



WEEK IN REVIEW

with SKC & Co. CPAs

PRESIDENT SIGNS BILL FOR PPP EXTENSION!

On Wednesday, June 3rd, some new changes to the PPP program were passed by the House and Senate and signed into legislation by the President today.

- PPP borrowers can choose to **extend the eight-week period to 24 weeks**, or they can keep the original eight-week period. This flexibility is designed to make it easier for more borrowers to reach full, or almost full, forgiveness.
- The payroll expenditure requirement drops to 60% from 75% but is **now a cliff, meaning that borrowers must spend at least 60% on payroll or none of the loan will be forgiven.**
- Borrowers can use the 24-week period to restore their workforce levels and wages to the pre-pandemic levels required for full forgiveness. This must be done by Dec. 31, a change from the previous deadline of June 30.
- The legislation includes two new exceptions allowing borrowers to achieve full PPP loan forgiveness even if they don't fully restore their workforce. Previous guidance already allowed borrowers to exclude from those calculations employees who turned down good faith offers to be rehired at the same hours and wages as before the pandemic. The new bill allows borrowers to adjust because they could not find qualified employees or were unable to restore business operations to Feb. 15, 2020, levels due to COVID-19 related operating restrictions.
- Borrowers now have **five years to repay** the loan instead of two. The interest rate remains at 1%.
- The bill allows businesses that took a PPP loan to also delay payment of their payroll taxes, which was prohibited under the CARES Act.

<https://www.journalofaccountancy.com/news/2020/jun/ppp-loan-forgiveness-changes-coming.html#:~:text=Following%20is%20a%20summary%20of,beyond%20Dec.%2031%2C%202020.>

***NJEDA: SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM
APPLICATIONS AVAILABLE JUNE 9th***

The New Jersey Economic Development Authority (NJEDA) announced applications for the state's expanded Small Business Emergency Assistance Grant Program will be available starting at 9 a.m. Tuesday, June 9. Applications will be processed on a first-come, first-serve basis. The program will provide grants up to the amount of \$10,000 to small businesses affected by the COVID-19 pandemic. Of the total \$50 million in the budget of the program, \$15 million will be reserved for businesses located in "opportunity zone" areas and \$5 million reserved for applicants from the program's "first-round" waiting list.

<https://www.roi-nj.com/2020/06/02/finance/eda-says-small-business-grant-applications-will-be-available-june-9/>

MAY 2020 JOBS REPORT: UNEMPLOYMENT RATE DROPS TO 13 PERCENT

The unemployment rate in May declined down to 13.3% from 14.7% in April, signaling the economy recovering more quickly than economists had projected. The economy gained 2.5 million jobs in May, as many states started to reopen with the slowing of the coronavirus pandemic. Although the unemployment rates have declined, the numbers still prove to be historically high.

<https://www.bls.gov/news.release/empsit.nr0.htm>

THE ROAD BACK FOR NEW JERSEY: ENTERING STAGE TWO ON JUNE 15th

On Monday, June 1st, Governor Murphy announced that New Jersey will enter Stage Two of his restart and recovery plan. Guided by strict protocols, Stage Two will include in-person outdoor dining for restaurants and bars as well as indoor, non-essential retail as of June 15th. Beginning on June 22nd, barber shops and salons will be able to reopen. In the period to follow, New Jersey will work toward the gradual opening of personal care, gyms, and health clubs, at reduced capacities as the stage progresses. All of these activities will be allowed pursuant to strict health and safety guidelines that will be issued in the coming days.

<https://www.nj.gov/governor/news/news/562020/20200601a.shtml>

DID YOU KNOW?

To date, **over 90%** of SKC's clients that applied for PPP funding received it! If you haven't applied yet, there is still more than \$120 billion left unallocated for small businesses in this program. Reach out to us for more information about the options.

OFFICE HOUR WITH SKC

Join us Friday, June 12th at 9:00 a.m. as Sarah meets with our special guest, ***Kerrie Heslin, Esq.***, partner with Nukk-Freeman & Cerra employment attorneys. Sarah and Kerrie will lead a dynamic discussion about the legal and financial aspects of reopening and bring clarity to these important topics. Register for the event below.

<https://us02web.zoom.us/meeting/register/tZAvfuugqD0sH9Aprv70V0JKexxSlcdbwEUU>

As always, feel free to reach out to the SKC team with any questions.

We are here to help you!

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