

NFIB UPDATE

Weekly Briefing for Small Business

Beth Milito and Holly Wade, NFIB

July 22, 2020 - PPP Loan Forgiveness EZ Application and Questions Answered



2020 NFIB Fly-In

New Dates | New Place | New Format

Coming to **YOUR HOMETOWN** this August.

- Join us August 17th, **18th**, and 19th for an interactive, informative, and influential experience with NFIB and your legislators.
- More details at NFIBFlyIn.com

***Holly and Beth
Tuesday Webinar!!!**

All welcome Aug. 17-18th!
(Aug. 19th for NFIB members only)



Have a question now? Contact us at flyin@NFIB.org

DISCLAIMER

- The materials and information provided in this webinar and on NFIB's website are for informational purposes only and not for the purpose of providing legal or tax advice. You should contact your attorney and/or tax professional to obtain advice with respect to any particular issue or problem.
- This is based on information available by 6/23/20.
- For the latest, visit <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>



Agenda

1. Resources
2. PPP Loan Forgiveness EZ Form
3. Q&A

Upcoming NFIB Webinars

July 29 – Q&A with Bridget Weston, Executive Director, **SCORE**
Beth and Holly on paid sick and family leave, loans, and what's next for small business assistance.



www.SCORE.org

August 5 – all PPP and EIDL Q&A

August 12 – TBD (hopefully update on next economic relief package)

August 18 – (Tuesday!) Fly-In Special, answering more of your questions



COVID-19 Resources

[PPP Loan Forgiveness EZ Application Instructions](#)

[PPP Loan Forgiveness EZ Application](#)

[AICPA PPP Loan Forgiveness Calculator](#)

[NFIB Coronavirus Resources](#)

[NFIB PPP Loan Forgiveness Tip Sheet](#)

[NFIB FFCRA Tax Credit Tip Sheet](#)

[NFIB EIDL Tip Sheet](#)

info@nfib.org - submit your questions!





Get support for your small business through **MBAs Fight COVID-19**

MBAs Fight COVID-19 is a group of MBA students from business schools around the US working with small businesses to respond to the COVID-19 crisis.

We provide **pro bono consulting support** to help businesses think through a variety of topics, including:

- Applying to federal funding programs (PPP, EIDL)
- Reaching more customers online
- Pivoting business strategy
- ...and more!

To learn more about MBAs Fight COVID-19 and to get matched with an MBA student, email

Elizabeth.Milito@nfib.org



PPP LOAN FORGIVENESS EZ APPLICATION

PPP FTE Exceptions and Safe Harbors

Exceptions: (these vacant positions will not count as a reduction in hours)

1. Offer to rehire/restore hours.

- a) Borrower must make a good-faith, written offer to rehire and employee; and
- b) The employer was unable to hire similarly qualified employees for unfilled positions by Dec. 31, 2020.

2. Offer to restore hours/wages.

- a) Borrower must make a good faith, written offer to restore any reduction in hours/wages; and
- b) The employee must reject the offer.

3. Employee fired for cause.

4. Employee voluntarily quit/reduced hours.

PPP FTE Exceptions and Safe Harbors

Safe Harbors: (allows for full forgiveness even if FTEs were reduced)

1. Restore FTE count by December 31, 2020.

- a) If the Borrower reduced its FTE levels between February 15, 2020 and April 26, 2020, then
- b) The Borrower must restore its FTE level to the same FTE level as the pay period including February 15, 2020 by not later than December 31, 2020.

PPP FTE Exceptions and Safe Harbors

Safe Harbors: (allows for full forgiveness even if FTEs were reduced)

2. Reduction in FTEs due to COVID-19 requirements/guidance.

- a) The Borrower must, in good faith, document that it was unable to operate at the same level of business activity as before February 15, 2020.
- b) Due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19.

PPP EZ Form Checklist Box #3

- “The Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.”
- This requirement is based on the FTE reduction safe harbor and applies whenever the safe harbor would apply.
- To check this box, a general reduction in business activity due to COVID-19 is not enough. The borrower must be able to document that they were required to comply with various coronavirus safety measures.

PPP EZ Form Checklist Box #3

- Example: An auto repair shop was not required to shut down or otherwise modify its business practices in a way that impaired the operation of its business. However, the repair shop is now experiencing a downturn in business as fewer people are commuting to work. As a result the auto repair shop furloughed several of its mechanics. The auto repair shop would not be eligible to use the EZ form.
- Example: A machine shop operated at full capacity with 10 employees in a small, enclosed space. OSHA then issued guidance recommending social distancing practices for workers to be spaced at least 6ft. apart. The machine shop could fit only 5 workers at a time inside the shop with the recommended social distancing. The machine shop then reduced all its workers hours to 50% to implement staggered shifts to comply with the OSHA guidance. The machine shop would be eligible to use the EZ form.