



WEEK IN REVIEW

with SKC & Co. CPAs

NEW JERSEY ENTERS PHASE TWO RE-OPENING!

On Monday, June 15th New Jersey entered the first stage of phase two of businesses re-opening including outdoor dining and limited indoor non-essential shopping. Beginning next Monday, June 22nd the expansion into the next stages of phase two, more businesses will re-open and resume their services: barber shops, hair salons, nail salons, day and medical spas.

<https://covid19.nj.gov/faqs/nj-information/general-public/when-and-how-is-new-jersey-lifting-restrictions-what-does-a-responsible-and-strategic-restart-of-new-jerseys-economy-look-like>

SBA ISSUES NEW "EZ" PPP LOAN FORGIVENESS APPLICATION

On Tuesday, June 16th the SBA issued a new EZ version of the PPP loan forgiveness application for borrowers who are either self-employed, didn't reduce salaries by more than 25% and didn't reduce their FTE **or** the borrower who didn't reduce wages below 25% and was unable to operate because of government shut down.

<https://www.szaferman.com/wp-content/uploads/2020/06/Revised-Loan-Forgiveness-Application.pdf>

NEW UPDATED PPP GUIDANCE

On Tuesday, June 16th new PPP loan guidance was released by the SBA. Below are highlights of the updated guidance:

- Loan maturity: 5 years for any loan approved after June 5. For loans approved before June 5, maturity is 2 years but can be agreed between the borrower and lender to extend to 5 years.
- All loans post June 5 are automatically using a 24 week covered period; loans before June 5 can choose between 8 weeks and 24 weeks. (I am starting to think we can't apply for forgiveness until after the covered period is up)
- Non-payroll costs are limited to 40% of the forgiven amount (shouldn't be an issue since most of our clients will use 100% for payroll)
- Borrowers have up to ten months from the end of their covered period to apply for forgiveness.
- Eligibility of owners greater than 20% with felonies. The look back for a felony was decreased from five years to one year EXCEPT for felonies involving fraud, bribery, embezzlement, and false statements on loan applications.

<https://home.treasury.gov/system/files/136/PPP-IFR--Additional-Revisions-to-First-Interim-Final-Rule.pdf>

SBA ECONOMIC INJURY DISASTER LOAN (EIDL) AND ADVANCE PROGRAM REOPENS

The Small Business Administration has reopened the Economic Injury Disaster Loan (EIDL) and EIDL Advance program portal to all eligible applicants experiencing economic impacts due to the COVID-19 pandemic. SBA's EIDL program offers long-term, low interest assistance for a small business or non-profit. These loans can provide vital economic support to help alleviate temporary loss of revenue. EIDL assistance can be used to cover payroll and inventory, pay debt or fund other expenses.

<https://www.sba.gov/funding-programs/disaster-assistance/coronavirus-covid-19>

CARES ACT: 2020 REQUIRED MINIMUM DISTRIBUTION WAIVER

As part of the CARES Act for retirees, required minimum distributions (RMDs) for 2020 have been waived. The waiver applies even to those who are not at all affected by the coronavirus. The waiver provides flexibility for those who can afford not to take retirement plan distributions. Retirees can avoid liquidating assets at low prices and also mitigate drops in their account balances.

<http://news.cchgroup.com/2020/05/13/cares-act-required-minimum-distribution-waiver/news/tax-headlines/>

OFFICE HOUR WITH SKC

Join us on Wednesday, July 1st at 9:00 a.m. as Sarah hosts a webinar panel discussion with 3 industry experts on **HVAC, Office Interiors and Industrial Sanitation** as they break this down into *actionable information* that will assist you with your reopening.

Register here:

<https://us02web.zoom.us/meeting/register/tZUrcOigqDkuHdWWmQpk0ecmANMkRvI4v71m>



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

We are here to help you!

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