1. I Have My PPP and EIDL Funds, Now What? | Everything You Need to Know - YouTube

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Transcript:

hey everyone its Brendan from bench back with another video today I wanted to be talking about what you can do next as in you've already received your Eid alone or maybe you received the PPP or maybe you were fortunate enough that you actually received both but of course now you have the funds and the question is what should you do with them to optimize the usage we started to look at this question ourselves and we have a couple of tips and tricks that might be useful to you to make sure that you're getting

the most of these loan funds and tracking them accurately the first thing I like to address is the benefits of making a game plan and setting some boundaries on these two different funds if you received one or both loans consider getting separate bank accounts or keeping the funds and separate low activity bank accounts to keep track with the use this is gonna provide multiple benefits for instance it's gonna give you a full record of all the activity on what you use the loan funds for it also lets you track the balance

of the loan funds that you haven't used through that bank account balance you should also take this opportunity to reacquaint yourself with the rules of the use around these two loans for instance the PPP can only be used for rent lease utilities and payroll which is including that owner compensation replacement if you're a self-employed individual the Eid L is meant to be working capital or you can consider it covering day-to-day operations it's more important to understand what you cannot use the Eid of funds for this is going

to include things like dividends and bonuses disbursements to owners if it's not related to the performance of a service repayment of stockholder or principal loans if those funds weren't added the company as a result of the disaster the expansion of facilities or acquisition of fixed assets repair or replacement of physical damages refinancing long-term debt paying down or paying off other loans provided by the SBA or other federal agencies the payment of a federal debt relocation penalty student non-compliance with laws

or regulations or contact or malfeasance which is the additional expenses due to contract or fraud again those are all uses of the funds that are not permissible now were you probably noticing is that the PvP is a lot more restrictive in how you can use the funds because that is the case and because you cannot use the e IDL funds for the same expenses as PPP funds it's best to use your PPP funds first also because of the fact that it needs using that 8 to 24 week period by defining what you're going to use your

PPP funds on first this will help you inform your decision of what you can and will spend your Eid al funds for the next step we would like to recommend is that both loans will benefit from diligent record tracking so get a record tracking system in place for the PPP the forgiveness application will be a breeze if you're on top of your receipts and statements for the Eid L you're required to collect and itemize all receipts and contracts for expenses paid with E I de L funds for at least three years after

you've spent them so consider starting up a Dropbox or a Google Drive or any other record-keeping system that you can immediately drop that statement that receipt that report whatever it may be directly in there so you're on top of it in addition to tracking receipts the Eid L requires that you keep financial records spanning the most recent five years up until three years after your loan is paid off which is a huge ask this is going to include financial and operating statements such as your bank statements balance sheets income

statements as well as tax returns records of distribution and dividends so regardless of what your approach is for bookkeeping ensure that you're being compliant and up to date with it to have those records readily available at any point in time so now that you've got a game plan in place and now that you've got your record tracking in place you might be identifying a little bit of leeway in your day-to-day operations where you can spend a little bit more money and hopefully get a bit of a return on it here's a couple of

suggested areas to consider if you have some wiggle room with your Eid L funds for the first is investing in business financials as I stated earlier it's gonna be a requirement for Eid L funds you're gonna have to keep stay on track of your records record-keeping is a huge focus for both of these programs preparing regular financial statements will help you stay on the top of your business it will help out your CDR account prepare accurate tax returns and it makes money managing easier going forward all of those are extra benefits

on top of what it's going to be providing you for that a IDL and the PPP another tip to keep in mind is to identify prudent areas of need and improvement in your business for when you've got that little bit of wiggle room with your Eid L funds form as mentioned earlier working capital is an extremely broad term so how can you get the best return on the use of those funds here for suggested areas that you should keep in mind on how you can use these funds to better your business the first is investing in business

financials record-keeping is a huge focus for both the e ideal and the PPP getting a leg up on this is going to be extremely beneficial for going forward with those 2 loan programs but in addition to that preparing regular financial statements will help you stay on top of your business it helps out your CPA or accountant prepare accurate tax returns making tax season an absolute breeze and then it makes managing money easier going forward you'll have more of a pulse on where you are with the business another thing to

keep in mind is investing in your digital presence with physical distance and measures and lockdowns this is going to mean moving to a more digital space of engagement set up a basic website and social media presence you can do that in less than a day and if you're already online consider launching a new marketing campaign or update your content to try to reinvigorate that interest in your business a third consideration your client relationships add a bit of a personal touch to your business implement a new system to

engage with your customers something you can stay in contact with them more freely and easily maybe consider sending them some thank-you cards for the patronage and support through the pandemic have something where you're engaging with them to get that business back at the forefront of their minds again and finally as much as you're probably sick of hearing about this new normal that I was talking so much about make sure that you're prepared for that as well valuate your workplace safety measures

and ensure you're doing what you can to keep both your customers and your employees safe communicate with your vendors your customers your clients and make sure the practices are being taken on all fronts to maintain safety if there's something that you've identified as a shortcoming invest in it it's worth it in the long run so now that you've considered these three things it's time for that final step it's time to set your plan in motion you've made your game plan you decide on

how to use these funds heck you've maybe even set up those two additional bank accounts to keep those funds separately and track them diligently we've also implemented a record-keeping system so you're staying on top of your receipts your statements your records all of that what you would need for forgivness application or an idle audit request and obviously you've decided what to do with the extra funds from day to day operations identifying the shortcomings of your business where you can improve

and what's going to give you the best return on the use of these funds for your business it's time to act on it and put it in motion and of course if you need a helping hand along the way bench is here for you we provide an excellent month month bookkeeping service that takes all of your business activity and reduces it to an income statement balance sheet as well as any additional insights we can provide given your activity this is going to help you stay on top of your Eid al funds it's going to help you stay

on top of your PPP funds and it's going to help you make informed business decisions at every step of the journey moving forward other than that that's been our update on the two relief programs from the SBA bei deal and the PPP and if there's anything else that we need to update you on keep your eyes peeled to this area and I'll see you next time