



Questions and Answers the Paycheck Protection Program & Economic Injury Disaster Loans

Application and Eligibility

Q: Do we submit PPP for each provider separately or once as a practice?

A: Practices with fewer than 500 employees are eligible to apply for a PPP loan. Each practice, or small business, is eligible to receive one PPP loan.

Q: The law states that I can only make one application for PPP. However, lenders advise to apply not only with them, but alternate routes — what does this mean and how do I proceed?

A: Each small business, i.e. ophthalmology practice, is eligible to receive one PPP loan, not one application.

Q: Is there a limit on number of employees?

A: Businesses with fewer than 500 employees are eligible for PPP loans.

When Funds Are Distributed

Question: I have applied for a PPP loan and my loan was approved. Can I delay disbursement of the loan?

Answer: The disbursement of the loan must come no later than 10 calendar days from the date of loan approval.

Q: When can I expect to receive the funds?

A: Those seeking estimates on timelines for distribution of funds should inquire with their lenders. Once borrowers are approved, Treasury guidance outlines that lenders must distribute funds within 10 calendar days.

Qualifying Expenses

Q: What is the definition of payroll costs for PPP loans?

A: Here are the definitions:

- Salary, wages, commissions or tips (capped at \$100,000 on an annualized basis for each employee)
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement

- benefit;
- State and local taxes assessed on compensation
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee

Q: What qualifies as utility expenses for PPP loans?

A: Electricity, gas, water, transportation, telephone and internet access, for which services began before Feb. 15, 2020

Loan Forgiveness

Q: How do you apply for forgiveness for the loan?

A: You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness within 60 days.

Q: The amount of the PPP loan eligible for forgiveness depends on the borrower's payroll costs over an eight-week period; when does that eight-week period begin?

A: The eight-week period, or "covered period," begins the day of the loan is disbursed. For example, if your loan was approved April 10 but disbursed on April 15, your covered period would begin on April 15.

Q: Will they deduct my EIDL grant from PPP even if I want to use the PPP for payroll in May and June and use the EIDL grant for March and April payroll?

A: The amount received in the form of an EIDL advance grant will be deducted from eligible PPP loan forgiveness.

Q: What do I do if an employee quit on Feb. 29, 2020, but was employed all of 2019 and therefore included in my calculations?

A: Reductions in FTEs between Feb. 15, 2020 and April 26, 2020 can be "cured" and will not reduce the amount of loan forgiveness if, by June 30, 2020, the borrower has eliminated the reduction in the number of FTEs.

Q: Is there a maximum amount of loan forgiveness for PPP?

A: The full amount of a PPP loan is eligible for forgiveness.

Q: Is there an alternate way to reach the threshold for PPP forgiveness based on the FTE and payroll on the June 30 date relative to Feb. 15, and thereby ignore the 8 week FTE payroll requirement?

A: Per guidance from Treasury/SBA, PPP loan forgiveness will be determined by reviewing costs incurred and payments over the 8-week covered period following the date of the disbursement of the loan.

Q: Can we get partial loan forgiveness?

A: Yes.

Q: Are we eligible for salaries over \$100,000 to be partially forgiven?

A: Yes, forgiveness can apply to the salary amount up to \$100,000, equivalent to \$8,333 monthly.

Q: Is there an alternate way to reach the threshold for PPP forgiveness based on the FTE and payroll on the June 30 date relative to Feb. 15, and thereby ignore the 8 week FTE payroll requirement?

A: Per guidance from Treasury/SBA, PPP loan forgiveness will be determined by reviewing costs incurred and payments over the 8-week covered period following the date of the disbursement of the loan.

Q: Related to forgiveness of PPP loans: If I use 75% of my PPP loans for payroll, can I use 25% for extra payments on the mortgage for my practice?

A: No. Using PPP loan proceeds, you can pay interest (but not principal) on any mortgage obligation that existed prior to Feb. 15, 2020.

Q: Can rent be prepaid for 6 months to satisfy the 25% forgiveness of rent and utilities?

A: No, PPP loan proceeds cannot be used to prepay 6 months of future expenses.

Q: Does all the money need to be spent by 8 weeks?

A: For PPP loan forgiveness purposes, lenders will review costs incurred and money spent during the 8 weeks following disbursement of the loan. Any money that is not forgiven, will be carried forward as a loan at 1% interest.

Applying to Multiple Relief Programs

Q: Can we participate in multiple or all of the COVID relief programs, including the PPP loans, CMS Advance Payment, Economic Injury Disaster Loans/Grants, and HHS Stimulus Payments?

A: Yes, you can participate in all of the COVID programs simultaneously and receive a PPP loan, an HHS Stimulus Payment*, an Advanced Payment from CMS, an EIDL loan, and an EIDL advance grant. The following restrictions apply if you receive money from more than one program

- You may not use funds from two programs to pay for the same expense. You may however use funds from two programs to pay for different portions of the same item (e.g. half of one month's rent from each of two different programs).
- Accepting an EIDL advance grant will reduce the forgivable portion of a PPP loan on a dollar for dollar basis.

There are also different time frames in which funds from different sources must be used, and different reporting requirements. Therefore, it is critical to keep meticulous records of the source and use of all funds.

Q: Is there a limit to the number of grants and loans you can apply for?

A: No, but those who receive funding from multiple avenues should review requirements that apply to receiving funds from multiple programs. For instance, those receiving EIDL and PPP loans cannot use proceeds for the same purposes.

Q: Is there an EIDL grant or are these loans?

A: When applying for an Economic Injury Disaster Loan, borrowers may request an emergency advance of up to \$10,000. This advance or “grant” does not need to be repaid but will impact loan forgiveness for those who also receive a PPP loan.