

Happy New Year! As a new year has begun, top of mind is PPP Loan Forgiveness Applications. Tilson has received several requests regarding how to manage, what reports to use, do you need copies of tax returns, etc.

Here are a few of the FAQ's that should assist with this:

1. The bank is requesting copies of the 941's, what do I do?

Answer: In the SBA FAQ's, this is specifically addressed in Question 10:

“SBA recognizes that eligible borrowers that use PEOs or similar payroll providers are required under some state registration laws to report wage and other data on the Employer Identification Number (EIN) of the PEO or other payroll provider. In these cases, payroll documentation provided by the payroll provider that indicates the amount of wages and payroll taxes reported to the IRS by the payroll providers for the borrower’s employee will be considered acceptable PPP loan documentation. Relevant information from a Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers, attached to the PEO’s or other payroll provider’s Form 941, Employer’s Quarterly Federal Tax Return, should be used if it is available; otherwise, the eligible borrower should obtain a statement from the payroll provider documenting he amount of wages and payroll taxes. In addition, employees of the eligible borrower will not be considered employees of the eligible borrower’s payroll provider or PEO.”

Here is the link to the letter that was provided by Tilson when applications to receive the funds were requested: <http://www.tilsonhr.com/wp-content/uploads/2021/01/Payroll-Protection-Loan-and-PEOs.pdf>

2. What reports should I use?

Answer: There are several reports but at this time it is recommended that the following reports be used, which may be found in the [Employer Online HR Portal](#) by clicking the document icon (reports) at the top of the portal.

Employee Hours by Month Report Payroll: Report
COVID-19 PPP Forgiveness Report HR: Report

(Please note that it is recommended to check the box “Use Simplified Method”)

The reports above are available to be printed in excel or PDF. When submitting to your bank, per the SBA guidelines, you should use the PDF format which will have Tilson’s logo on the report.

3. How do I determine the FTE's?

Answer: The COVID-19 PPP Forgiveness Report provides options to print different reports. The FTE calculation is one of the options available. If there are additional questions, please speak with your tax advisor.

4. How do I calculate for Commission only employees?

Answer: The COVID-19 PPP Forgiveness Report, Salary/Hourly Wage Reduction allows you to check a box to treat Commissioned as Salaried.

5. How do I know if I need to make adjustments for reduced salary/hourly wages?

Answer: The COVID-19 PPP Forgiveness Report, Salary/Hourly Wage Reduction reviews the wages during the covered period or other period selected. It shows the reduction required. If there are additional questions, please speak with your tax advisor.

6. How do I complete the application?

Answer: First, it is highly recommended that you work directly with your tax advisor to understand the PPP Loan Forgiveness Application to ensure that you receive the full forgiveness. Second, the AICPA has provided an Excel file that could be filled in that will assist in completing the application as well. Most Tax advisors have access to the AICPA website to login and grab the file.