periods in 2020 as not employed by the Borrower at any point in 2020.**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Identifier</th>
<th>Cash Compensation</th>
<th>Average FTE</th>
<th>Salary/Weekly Wage Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 1</td>
<td>1234567890</td>
<td>$50,000</td>
<td>0.5</td>
<td>$25,000</td>
</tr>
<tr>
<td>Employee 2</td>
<td>9876543210</td>
<td>$60,000</td>
<td>0.75</td>
<td>$45,000</td>
</tr>
</tbody>
</table>

**Table 2: List of employees who were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is outside the United States, and whose annual compensation from the Borrower was not more than $100,000 for all pay periods in 2019.**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Identifier</th>
<th>Cash Compensation</th>
<th>Average FTE</th>
<th>Salary/Weekly Wage Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 3</td>
<td>0987654321</td>
<td>$70,000</td>
<td>0.8</td>
<td>$56,000</td>
</tr>
</tbody>
</table>

**FTE Reduction Exception:**

- **Step 1:** Enter the borrower’s total average FTE between January 1, 2020, and April 28, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet. Sum across all employees and enter.

- **Step 2:** Enter the borrower’s total FTE in the Borrower’s pay period included on February 15, 2020. Follow the same method that was used in step 1.

- **Step 3:** If the number in step 2 is greater than or equal to step 1, proceed to step 4. Otherwise, FTE Reduction Ratio = 1.0 and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 14 of this schedule.

- **Step 4:** Enter the borrower’s total FTE as of the date of December 31, 2020, and the date this application is submitted.

- **Step 5:** If the number in step 4 is greater than or equal to step 3, enter 1.0 on line 15 of PPP Schedule A, the FTE Reduction Ratio = 1.0 and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 14 of this schedule.

**FTE Reduction Ratio:**

- 0.5
- 0.6
- 0.7
- 0.8
- 0.9
- 1.0

**Average FTE:**

- 0.1
- 0.2
- 0.3
- 0.4
- 0.5
- 0.6

**Salary/Weekly Wage Reduction:**

- 0
- 0.1
- 0.2
- 0.3
- 0.4
- 0.5

**Table 3: List of employees who were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States, and whose annual compensation from the Borrower was not more than $100,000 for any pay period in 2019.**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Identifier</th>
<th>Cash Compensation</th>
<th>Average FTE</th>
<th>Salary/Weekly Wage Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 4</td>
<td>1122334455</td>
<td>$80,000</td>
<td>1.0</td>
<td>$80,000</td>
</tr>
</tbody>
</table>

**Paycheck Protection Program**

- **Line 1:** Enter Cash Compensation (Box 1) from PPP Schedule A.
- **Line 2:** Enter Average FTE (Box 2) from PPP Schedule A.
- **Line 3:** Enter Salary/Weekly Wage Reduction (Box 1) from PPP Schedule A.
- **Line 4:** Enter Cash Compensation (Box 1) from PPP Schedule A.
- **Line 5:** Enter Average FTE (Box 2) from PPP Schedule A.
- **Line 6:** Enter Salary/Weekly Wage Reduction (Box 1) from PPP Schedule A.

**Table 4: List of employees who were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is outside the United States, and whose annual compensation from the Borrower was not more than $100,000 for any pay period in 2019.**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Identifier</th>
<th>Cash Compensation</th>
<th>Average FTE</th>
<th>Salary/Weekly Wage Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 5</td>
<td>5432109876</td>
<td>$90,000</td>
<td>1.5</td>
<td>$90,000</td>
</tr>
</tbody>
</table>

**Table 5: List of employees who were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States, and whose annual compensation from the Borrower was not more than $100,000 for any pay period in 2019.**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Identifier</th>
<th>Cash Compensation</th>
<th>Average FTE</th>
<th>Salary/Weekly Wage Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 6</td>
<td>6543210987</td>
<td>$100,000</td>
<td>2.0</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

**Note:**

- **Line 13:** Enter FTE during the Borrower’s choice 12-month period.
Use Form 3508 EZ if any of these

1. Sole Proprietor, Self-Employed, 1099 with no other employees
2a. Didn’t reduce employee* wages during PPP by > 25% vs Q1
   **AND**
2b. Didn’t reduce FTE Jan1 thru end of PPP†
   (those that refuse to come back or you can’t hire similar qualified are not considered reduced FTE)
3a. Didn’t reduce employee* wages during PPP by > 25% vs Q1
   **AND**
3b. Had lower “business activity” Mar1-Dec31 due to CDC guidance

*only applies to employees <$100k in 2019
† Calculate Jan 1 FTE if using 2a & 2b
Forgiveness Application

Form 3508 EZ

• Employee pay on line 1
• Owner pay also on line 1
• No Schedule A Worksheet
  • Even if you have 200 employees
  • You didn’t reduce FTE/Wages
  • No report of FTE #
• FTE Safe Harbor
  • CDC guided

Form 3508

• Employee pay on line 1
• Owner pay on line 9
• Schedule A Worksheet
  • Employee names, FTE, wages
  • Calculate wage/FTE reductions
  • Calculate FTE Exceptions
• FTE Safe Harbor
  • CDC guided
  • Reduced in shut down, restore by Dec31 or Forgiveness application submit
• Wage Safe Harbor
  • Reduced during PPP, restore by Dec31
Lender Will Evaluate

• Your list of certifications
• Payroll and non-payroll (see AOA May 26 Webinar)
• Confirm your math on Forgiveness form
• Confirm your forgiveness request amount calculation
• Lender should work with borrower if errors
• Ultimately, it’s the borrower (you) responsible for your math
Fraud and Felonies

• Ineligible for PPP if:
  • Owner (20% or more ownership)
  • Incarcerated
  • Indictment
  • Felony within 5 years
    • Fraud, bribery, embezzlement, false statement in loan application
  • All other felonies within 1 year
    • Murder?
Ophthalmologist Faces New Fraud Charges While Awaiting Trial For Previous Fraud Charges

Norwalk (CT) Daily Voice reports Ameet Goyal, an ophthalmologist “who had practices throughout the Hudson Valley and” Connecticut’s Fairfield County, has been charged with attempting to exploit the coronavirus pandemic. Goyal “was previously charged with healthcare fraud” for how he billed patients and is now accused of “fraudulently obtaining government-guaranteed loans intended to help small businesses during the COVID-19 pandemic while he was out on pretrial release.”

COVID-19: Area Doctor Accused Of Illegally Receiving Government Loans

An eye doctor from Westchester who had practices throughout the Hudson Valley and Fairfield County who was previously charged with healthcare fraud is facing new charges for allegedly attempting to exploit the novel coronavirus (COVID-19) crisis.

Ameet Goyal, 57, of Rye, who operates The Eye Associates Group, with practices in Rye, Mount Kisco, Wappingers Falls, and Greenwich, was arrested and charged by federal officials for allegedly fraudulently billing patients last year.
Record Keeping

• You are required to keep PPP documentation for 6 years after loan forgiveness date or final repayment of loan date

• Be able to justify all information in your Forgiveness application
• <$150k
• $150-$350k
• $350-$1mil
General PPP Reminders

Often questioned
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fri 4/3</td>
<td>Time Period Ends</td>
</tr>
<tr>
<td>Sat 4/4</td>
<td>Time Period Starts</td>
</tr>
<tr>
<td>Sun 4/5</td>
<td></td>
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<tr>
<td>Mon 4/6</td>
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<tr>
<td>Tue 4/7</td>
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<tr>
<td>Wed 4/8</td>
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<tr>
<td>Thu 4/9</td>
<td></td>
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<tr>
<td>Fri 4/10</td>
<td>Pay Day</td>
</tr>
<tr>
<td>Sat 4/11</td>
<td></td>
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<tr>
<td>Sun 4/12</td>
<td></td>
</tr>
<tr>
<td>Mon 4/13</td>
<td>PPP Funding April 13</td>
</tr>
<tr>
<td>Tue 4/14</td>
<td></td>
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<tr>
<td>Wed 4/15</td>
<td></td>
</tr>
<tr>
<td>Thu 4/16</td>
<td></td>
</tr>
<tr>
<td>Fri 4/17</td>
<td>Time Period Ends</td>
</tr>
</tbody>
</table>

Unemployment

“For administrative convenience, biweekly or more frequent payroll can begin on the first day of their first pay period following their PPP Loan Disbursement Date”

(≤ 14 days of movement)

**I’m reporting April 25**

If I begin on April 18?

Day 56 is June 12
Pay Dates April 24, May 8, May 22, June 5

I’m only counting 4 Pay Dates following my Alternative Payroll Covered Period start date:

May 8
May 22
June 5
June 19

1st day of the 1st PAYROLL CYCLE
Sick Pay Reminder

Families First Coronavirus Recovery Act
Emergency Paid Sick Leave Act

100% Pay if Employee is...

1. Subject to federal, state, local quarantine or isolation order/shelter in place/stay-at-home order by COVID-19
2. Advised by health care provider to self-quarantine by COVID-19
3. Experiencing symptoms of COVID-19 and seeking medical diagnosis

2/3 (66%) Pay if Employee is...

4. Caring for an individual who is subject to quarantine (federal, state, local) or isolation order/shelter in place/stay-at-home or advised by health care provider to self-quarantine
5. Caring for son/daughter** of employee, if school or place of care has closed, or child care provider is unavailable by COVID-19
6. Experiencing any other substantially similar condition specified by Secretary of HHS
100% Sick Pay (up to 2 weeks)

- Your employee is sent to doctor because:
  - Employee showed up today a fever above your threshold
  - Employee was at party and someone later tested positive
  - Employee thinks they were exposed at work
- You can certify “local” quarantine for work
  - Employee in your office tests positive
    - You close and send staff for testing
    - Qualifies for 100% Sick
- Work with your payroll company

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**Emergency Paid Sick Leave Act**

100% Pay if Employee is...

1. Subject to federal, state, local quarantine or isolation order/shelter in place/stay-at-home order by COVID-19
2. Advised by health care provider to self-quarantine by COVID-19
3. Experiencing symptoms of COVID-19 and seeking medical diagnosis

2/3 (66%) Pay if Employee is...

4. Caring for an individual who is subject to quarantine (federal, state, local) or isolation order/shelter in place/stay-at-home or advised by health care provider to self-quarantine
5. Caring for son/daughter** of employee, if school or place of care has closed, or child care provider is unavailable by COVID-19
6. Experiencing any other substantially similar condition specified by Secretary of HHS
Do I include Families First (FF) on Worksheet A?

• Yes if they are still employed during PPP
• Report
  • Employee Name
  • Only PPP funds used if any ($0 compensation if only paid with FF funds)
  • FTE count (same hours prePPP vs PPP)
  • Wage reduction = $0
    • You didn’t reduce hourly wage
    • Their net may be 2/3 pay for school out
      • But you didn’t reduce it (the gov’t did)
EIDL
“Ineligible Uses for EIDL Proceeds”
(Standard Operating Procedure Manual 237 pages)

1. Payment any dividends or bonuses

2. Disbursements to owners, partners, officers, directors, or stockholders, except when directly related to performance of services for the benefit of the applicant (the business);

3. Repayment of stockholder/principal loans, except when the funds were injected on an interim basis as a result of the disaster and non-repayment would cause undue hardship to the stockholder/principal;

4. Expansion of facilities or acquisition of fixed assets;
Ineligible Expenses for EIDL Proceeds

5. Repair or replacement of physical damages;

6. Refinancing long term debt;

7. Paying down (including regular installment payments) loans provided, or owned by another Federal agency (including SBA)
   -Federal Deposit Insurance Corporation (FDIC) is not considered a Federal agency for this purpose;

8. Payment of any part of a direct Federal debt, (including SBA loans) except IRS obligations.
What is Eligible for EIDL Use?

• Use as working capital to alleviate economic injury caused by disaster
• Payroll
• Accounts Payable
  • Optical bills, contact lens bills, EHR bill
• Utilities
  • Not limited to PPP utilities
• Fixed debt
  • Loan payments for equipment (interest and principal)
  • No prepayments
Refinance EIDL with PPP

• If:
  • Got EIDL Jan 31-Apr 3, AND
  • Used any part of EIDL for Payroll

• Must refinance entire EIDL into PPP
  • Not the “Advance”

• PPP lender responsible to notify borrower of remittance

• Borrower can obtain EIDL loan payoff info
  • SBA Loan Service Center: 800-736-6048
EIDL Advance?

• If you got EIDL advance, you **DO NOT** reduce the PPP forgiveness amount yourself
  • That’s the job of SBA (not you or the lender)
  • Report your full PPP amount received and full PPP amount spent
    • SBA will reduce your forgiveness amount
    • Expect your PPP forgiveness to be reduced by the Advance amount
Thank you for allowing AOA to help you!

• Today’s webinar is being recorded, it will go on aoa.org/coronavirus

• Questions: type them in Q&A

• Future questions: askAOA@aoa.org

• Advocacy feedback and ❤️: President@aoa.org
  President: Bill Reynolds, OD