




PPP



- SBA released the PPP Forgiveness Application with instructions
 - Still several items are unclear and awaiting further guidance
 - We will focus on what this application DOES tell us
- Thread clients will be able to run Cares PPP Forgiveness Report to do most of the work for you
- 4 Major Sections
 - PPP Loan Forgiveness Calculation Form (submit) (3)
 - PPP Schedule A (submit) (2)
 - PPP Schedule A Worksheet (1)
 - Optional PPP Borrow Demographic Form




PPP




Key Items to Understand


- Covered Period and Alternative Covered Period should provide more flexibility for payroll periods to maximize the 8 weeks
 - Covered period starts on day funds received for 56 days
 - Alternative covered period starts on first day of pay period following day funds received
- Rent and mortgage interest include real and personal property
 - Should now include copier leases, server leases and maybe even auto leases.
- Transportation - unclear other than gas and other auto expenses that would be usual part of the business tax return should be included
- Reduction in FTE for employees refusing to be rehired, fired for cause or quit



PPP Worksheet



- Table 1 - List all employees paid during covered period or ACP that were paid in 2019 < \$100k or were not employed in 2019 (therefore new in 2020)
- Table 2 - List all employees paid during covered period or ACP who received > \$100k in 2019
- Do not include independent contractors or owner-employees (owners added later and are included up to \$100k)
- You will need wages paid during covered or alt. Covered period and FTE calculation



PPP Worksheet

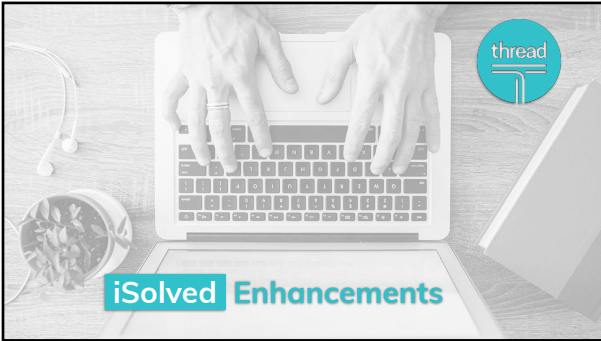
- FTE Calculation
 - Divide average number of hours per week by 40 (max 1.0) and round up to nearest tenth OR
 - Use simplified method - 1 for FT and .5 for PT
- Forgiveness Reductions - step by step in worksheet
 - Will be reduced if borrower's average weekly number of FTE employees during covered period or ACP was less than the average weekly FTEs during reference period you chose (2/15/2019 - 6/30/2019 OR 1/1/2020 - 2/29/2020)

PPP Worksheet

- Wage Reductions
 - Table 1 also requires you to list any salary/wage reduction by employee
 - Forgiveness will be reduced for any employee wage reduction of more than 25% compared to 1/1/2020 - 3/31/2020
- Safe Harbor - loan forgiveness will not be reduced for any wage reduction if:
 - Borrower reduced wages between 2/15/2020 - 4/26/2020 and
 - Wage restored to that employee as of 6/30/2020 is equal or greater than wage in effect 2/15/2020

Example

Line	Description	Amount
Payroll and Non Payroll Costs		
Line 1	Payroll Costs	\$ 375,000
Line 2	Business Mortgage Interest Payments	\$ -
Line 3	Business Rent or Lease Payments	\$ 100,000
Line 4	Business Utility Payments	\$ 25,000
Adjustments for FTE and Salary Reductions		
Line 5	Salary and Wage Reductions	\$ 5,000
Line 6	Add lines 1-4 and subtract Line 5	\$ 495,000
Line 7	FTE Reductions Quotient (FTE previous/FTE CP)	75%
Potential Forgiveness Amount		
Line 8	Modified Total (multiply line 6 by line 7)	\$ 371,250
Line 9	PPP Loan Amount	\$ 500,000
Line 10	Payroll Cost 75% Requirement (divide line 1 by .75)	\$ 500,000
Forgiveness Amount		
Line 11	Enter the smallest of lines 8, 9, 10	\$ 371,250



iSolved

Latest System Updates for Covid-19

→ New FTE By Hours Paid Report

Client Reports

Report Category: All

Search: Filter

Output Name: FTE By Hours Paid Report

Report Type: Date Range

- Helps clients calculate the number of Full-Time Equivalents (FTEs).
- Simply enter a date range and hours threshold to generate FTE count


iSolved

Latest System Updates for Covid-19

→ PPP Loan Forgiveness Report

- 1st Draft Released 5/15/20 (Beta) prior to official guidance
- Developers working aggressively on version 2 and expect out in a few days. Recommend wait until general release

iSolved



iSolved General Update

→ General Release Next Friday 5/29 (every 6 weeks)

○ Features being released via email communication

○ <https://threadhq.com/blog/isolved-releases/>

→ iSolved Go Mobile App Release today

○ MFA added for increased security


○ TOR hours selection now shows list of selectable hours


○ Tips/adjustments amounts no longer getting cut off

○ Addressed dark mode on meal/break/punch mode selections

○ Forgot password link added to login screen


○ Updated password requirements to include warning if password doesn't comply





Transitions and HR Help

HR / Scott



GA Partial Claims Conversion Options


1. Employer continues to file partial for all employees, even if working reduced hours

2. Employer converts all partials to regular UI claims for all employees who are permanently laid off

3. Employer continues to file partials for some (working reduced hours) but converts others to regular UI claims (laid off)

4. Employee is called back but refuses to work (stop filing and report job refusal)


5. Employer brings employees back at full pay and stops filing

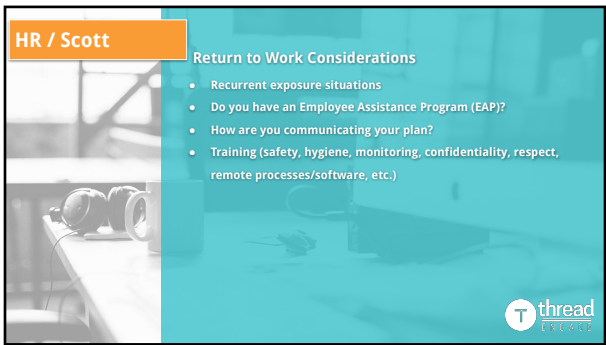


HR / Scott

Return to Work Considerations

- Recurrent exposure situations
- Do you have an Employee Assistance Program (EAP)?
- How are you communicating your plan?
- Training (safety, hygiene, monitoring, confidentiality, respect, remote processes/software, etc.)





HR / Scott

Schedule Time with Scott

Thread Engage is the name of our HR service. Scott leads our team and would be glad to answer your questions. Click on the link in the follow up email to schedule a call on his calendar. HR support is more important now than ever!

