

PPP Forgiveness Documentation and Tips VA Workplace Reminders

September 25, 2020

PPP Forgiveness

Documentation

Documentation for PPP loan forgiveness must be maintained for 6 years following the date the loan is forgiven or repaid in full.

Payroll Documentation required to be submitted for Forgiveness

Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees.

DP clients – this is the CARES PPP Forgiveness Report

- * You will most probably need to submit the excel version of the report
- * Cash compensation is totaled for each employee on Worksheet table 1 and 2
- * Cash compensation for each employee is broken down by payroll on the Employee Loan Period Details tab on the forgiveness report – it's the last tab in the report



Payroll Documentation required to be submitted for Forgiveness

Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period:

- i. Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and
- ii. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state

DP Clients – you will find these under Reporting -> Quarterly Reports on Demand



Payroll Documentation required to be submitted for Forgiveness

Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans that the Borrower included in the forgiveness amount (PPP Schedule A, lines (6) and (7)).

DP Clients – even if we are tracking your employer contributions to employee health insurance and retirement, you will still need the above documentation

PPP Schedule A		
Line1	Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1:	655,966.15
Line2	Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1:	44.90
Line3	Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1:	7,112.38
Line4	Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2:	292,315.00
Line5	Enter Average FTE(Box 5) from PPP Schedule A Worksheet, Table 2:	15.10
Line6	Total amount paid by Borrower for employer contributions for employee health insurance:	57,925.57
Line7	Total amount paid by Borrower for employer contributions to employee retirement plans:	20,718.27
Line8	Total amount paid by Borrower for employer state and local taxes assessed on employee compensation:	1,328.83
Line9	Total amount paid to owner-employees/self-employed individual/general partners:	0.00
Line10	Payroll Costs (add lines 1, 4, 6, 7, 8, and 9):	1,028,253.82
Line11	Average FTE during the Borrower's chosen reference period:	57.70
Line12	Total Average FTE (add lines 2 and 5):	60.00
Line13	FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if FTE Safe Harbor is met:	1.00



Payroll Documentation Required to be Submitted for Forgiveness

Reference period documentation

FTE: Documentation showing (at the election of the Borrower):

- a. the average number of FTE employees on payroll per week employed by the Borrower between February 15, 2019 and June 30, 2019;
- b. the average number of FTE employees on payroll per week employed by the Borrower between January 1, 2020 and February 29, 2020;

DP Clients – The documentation for these reference periods are located on the 2019 Hours Feb 15 to June 30 tab and the 2020 Hours Jan 1 to Feb 29 tab

2019 Hours Feb 15 to June 30

2020 Hours Jan 1 to Feb 29



Payroll Documentation that must be maintained but not required to be submitted

PPP Schedule A Worksheet or its equivalent and the following:

- a. Documentation supporting the listing of each individual employee in PPP Schedule A Worksheet Table 1, including the “Salary/Hourly Wage Reduction” calculation, if necessary.
- b. Documentation supporting the listing of each individual employee in PPP Schedule A Worksheet Table 2; specifically, that each listed employee received during any single pay period in 2019 compensation at an annualized rate of more than \$100,000.
- e. Documentation supporting the PPP Schedule A Worksheet “FTE Reduction Safe Harbor 2.”

DP Clients – a, b and e are documented on the employee wage details tab on the forgiveness report.



Virginia Emergency Temporary Standard (ETS) Workplace Safety Guideline **REMINDER**

If you operate any worksites in Virginia, you should have your Infectious Disease Plan in place and have trained your employees on this plan by September 25th (today!)

*These standards are enforceable by the
VA Department of Labor and Industry*



Nine Steps to Compliance



STEP 1:

Assess your workplace for hazards and job tasks that could potentially expose employees to the COVID-19 disease. Employers must classify each job task according to the hazards employees are potentially exposed to and ensure compliance with the applicable sections of the ETS for “very high,” “high,” “medium,” or “lower” risk levels of exposure. Tasks that are similar in nature and expose employees to the same hazard may be grouped for classification purposes.



LOWER RISK: Lower risk jobs are those that do not require contact inside six feet with persons known to be, suspected of being, or that may be infected with the SARS-CoV-2 virus. These individuals have minimal occupational contact with other employees or the general public, or could achieve minimal occupational contact through the implementation of work practice controls.

MEDIUM RISK: Medium risk jobs are those that require more than minimal occupational contact, contact inside six feet with other employees or other persons that may be, but are not known or suspected to be, infected with the SARS-CoV-2 virus. These may include, but are not limited to, waiters, grocery store workers, agricultural workers, construction workers, domestic service workers, hairdressers, fitness instructors, workers in poultry and meat processing facilities, manufacturing workers, and healthcare workers in settings without known or suspected sources of SARS-CoV-2.

HIGH RISK: High risk jobs are those with a high potential for employee exposure inside six feet to known or suspected sources of SARS-CoV-2 virus. These include hospital workers, first responders, medical transport providers, mortuary services workers, medical and dental staff, non-medical support staff, long term care facility staff, home healthcare workers, etc.

VERY HIGH RISK: Very high risk jobs are those with a high potential for employee exposure inside six feet to known or suspected sources of SARS-CoV-2 virus during the performance of specific medical (e.g., aerosol generating procedures), postmortem, or laboratory procedures with specimens from a known or suspected source of the SARS-CoV-2 virus.



STEP 2:

Establish and implement a system for employee self-assessment and screening for COVID-19 signs and symptoms (see specific requirements by risk classification).



STEP 3:

Provide flexible sick leave policies, telework, staggered shifts, and other administrative/work practice controls when feasible to reduce or eliminate contact with others inside six feet. Encourage employees to report symptoms by ensuring they are aware of any company sick leave policies and alternative working arrangements, as well as the paid sick leave available through the Families First Coronavirus Response Act (FFCRA).



STEP 4:

Establish and implement procedures that will prevent sick employees and other persons from infecting healthy employees:

1. Implementing engineering or work practice controls that eliminate or significantly reduce employee exposure to the SARS-CoV-2 virus.
2. Ensuring that employees observe physical distancing while on the job and during paid breaks.
3. Requiring employees to comply with the safety and health practices outlined in the ETS related to protective gear, sanitation, disinfection, and hand-washing.
4. Providing personal protective equipment to employees and ensuring its proper use when other workplace controls such as engineering controls, work practice changes, and social distancing do not provide sufficient protection.



STEP 5:

Establish and implement procedures to ensure employees known or suspected of having COVID-19 do not come to work, as well as procedures for them to return to work. This return to work policy must include:

1. Prohibiting employees known or suspected of having COVID-19 from reporting to work until they have been cleared to return through either a symptom-based or test-based strategy.
2. If a test-based strategy is not used, consultation with appropriate healthcare professionals concerning when an employee's symptoms indicate it is safe for them to return to work.



STEP 6:

Establish and implement a system for notifying employees, building owners, and other employers of workplace exposures to the virus and suspected or confirmed cases so that they can take personal actions to protect their health and safety.



STEP 7:

Ensure that you are in compliance with the anti-discrimination provisions in the new ETS. This includes refraining from discharging or in any way discriminating against an employee because they have raised a reasonable concern about infection control regarding the SARS-CoV-2 virus or COVID-19 disease in the workplace with you, other employees, a government agency, or to the public through any form of media.



STEP 8:

If you are an employer with eleven or more employees and jobs classified as medium risk; or an employer with any number of employees and jobs classified as high or very high risk, you must prepare an Infectious Disease Preparedness and Response Plan and train employees on the practices **within 60 days of the effective date of the ETS (July 27, 2020).**



STEP 9:

Employers with medium, high, and very high-risk workplaces must provide COVID-19 training to employees **within 30 days of the effective date (July 27, 2020).**

Lower risk places of employment must provide employees with basic written or oral information on COVID-19 hazards and measures to minimize exposure. An acceptable workplace poster will be made available free of charge by VOSH at www.doli.virginia.gov.

Please consult the actual ETS as well as outreach, education, and training materials available at www.doli.virginia.gov.



<https://www.doli.virginia.gov/covid-19-outreach-education-and-training/>



PPP Loan Forgiveness

Key Considerations

When can you apply for loan forgiveness?

- Borrowers have 10 months from the end of their covered period to apply for loan forgiveness.
- Apply for forgiveness through the original lender (your bank).
- Not all banks have opened up their forgiveness portal yet.



Key Considerations

- Take the time to get all of your ducks in a row before applying for forgiveness.
- Ensure that you have used at least 60% of PPP funds to cover eligible payroll expenses.
- Consider whether you are covered by any safe harbor exemptions for FTE count before applying.
- If not, remember you have until December 31st to get your employee count back up to the same level as February 15th.



Key Considerations

- ***If employee cash compensation expenses incurred during the Covered Period cover the entire loan amount there is no need to claim other eligible payroll or non-payroll expenses, including employer healthcare or retirement expenses, mortgage interest, lease or utility expenses.*** It may benefit you to choose a 24 week Covered Period instead of 8 in order to have your loan covered 100% by compensation expenses. You should consult your accountant to discuss the appropriate Covered Period you should choose to minimize your documentation requirements.



Reasons to “wait and see”

- Potential for 2nd round of PPP funding
- Pressure on Congress to forgive all PPP loans under \$150,000 (80% of loans)

“I personally think that 90% [of loans] will be forgiven when all is said and done,” said John Asbury, CEO of Atlantic Union Bank and of Atlantic Union Bankshares Corp., the bank’s parent company.



Key Considerations

- To ensure maximum forgiveness, it is best to apply for loan forgiveness when your FTE count and the salaries/wages of your employees is as high as possible.
- If you are certain that you are eligible for 100% forgiveness now, it's unlikely that the rules will change in such a way that it's detrimental to apply for forgiveness right away.



We are answering your questions live on the air right now.

Please submit questions through the **Q&A function**,
not the chat option at the bottom of your screen.



Questions?

For legislative and regulatory questions, please email:

questions@dominionpayroll.com





Don't forget to wash your hands!

