



GWAPI

**GREATER WASHINGTON ASSOCIATION
OF PHYSICIANS OF INDIAN HERITAGE**

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(Thank you to Maryland Division of SBA for much of the content in this presentation)

MedChi
The Maryland State Medical Society

An Important Reminder

The most important reminder we can give is that relief funding and emergency resources should be considered supplemental - this is a difficult time for all of us, and we must each use **ALL** resources at our disposal to weather the storm.

Some options that do not require an application include:

- Continue to speak with your creditors and discuss challenges than your business is having
- Talk to your advisors or tax advisors to develop strategies moving forward

First Round PPP

PPP 1st Round

- **Must have received and spent all funding from 1st round PPP to apply for PPP 2.0**
- **Denied PPP Application:** Talk to your lender about reapplying for first-round PPP if you now meet the criteria
- **1st round PPP Returned:** Check the status of your previous application and work with your lender to correct any miscalculations/errors
- First Draw PPP loans under review may be delayed in getting Second Draw PPP loan number

Updates to PPP 2.0

PPP 2.0

- Businesses must have been in operation by February 15th, 2020
- \$284 billion in funding
- 1% interest rate if not forgiven
- 5-year repayment term
- No lender/government fees
- No collateral/personal guarantees required
- Choose between 8 to 24-week covered period
- 501(c)(6) Nonprofit are eligible for the PPP 2.0 if the organization does not receive more than 10% of its receipts from lobbying activities & the lobbying activities make up less than 10% of the organization's total activities.

Key Differences in PPP 2.0

- Must have less than 300 employees
- Must have used all funding from 1st round PPP
- One can certify the reduction when applying for the PPP, but documentation is required when applying for forgiveness.
- Simplified forgiveness application for loans under \$150,000
- Max loan of \$2 million
- **Must show a 25% decrease in gross receipts in one of the Quarters (Q1, Q2, Q3, or Q4) from 2020 to 2019.**

MUST BE THE CALENDAR QUARTERS AS FOLLOWS:

- Q1: January 1st - March 31st
- Q2: April 1st - June 30th
- Q3: July 1st - September 30th
- Q4: October 1st - December 31st

PPP 2.0 Revenue Reduction 25%

- Gross Receipts includes all revenue in whatever form received or accrued, including the sale of products/services, interests, dividends, rents, royalties, fees, or commissions reduced by returns and allowances.
- To show the 25% decrease, the same “Q” should be used to compare gross receipts, even if some quarters increase, a single 25% revenue reduction from 2019 to 2020 in a single quarter is required. Use Income Statements when applying

	2019	2020	% +/- in Gross Receipts
Q1	100	80	20% decrease
Q2	100	75	25% decrease
Q3	100	100	NA
Q4	100	110	10% increase

Calculating PPP 2.0 Loan Amount

(2019 or 2020 annual Payroll costs) divided by (12 months) multiplied by 2.5
(or 3.5)* = Max PPP Loan (Limit is \$2 million)

Use 3.5 for NAICS Code 72 (Hospitality/Restaurant)

Inclusions of Regular Payroll

- W-2 Employee Compensation (Important: 1099 expenses are excluded from payroll calculation)
- Cash tips or equivalents
- Payment for medical, parental, family, or sick leave
- Provision of employee benefits, vacation
- Employee portion of federal payroll taxes
- Income taxes required to be withheld by employer
- Cannot exceed \$100,000 per employee

New to PPP 2.0

- Payment for the provision of employee benefits consisting of group health care or group life, disability, vision, or dental insurance, including insurance premiums, and retirement.

Allowable Use of PPP 2.0 Funds

Minimum 60% Salary, Wages, Compensation

Maximum 40% Other Expenses

- Payroll
- Utilities (gas, electric, water, telephone, internet)
- Rent (real and personal property)
- Mortgage Interest
- Operations Expenditure*
- Property Damage Cost (due to civil unrest)*
- Supplier Cost*
- Worker Protection Expenditure*

*= New PPP 2.0 forgivable expenditures

What You Need To Apply for PPP 2.0

Contact your original PPP first-draw lender/bank for details (Additional Resource: [SBA Lender Match](#))

- 1. Completed PPP Application**
- 2. Proof of Payroll or self-income (Provide one of the following documents)**
 - 940, 941, or 944 for 2019
 - Payroll processor records from a PEO (Professional Employer Organization)
 - If self-employed (Independent Contractors/Sole-proprietors): 2019 IRS Form 1040 Schedule C
 - Partnership without employees: 2019 Schedule K-1 IRS Form 1065
- 3. Average monthly payroll costs (for business with employees)**
- 4. Proof of Ownership**
 - Corporations with employees/partnerships: Schedule K-1 (IRS Form 1065)
 - Sole Proprietors: IRS Form 1040
 - Independent Contractors: IRS Form 1040 (or IRS Form W9)
- 5. All Owners with 20% or more of the business must have**
 - Email address
 - Unexpired government-issued driver's license or passport
- 6. Electronic Funds transfer information**
- 7. Business Operation/ Activity Status: screenshot or pdf from the Secretary of State website**
 - <https://egov.maryland.gov/BusinessExpress/EntitySearch>

Application Deadlines

PPP 2.0- Paycheck Protection Plan

- Available January 19th, 2021 - March 31st, 2021
- Use same Bank/institution to apply for PPP 2.0 (if not possible: SBA Lender Match)

EIDL (Economic Injury Disaster Loan)

- December 31st, 2021 (or when funding runs out)
- Economic Injury Disaster Loans (sba.gov)

EIDL- Economic Injury Disaster Loan (Not Forgiven)

- 30-year fixed loan
- \$150,000 limit
- Fixed interest of 3.75% (2.75% for non-profit)
- Extended until 12/31/21 (or when funds run out)

Can Be Used:

1. Inventory & Maintenance (normal wear & tear)
2. Principal payment/mortgage (not government debt)
3. Capital improvement (no new infrastructure)

Cannot Be Used:

1. Payment of other SBA loans/ lenders
2. Tax penalties
3. Civil fines
4. Repairs of property/ physical damage
5. Pay dividends or distributions to owners/partners
6. Cannot refinance monthly debt

EIDL- Economic Injury Disaster Loan Contd.

For Help Applying:

Call: 800-659-2955

Text: 1-800-877-8339

Email: disastercustomerservice@sba.gov.

Collateral:

- If the loan is up to \$25,000, the EIDL LOAN is UNSECURED. That means NO COLLATERAL.
- If the loan amount is more than \$25,000, the SBA (as the lender) will have a lien on business assets owned by the Borrower (in some cases, the SBA may also take real estate as collateral). For business assets, this filing is known as a “blanket lien on all business assets” which includes all equipment, inventory, accounts receivable, cash in bank accounts, etc. It is created with a document filing (called a “UCC filing”) with the state. That form is filed by the lienholder (the SBA) in Maryland with the Department of Assessments and Taxation. That’s one of the fees which is itemized and taken from your EIDL LOAN amount when it was funded. It is a public record under the business name. Similar to when you finance your car as the lender/lienholder has that lien as “collateral” on record via a “Security Interest Filing” with Maryland MVA. Just documented differently.

Employee Retention Tax Credit (January 1, 2021 – June 30, 2021)

- **Old Credit:** 50% on \$10,000 in qualified wages for the whole year (or a maximum of \$5,000 per employee).
 - Employee retention tax credit applied only to an employer who experienced a decline in gross receipts of more than 50% in a quarter compared to the same quarter in 2019.
 - Maximum of 100 employees
- **New Credit:** 70% on \$10,000 in wages per quarter (or a maximum \$14,000 per employee through June 30th).
 - Eligibility is now expanded to include employers who experienced a decline of more than 20% of gross receipts.
 - Maximum of 500 employees (irrespective of whether the employee is providing services).
 - Employers can now also receive both the Employee Retention Tax Credit and a PPP loan, just not to cover the same payroll expenses.
 - Form 7200 to be released soon

Maryland Work Sharing:

A voluntary Maryland Division of Unemployment Insurance (DUI) program that provides an alternative to layoffs for employers confronted with a sharp, temporary decline in business. The Work Sharing (WS) program allows an employer to cut costs by equally dividing available hours of work among employees, allowing employees to be eligible to receive partial Unemployment Insurance (UI) benefit payments.

NEXT STEPS

Visit <https://www.dllr.state.md.us/employment/worksharing/> for more information on benefits, requirements, and how to apply

CONTACT

ui.worksharing@maryland.gov for additional information or questions.

RPM & Telehealth Opportunities

- **Telehealth Grants**

- **CareFirst extended their \$300 Telehealth Grant** until June 30th allowing more providers to access DrFirst's Telehealth Platform, free for a year.
- The **\$500 MHCC Grant** is available until the end of February to assist providers who have not yet billed for telehealth.

- **RMP Opportunities**

MedChi has collaborated with **four different RPM Companies** to help providers increase patient care and practice revenue.

- Traditional RPM Companies

- Proving medical equipment to capture typical vitals captured at the doctor's office, including weight, blood pressure, blood sugar, heart rate and blood oxygen levels
 - Care Innovations
 - Enable Healthcare Inc.

- Specialty Companies

- Pain Scored
 - Helping monitor pain management through self-assessments and physiologic data
- Elenchos Health
 - Providing Behavioral Health Screenings to patients in your waiting room

Please email amullin@medchi.org to learn more.

Q & A and Final Thoughts:



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www.marylandsbdc.org