



AGENDA

THE BIG 3

1. PPP Now What?
 - Funding Options
 - Tax Deferral and PPP
 - New PPP Applications
 - Once you are on the clock
 - Loan Forgiveness
2. HR
 - How has your model changed?
 - What do we say?
 - How do we hire/rehire?
3. Isolved Enhancements
4. Open Q&A

Funding Options

PPP	EIDL	Employee Retention Tax Credit	Payroll Tax Deferral	Main Street Lending
Available Aid Up to \$10M	Available Aid Up to \$2M Loan/Grant \$1k per employee up to \$10k	Amount Up to 5% per employee	Deferred Employer portion of social security tax (6.2%)	Timeline Expected May 1
Available To Sole proprietors, ICA and companies with <500m EE	Available To Sole proprietors, ICA and companies with <500m EE	Business Size Rules differ for companies above and below 100 employees	Repayment Half by end of 2021 and half by end of 2022	Supporting Federal Reserve
Loan Specifics 2.5% payroll Can become forgiven 2 yr loan / 1% interest	Loan Specifics Up to \$10k in grants \$1k per employee, low interest rate. Process may be long	Eligibility Cannot accept PPP Must be fully or partially closed OR have 50% drop in quarterly gross receipts	Eligibility You can defer with PPP loan up until forgiveness is granted by lender	Loan Specifics TBD
How to Apply Private lenders, banks, Kabbage, Paycom, Quickbooks	How to Apply SBA			How to Apply Private lenders

ER Tax Deferral & PPP Example

Example

New guidance 4/10/20 - can take deferral until PPP loan forgiveness granted.

- Received PPP funds on April 30 - use funds to make payroll for May and June
- Submit documentation to lender for loan forgiveness
- Receive loan forgiveness figure on Sept. 30
- Latest guidance allows employer to defer all employer social security tax from May 1 until Sept. 30
- 50% due end of 2021 and 50% end of 2022



New PPP Funding

If you have not applied for PPP and plan to:

- Do it now! Get in line even if funds run out just in case it gets refunded
- Check documentation for errors
- Add notes to unique items that throw off gross payroll - example is 2% s-corp health insurance
- If you are with a large bank also try FinTech firms such as Kabbage, PayPal and Quickbooks
- Submit EIDL in case PPP runs out

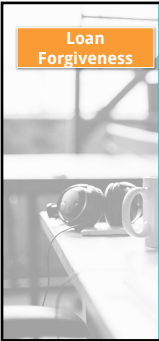


On The Clock

- Plan your 8 weeks out carefully - guidance not clear on cash or accrual based payroll so right now we are planning for cash basis (check date)
- Rent, mortgage interest, utilities
- Utilities are listed as gas, power, water, transportation, telephone, internet
- Payroll reports must be able to subtract over \$100k equivalent salaries, federal employer tax and other items not available for forgiveness
- KEEP GREAT RECORDS!




Loan Forgiveness

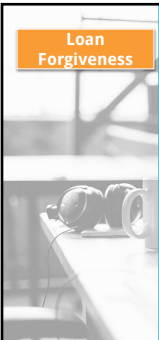


PPP Loan Forgiveness

- Submit forgiveness application to lender (app not yet avail)
 - Payroll documents to support number of employees and wages paid
 - Documentation supporting non payroll qualified expenses
- 75% spent on payroll costs - only 25% on rent, mortgage interest, utilities (gas, power, water, transportation, telephone, internet)
- Forgiveness Reduction
 - Number of Full Time Equivalent Employees (30 hours)
 - Using 2/15/2019-6/30/2019, OR
 - Using 1/1/2020 - 2/29/2020, OR
 - Seasonal 2/15/2019 - 6/30/2019
 - Reduction in Wages >25%
 - <\$100k employees only
 - Have until 6/30/2020 to restore FTE and Wages



Loan Forgiveness



Let's look at an example of FTE Reduction:

- * Loan amount: \$500,000 (assuming you spent all of the funds on qualifying expenses)
- * Average number of FTEs from February 15, 2019 to June 30, 2019: 75
- * Average FTEs during "covered period" following your first loan disbursement: 65

PPP Calculation: $55/75 = 73\%$

Maximum loan forgiveness: $\$500,000 \times 73\% = \$365,000$

This tells us that the company will need to repay \$135,000 of the loan.

Let's look at an example of wages >25% reduction:

Loan issue date: April 1, 2020


Employee's salary in Q1 2020: \$20,000

Employee's salary during eight-week covered period: \$13,000

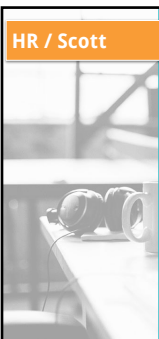
Amount of forgiveness reduction: $(\$20,000 - \$13,000) - (\$20,000 \times 25\%) = \$2,000$

***Lender has 60 days to issue forgiveness amount after application for forgiveness submitted**

***More SBA guidance expected**



HR / Scott



How has your model changed?


- New opportunities
- New ways to work
- Any jobs staying at home
- Candidate market expanded
- New recruiting processes



HR / Scott

What do we say?


- > To active employees
- > To furloughed employees
- > To employees who aren't on your "must have back" list





HR / Scott

How do we hire or rehire?

- > Furloughed employees with or without benefits such as returning employee from leave of absence
- > Laid off or terminated - may or may not need full rehire or onboarding
- > Check state laws







iSolved Setup

→ WE GOT YOU COVERED

- Our developers are working around the clock with both daily and weekly software updates as new guidance is released.

→ SETUP SIMPLIFIED

- Simply reach out to your Account Manager with the relief option best for your business.
- We will personally configure your account and conduct 1-on-1 training with your team to help navigate the changes.



iSolved

Latest System Updates for Covid-19

- CARES Act Employee Retention Tax Credit Report
- CARES Act Tax Deferment Report
- PPP Loan Forgiveness Report (Coming May 8th)
- GL Enhancements



iSolved

CARES Act Tax Deferment Report

- Tentative release on 5-1-20
- This will be an "as-of date" report and report the tax amounts per pay period during the timeframe from the tax status effective date and the "as-of date"

PPP PAYROLL FUNDING ***					
Check Type	Bank Name	Check Number	Bank Account #	Check	Amount
Check	BANK OF AMERICA, N.A.	*****0000	*****0000	2	\$0.00
Check	BANK OF AMERICA, N.A.	*****0000	*****0000	2	\$0.00
Total:					\$0.00
Tax Liability - Client's Responsibility					\$11,100.00
Payroll FUNDING	BANK OF AMERICA, N.A.	*****0000	*****0000		\$0.00
Payroll FUNDING Payment	BANK OF AMERICA, N.A.	*****0000	*****0000		\$0.00
Payroll FUNDING	BANK OF AMERICA, N.A.	*****0000	*****0000		\$0.00
Total:					\$11,100.00
Total ACH Debit:					\$11,100.00
Total Payroll Funding (all items)					\$11,100.00



iSolved

CARES Act Employee Retention Tax Credit Report

- Designed to track the qualified wages and health care expenses related to the CARES Act Employee Retention Credit.
- The report will track per-employee based on the total allowed credit minus the credit taken to date, and the remaining wages available for credit.

CARES Act Employee Retention Credit Report Preview							
Table 01: CR-2000-01 CR-1							
MONTHLY							
Period: 1/1/2020 to 3/31/2020							
Company	Pay Group	Pay Date	Total Wages	Total Health	Total	Total Qualified	Available Credit
CR-1	MONTHLY	01/01/2020	100,000.00	1,000.00	101,000.00	101,000.00	101,000.00
CR-1	MONTHLY	02/01/2020	100,000.00	1,000.00	101,000.00	101,000.00	101,000.00
CR-1	MONTHLY	03/01/2020	100,000.00	1,000.00	101,000.00	101,000.00	101,000.00
GRAND TOTALS			300,000.00	3,000.00	303,000.00	303,000.00	303,000.00



iSolved

PPP Loan Forgiveness Report

- Coming May 8th!
- Once official guidance is released, our developers will be coding a report to easily calculate the loan forgiveness amount after the 8 week period.
- Will send out client correspondence when available.



iSolved

GL Enhancements

- The three new tax credits related to FFCRA and CARES Act will be available in the Labor GL Rules with the May 29, 2020 release.
- Until then, will want to map the tax credit amounts to a different GL account (manual entries into their GL software may need to be made).
- Once the new categories are available, you will have the ability to add Labor GL rules, regenerate labor and run GL reports.

