

Q&A from U.S. Chamber of Commerce Webinar 4/3/2020

Q) Is the \$75,000 adjusted gross income or w-2 income?

A) Adjusted gross income.

Q) What if your business had just started 3 months ago and only got the LLC EIN number two weeks ago? Prior, expenses were paid personally when waiting on LLC documents.

A) The business must prove it was in operation as of February 15, 2020.

Q2) I was in business sort of because on Feb 15 I was paying expenses and hiring employees, but the EIN # did not get granted until after Feb 15. What should I do? If not PPE, is there the disaster relief and option?

A) As long as you were in operation on February 15, 2020, you are eligible to apply for a PPP loan.

Q) If an employee is furloughed, can they stay on the company group medical insurance?

A) This is case by case; talk with your insurer.

Q) Wells Fargo suggested the observation period for averaging payroll would be 2/15/19 through 6/30/19. I just heard 12 months prior should be used. Can you confirm?

A) Last 12 months is correct. Aggregate payroll costs for the last 12 months and divide by 12 to determine your average monthly payroll costs. The period between 2/15/19 and 6/30/19 is only used for seasonal employers.

Q) Any idea how long it will take to hear back in EIDL loan?

A) No, but expect that it could take a matter of weeks given the high volume of applications. \$10,000 cash advance grant is supposed to be received within three days of applying; however, I've heard there have been delays.

Q) Does the PPP cover an employer's 1099 contractors?

A) No, employers cannot use independent contractors when calculating average payroll costs.

Q) For FMLA and Sick Leave, is the less than 500 employees per location?

A) No, it simply applies to all employers with 500 employees or less.

Q) How does unemployment apply to LLC small business owners?

A) Self-employed with a LLC are eligible to apply for unemployment.

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Continued

Q) Will LLC members be provided unemployment payments?

A) Self-employed with a LLC are eligible to apply for unemployment.

Q) As a Sole Proprietor should we do the PPP/Idle AND Unemployment?

A) Sole proprietors are eligible to apply for all three; I want to be careful about making recommendations on which option is best.

Q) Is mortgage interest for a schedule C or Partnership home office considered rent?

A) The statute defines "covered mortgage obligation" as a mortgage on real or personal property.

Q) Do you know if they are still including commissions in the salary average for PPP?

A) Yes

Q) Are credit card tips included in payroll?

A) Yes

Q) As of this meeting, the Emergency Loan and the PPP rescue can be applied for concurrently, is this still correct?

A) Yes, I believe so, though language in the guidance is somewhat unclear.

Q) If a person is an employee for one business, but also has an LLC. Can their LLC file for the PPP program?

A) Yes, LLCs are eligible. Neither the statute nor guidance address this kind of scenario.

Q) If it's a an American LLC and main officer of the company is a person that is not an American citizen but had 15 American employees and paying payroll taxes for seven years. Employees laid off 3 weeks ago. Is that business eligible?

A) Yes, the question on citizenship of stakeholders was removed from the final PPP loan application.