

From: Kathy Hettick
Sent: Friday, March 5, 2021 12:49 PM
Subject: Small Business Update #11 - PPP loans and forgiveness



I hope this email finds you doing well and returning to some of your normal activities!

This is an important update with Paycheck Protection Program (PPP) loan and forgiveness information, so please take the time to browse through and follow the links for more details. The most important step you can take is to understand what is available to you and your business and to take advantage of any financial opportunity that you qualify for. The PPP is only available through **March 31st**, so act now!

On February 22, 2021, the White House issued changes to the PPP to target small businesses for funding. <https://www.whitehouse.gov> Among the changes, they instituted a 14 day period during which only businesses with fewer than 20 employees can apply for a PPP loan. If you qualify and have not yet applied for PPP round 2, get it done now! This is an effort to put small businesses first in COVID relief and funding. One of the most important changes is for **Schedule C businesses**:

The calculation for the PPP loan has been revised and is now based on **gross income** (line 7 on your Schedule C) instead of net income. This huge change is for Schedule C filers only! This means that many small businesses that did not previously qualify, may now qualify for the PPP. Also, if you have already applied for both PPP round 1 and round 2 of funding, you may be able to re-apply for a higher amount. This is funding available to YOU! Please review the new SBA application for **Schedule C filers only** - [SBA - Schedule C Filers](#) - Follow up with your bank... NOW is the time to take advantage of this relief!

PPP loan forgiveness portals are back open with many banks. **If you have employees, BEFORE you apply for forgiveness**, please be sure to understand how it coordinates with the Employee Retention Credit (ERC). As part of the Consolidated Appropriations Act (CAA) that was passed in late December, the ERC was expanded and made available to businesses that also received a PPP loan. Again, a huge change! What does this mean for you? If you qualify for the ERC, you will want to be very careful filling out the PPP forgiveness application to maximize the amount of relief you can get. Check with your payroll provider, bookkeeper, or our office if you are unsure as how the ERC coordinates with the PPP loan forgiveness. As I have mentioned before, do not rush in applying for forgiveness!

Be cautious in what you read; there is so much new and changing information, many articles written are simply not correct or have too much opinion. The best resource available is the SBA site – they are updating it regularly with additional information, application revisions and FAQs. [SBA - Funding Programs](#)

Stay healthy and safe, and be proactive! **The COVID programs and funding are for you, the small business owner!**

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