

# PPP Forgiveness

*What You Need To Know*

# Speakers

## **Anant Patel, Partner**



Anant has over 25 years of public accounting experience and leads both the Firm's Advisory and Transaction Advisory Practice and is a member of the Executive Committee for Green Hasson Janks. He advises in the area of mergers and acquisitions and provides financial due diligence consulting such as quality of earnings, working capital analysis, EBITDA analysis and projections and deal structuring. Anant has assisted on deals ranging from \$20 million to \$350 million.

## **David Sutton, Managing Director**



David is a member of GHJ's Advisory and Practices, with more than 15 years of experience across restructuring and mergers and acquisitions, and leads the Firm's PPP Forgiveness task force. David's advisory experience spans a wide range of sectors, including retail, technology, distribution, manufacturing, food and beverage, and real estate sectors. David leads the Firm's Manda projects and oversees all of the Firm's cyber security engagements.

## **Daniel Rowe, Partner**



Daniel has over 15 years of public accounting experience and specializes in partnership and S-corporation taxation. He provides technical and strategic advice to partnerships, S-corporations and their individual owners, including tax advice on restructuring and buy/sell transactions. He currently serves as an editorial adviser to *The Tax Adviser* and was recently an editor for *the Loyola of Los Angeles Law Review* and a member of the AICPA's Technical Resource Panel for S corporations.

Green  
Hasson  
Janks

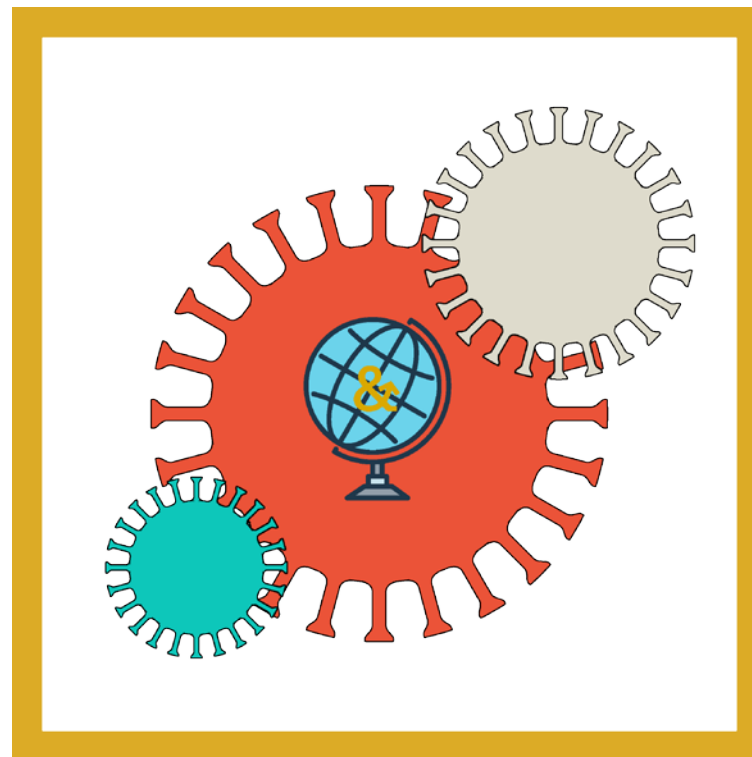


The background features a light green base with large, overlapping circles and shapes in a darker green and a yellowish-green. A white horizontal bar is centered across the middle, containing the word 'INTRODUCTION' in a dark blue, bold, serif font. A thin yellow vertical line is on the right side, and a thin dark green horizontal line is at the bottom.

# **INTRODUCTION**

# Introduction

- Business Disruption
- Response, Recovery and Rebuild
- CARES Act
- PPP Flexibility Act
- “4<sup>th</sup> Stimulus Package”



The background features a light green base with large, overlapping circles and shapes in a darker green and a yellowish-green. A white horizontal bar is positioned across the middle, containing the text. A thin yellow vertical line is on the right side, and a thin dark green horizontal line is at the bottom.

# **PPP FORGIVENESS**

# PPP Flexibility Act

Area	Original	Updated
Expense window	8 weeks	24 weeks
Payroll fraction	75%	60%
Sliding scale	Yes	Yes
Safe Harbor date	6/30/20	12/31/20
Payroll tax deferral	Ends upon forgiveness	On going
Repayment period	2 years	5 years

# PPP Flexibility Act

Here are *highlights* of the current interpretations:

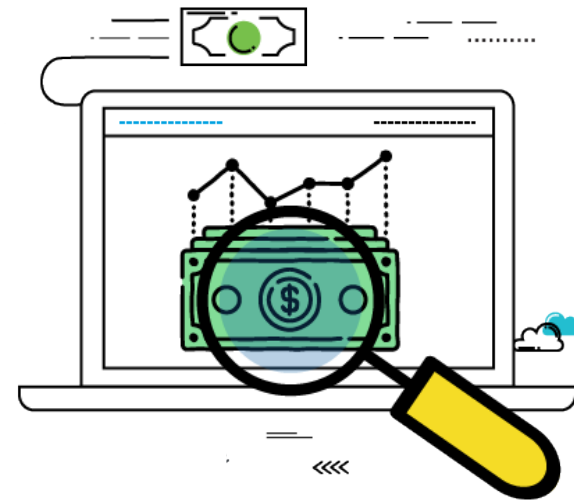
- Balance Sheet / covenant considerations
- Administrative guidance
- New application form and instructions to be published



# Forgiveness Calculation

Here are **highlights** of the current interpretations:

- Modified cash basis
- Alternative Payroll Period
- \$2MM audit threshold
- FTE considerations
  - Safe Harbor
  - Inability to restore to 2/15 level
- Seasonal FTE - 12 weeks between 5/1/19 – 9/15/19
- Owner employees capped at \$100K inclusive





# Forgiveness Application

Here are **highlights** of the current interpretations:

- 10 months to apply
- Lender makes decision, may be reviewed by SBA
- Application is borrowers responsibility
  - Lenders to perform a good-faith review
- Documentation requirements
  - Payroll
  - FTE
  - Non-payroll
  - 6 year maintain but not submit



# Areas To Be Clarified

## **Reporting and tax deductibility of unforgiven loans at year end:**

- Tracking nature of expenses for tax purposes
- Current proposals to make expenditures deductible
- Other tax considerations

## **State Tax Treatment**

## **Safe Harbor in Practice**

## **Audit Timetable, Requirements and Expectations**

## **Potential to Expand Program**

### **Definition of certain costs:**

- Rent/interest on “personal property”
- Nature of non-payroll costs (e.g., does “rent” include CAM, storage, parking)
- Restrictions on related party costs (e.g., rent, family payroll, transfer between entities)
- Prepayments for costs other than interest (which is disallowed)



# Q&A

A large, stylized graphic of a person in a suit, rendered in a dark olive green color. The figure is positioned in the background, with its head at the top left and its body extending towards the bottom right. The person is wearing a suit jacket, a white shirt, and a tie. The background is a solid dark blue. A thin green horizontal line is located at the bottom of the page, and a thin yellow vertical line is on the right side.

# **SPEAKER BIOS**

# Anant Patel, Partner



310.873.1672

apatel@greenhassonjanks.com

**Anant Patel**, CPA, has over 25 years of public accounting experience and leads both the Firm's Advisory and Transaction Advisory Practice and is a member of the Executive Committee for Green Hasson Janks. He advises in the area of mergers and acquisitions and provides financial due diligence consulting such as quality of earnings, working capital analysis, EBITDA analysis and projections and deal structuring. Anant has assisted on deals ranging from \$20 million to \$350 million and is a Certified Merger & Acquisition Advisor (CM&AA).

He provides audit and accounting, tax and general business consulting services. His industry experience includes closely held companies in food and beverage, entertainment, media and technology, manufacturing, wholesale/distribution, consumer products and real estate. Many of Anant's clients are owned by Private Equity Groups, VCs and institutional investors.

Additionally, Anant is the Global Chair of the HLB's (the world-wide accounting network Green Hasson Janks is a member of) Transaction Advisory Group. He also currently serves on the Board of Directors and is the Chairman of the Board of Step Up on Second. Due to his impact on the community and accounting industry, Anant was recognized as a 2018-2020 "Most Influential Minority CPA" and a 2019-2020 "Leader of Influence in Private Equity Advisory" by the *Los Angeles Business Journal*.

Prior to joining the Firm in 2000, Anant worked for six years at a national accounting firm, which was a member of HLB International, located in England. He graduated, with honors, from the University of Leeds, England, where he received a Bachelor of Arts degree in Accounting. Anant is a member of the California Society of CPAs and the American Institute of Certified Public Accountants.

Anant previously owned and managed a number of family-owned retail businesses. Anant and his family reside in Valencia located in Santa Clarita. Anant is an avid sports fan, especially soccer, and enjoys a wide variety of music.

## Related Industries and Services

- Consumer Products, Food and Beverage
- Entertainment and Media
- Financial Statement Audits and Reviews
- Litigation and Forensic Consulting
- Forensic Accounting
- International
- M&A Advisory and Due Diligence
- Real Estate

# David Sutton, Managing Director



310.873.1718

[dsutton@greenhassonjanks.com](mailto:dsutton@greenhassonjanks.com)

**David Sutton** is a Managing Director in GHJ's Advisory Practice with more than 15 years of experience across technology, restructuring and mergers and acquisitions. Originally from the U.K., David's advisory experience includes work across the retail, technology, distribution, manufacturing and real estate sectors. David leads the firm's M&A projects and oversees all of the firm's cyber security engagements.

Prior to joining Green Hasson Janks in 2017, David provided performance improvement, restructuring and turnaround advice to distressed clients and their stakeholders. David previously advised a \$150 million manufacturing group on cross-boarder M&A strategy and led the modeling and accounting advisory engagement for an \$8 billion technology business. David was previously an Aerospace Engineer with the U.K. Ministry of Defense.

David earned his master's in Electronic Engineering from the University of Leeds and studied at the University of California, Los Angeles. He is also a certified Associate Chartered Accountant in the U.K. and a member of the Institute of Engineering and Technology and is currently pursuing his Masters in Computer Science at Georgia Tech.

David is an avid Formula One fan, the Treasurer of the OC Chapter of The American Institute of Aeronautics and Astronautics and holds his private pilot license. David is married with two children and lives in Los Angeles South Bay.

## Related Industries and Services

- M&A Advisory and Due Diligence
- Cyber Security
- Entertainment and Media
- Technology
- Retail
- Consumer Products
- Manufacturing and Distribution
- Real Estate

# Daniel Rowe, Partner



310.873.6663

[drowe@greenhassonjanks.com](mailto:drowe@greenhassonjanks.com)

**Daniel Rowe**, J.D., CPA, has over 15 years of public accounting experience and specializes in partnership and S-corporation taxation. He provides technical and strategic advice to partnerships, S-corporations and their individual owners, including tax advice on restructuring and buy/sell transactions.

Prior to joining Green Hasson Janks in 2014, Daniel was a tax partner at TSJ Deemer Dana LP in Georgia. Prior to that he was a tax manager at JH Cohn, LLP in New York and an audit senior at Deloitte in Baltimore. In his previous roles, he provided year-round tax planning and guidance for high-net-worth individuals, advised on trust and estate matters, and represented clients in federal, state and local audits.

Daniel has been published in many tax and real estate journals such as *Tax Notes*, *The Tax Adviser*, *The Journal of Property Management* and *Commercial Investment Real Estate*. He has written and presented continuing education sessions for attorneys and CPAs and frequently delivers tax updates to tax and real estate professionals. He currently serves as an editorial adviser to *The Tax Adviser* and was recently an editor for the *Loyola of Los Angeles Law Review* and a member of the AICPA's Technical Resource Panel for S corporations.

Daniel graduated with honors from Towson University with a Bachelor of Science in Accounting and received his J.D. from Loyola Law School at Loyola Marymount University. He lives in Los Angeles with his wife and two young daughters.

## Related Industries and Services

- High Net Worth
- Individual and Pass-through Entity Planning
- Real Estate
- Tax Compliance and Consulting
- Trust and Estate

The background features a light green base with large, overlapping circles and shapes in a darker green and a yellowish-green. A white horizontal band is centered across the page, containing the text. A thin yellow vertical line is on the right side, and a thin dark green horizontal line is at the bottom.

# **ADDITIONAL COVID RESOURCES**



# COVID-19 Resources and Response Team

Green Hasson Janks is closely monitoring COVID-19 and how it is impacting business at a local, regional, national and global level. The firm is fully operational and offering guidance to support and collaborate with our clients through this time of uncertainty.

As the world enters a new reality in wake of the Coronavirus pandemic, GHJ's experts are looking at new legislation, critical information and COVID-19's impact on organizations and businesses. Our professionals are able to assist you in handling this disruption by providing services that are focused on managing your organization now and in the weeks and months ahead. Learn how GHJ can support you and your organization during this time through our [Business Recovery Toolkit](#) and [COVID-19 Resource Center](#).

