1. Updated Guidelines On Maximizing PPP Loan Forgiveness - YouTube

<https://www.youtube.com/watch?v=5gy9VuO20bM>

Transcript:

 hey everyone my name is brendan i'm a member of the client relief team here at bench and i'm back to update you on the ppp guidelines in particular pertaining to forgiveness and some of the changes that have happened since that last video now on saturday may 16th the sba actually released the ppp forgiveness application and despite being the most exciting thing to happen to me that weekend which it really is a low standard given the fact that we're not allowed outside um i wanted to also provide an update

 from a purely factual standpoint beyond my excitement around some of the changes that we now know about the ppp so a couple of updates here before i go into the application itself and some of the things that we learned from it uh the first update that i wanted to address was the fact that we have a lot of our clients having questions about you know hazard pay and bonuses occurring in that eight week period and whether that's eligible for forgiveness we now know that that is the case the only exception that there's going to be

 to whether that bonus is not going to be forgivable is if it takes their annualized pay in that eight week period above a hundred thousand dollars uh of course the earnings of that um are subject to that earnings cap of a hundred thousand dollars annualized so not a lot of change there just the bonuses cannot exceed that in addition to that we now have guidelines around how partnerships can calculate owner compensation we have a lot of our clients who are filing as partnerships uh and they do not have payroll because they're just

 simply taking draws from the net income that they're taking in throughout the year in that case you are allowed to apply for forgiveness on a portion of that 2019 net income as it's reported you need to deduct your section 179 deductions from from that value that can be found in box 12 of your schedule k1 you then need to multiply that amount by 0.

 9235 the reasoning being if you multiply by that amount it's going to account for any of these self-employment taxes that were incurred they're looking to give you forgiveness on that post tax amount now into the application itself the first two pages are going to be strictly definitions and as dry and boring as it is even by like government documentation standards i'd still highly recommend giving a cursory overview just to review any of the terms you may not be familiar with this is going to be very important for

 informing your spending in that eight week period to make sure you're abiding by their definitions because some of the definitions may actually vary from the typical definitions of what entails a certain expense one of the biggest takeaways that i had was the inclusion of an alternative payroll covered period previously we had to be telling our clients to try to line up their payroll as best as they could with that eight weeks that begins at the point of the loan disbursement now that point of the loan disbursement

 does not need to be beginning at the beginning of the eight weeks that you're accounting for you can actually choose an alternative eight week period that lines up with your payroll so for example here like let's say you received the loan on may 15th but your most recent payroll period isn't actually ending until may 19th you can opt to have your eight weeks begin on may 20th and then that last date of the eight weeks will be july 15th and that's going to line up with your last payroll period that way that eight

 weeks is going to cover all of the payroll and it's going to be perfectly matched up with your payroll as well another thing that i need to cover regarding some changes here is the calculation of full-time equivalence previously it was going to be 30 hours a week we now know that they're changing it to be 40 hours a week and in addition to that there's going to be a bit of a rounding principle there so for example if a part-time employee works 21 hours you divide that by 40 and their full-time equivalent is going to be

 0.525 however they want you to round to the nearest 10th so that 0.525 is going to count as just 0.5 so make sure you're rounding to that nearest tenth when you're accounting for that number and you account uh do the rounding before you add up all the full-time equivalents uh we also have some insight into the calculation of the forgiveness reduction this takes place at the end of page into seven and carries over into the start of page eight and it's going to be a step-by-step process that you need to complete for

 each individual employee the first step is going to determine if pay was reduced more than 25 percent if you remember from my last video i mentioned that you have to pay your employee at least 75 of that average amount the second step is going to be determining if the salary and hourly wage reduction safe harbor is met the third step is going to be determining the actual reduction itself and how it applies to your forgiveness amount and again that's a three-step process that you're going to have to be doing

 for each individual employee payroll providers have an opportunity to step up once again and gusto has updated the report so it actually takes into consideration all of these changes as well as it's going to display all of the information in two forms it's going to display the information in a way that can be immediately translated to the application itself giving you a line by line value to fill out the application the other part of the information that i think is just as equally important is they're going to kind of evaluate you

 on how much you're actually abiding by the forgiveness rules the reason why this is important is because it's going to provide you with tips and tricks and how you can actually best match the forgiveness principles in order to be eligible for the maximum amount of forgiveness so every time that you're running payroll if you update this report it's going to provide you an update on how much you're meeting the forgiveness requirements and how much reduction you have so you can kind of track your progress

 throughout that eight week period and inform your decision making for all the ensuing weeks that follow in order to maximize your forgiveness if you haven't been set up on gusto i highly recommend getting set up on them once again we are offering a promotion we can get three months free through our partnership uh it's going to be down in the link in the description below i hope this helps in informing you on how the ppp has been changed throughout the last couple of weeks and if there are any other updates that

 come forward i will be posting them here we are also on facebook instagram twitter all of the different social feeds so follow us there as well for as much up-to-date information as possible regarding the sba relief funds thanks for watching