



# Q&A from Dean Zerbe



- **Which utilities are eligible for the loan forgiveness for PPP?**

Covered utilities are electricity, gas, water, transportation, telephone, and internet access. Service must have begun before February 15, 2020 to qualify.

- **PPL Loan: Demand will exceed supply of available money. How will this be handled? First come first served?**

On PPP Loan demand - we expect a very heavy oversubscription. This could be as much as 10X. The SBA lending institutions will determine which applicants to prioritize. I believe that most lenders will prioritize existing clients. That aside, yes it will generally be first come, first served. We encourage business owners to get their applications in quickly. I believe that there will be another federal relief bill and this oversubscription will likely be at least partially addressed.

- **What is included in the monthly payroll expenses - salary, regular pay, OT pay, 401(k) match, insurance, etc.?**

Payroll costs include salary, wage, commission, tips, vacation, parental, family, medical, and sick leave, allowance for dismissal or separation, payments for the provisions of group health benefits, including insurance premiums, retirement benefits, and payment of state or local tax assessed on the compensation of employees. They also include, for independent contractors and sole proprietors, wages, commissions, income, net earnings from self-employment, and similar compensation.

- **Does payroll cost to figure loan maximum for PPP include any health care or benefits costs?**

Yes, it includes payments required for the provisions of group health care benefits, including insurance premiums

- **If you do not see economic harm in your financial performance through March 31, will you still be likely to get a PPP loan given economic uncertainty coming?**

To receive the loans, borrowers must certify that “the uncertainty of current economic conditions makes necessary the loan request to support the ongoing operations of the eligible recipient” and that the funds will be used to retain workers and pay other eligible costs. There is no requirement, however, to show economic harm.

- **Are part-time wages to be included in the PPP application?**

Yes



- **When will the loan be forgiven if the conditions are met?**

The statute does not specify a deadline, however, the borrower will be required to make an application for forgiveness to the lender. Presumably, this application would be made until after the covered period which is 8 weeks from the date the loan is originated. The lender must determine the amount of forgiveness within 60 days after receiving the application.

- **Is it likely the loan can be forgiven this calendar year?**

While applications for forgiveness are not yet available, and it is not yet clear when exactly a borrower may begin to apply for forgiveness, once a lender receives an application for forgiveness, they are required to make a determination

**Jennifer Groff**

ASSOCIATE DIRECTOR

Industry Partnerships & CPA Alliances

**alliantgroup**

3009 Post Oak Boulevard, Suite 2000

Houston, TX 77056

**P** 713.552.5657

**C** 832.341.3931

**E** [jennifer.groff@alliantgroup.com](mailto:jennifer.groff@alliantgroup.com)

[www.alliantgroup.com](http://www.alliantgroup.com)

Strengthening American Businesses Is Our Mission