

## The Latest Updates on PPP Loan Forgiveness



If you took out a Paycheck Protection Program (PPP) loan for your business, you might be struggling to keep up with the ever-changing guidance regarding loan forgiveness. To help you understand where things currently stand, Chris Falco, Founding Partner of CPA firm Falco Sult ([www.falcosult.com](http://www.falcosult.com)), recently presented the latest webinar in our COVID-19 series, “PPP Loan Forgiveness Guidance: Part 3.”

In case you missed it, the following provides an overview of that webinar, the recording for which can be found here <https://bit.ly/PPP-video-3>. In addition, here are links to the write-ups of the first two webinars in this series: Part 1 <https://bit.ly/PPP-writeup1> and part 2 <https://bit.ly/PPP-2-article>.

### Good news: It appears that Congress & the SBA want most of this debt to be forgiven

The latest updates are all about making it easier to apply for and receive debt forgiveness.

As discussed in the last webinar,

on June 5 the Paycheck Protection Program Flexibility Act was signed into law. Among other things, this law extended the “covered period” from 8 weeks to 24 weeks and provided some waivers to the loan forgiveness requirements regarding having the same FTEs (Full Time Equivalent employees), at the same wage levels, during the covered period as during the comparison period.

Now we are seeing that the SBA has broadened the interpretation of these waivers. New, easier-to-use forms have been issued, and banks are being encouraged to forgive the debt.

### The SBA has issued new FAQs, and clarified some existing FAQs

Some of the highlights include:

- What is included in forgivable group health or retirement benefits costs? Employer expenses only, so you’re looking at amounts that are net of employee withholdings.
- What is the maximum forgivable compensation for owners?

\$15,385 for an 8-week covered period; \$20,833 for a 24-week covered period. The FAQs also detail some special rules for different entity types.

### New forms are now available for some borrowers

Ideally you will qualify to use the new Form 3508EZ or Form 3508S (for when the PPP loan was under \$50,000). These are easier to fill out, require far less documentation, and are therefore much harder for a lender to challenge.

In addition, because these forms eliminate all FTE and wage reduction calculations as well as documentation of these reductions, they also eliminate what Chris refers to as “haircuts,” meaning reductions in the forgivable amount of the loan that are based on these FTE and wage reductions.

### Eligibility to file Form 3508EZ

Regardless of the size of your business, you can use this form if you meet any one of three eligibility standards:

1. **You’re a sole proprietor:** The loan proceeds were only used for your own wages. You had no employees when you filed for the PPP loan, and no employees are included in the loan amount.
2. **You had no wage reductions > 25% and no FTE reductions** (defined as # of employees or average of paid hours) between Jan 1, 2020 and the end of the covered period. Disregard employees who received annualized salary above \$100,000.
3. **You had no wage reductions > 25% and did reduce FTEs because** you were unable to operate at the same levels as you did before February 15, 2020 due to the impact of CDC/HHS/OSHA guidance on your business. Once

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## HUMAN RESOURCES

## How to Support a Grieving Employee

Everyone experiences grief at some point in their life, and yet for being such a common experience, it’s also one that few of us are fully equipped to navigate when it comes. In part, this is because grief is such an overwhelming and horrible experience. Nothing can prepare you for it. You just have to go through it and get through it. Grief is also a unique experience for each person. Everyone has their own path through its stages, and what helped one person work through their grief may not help another.

To complicate matters, our fast-paced, always-on society isn’t set up to allow time for grief. We’re often pressured to keep our grief private and keep it short. Grief takes us away from our obligations, and our obligations may be impatient for us to return. Households need to be managed. Work needs to be done. Bills need to be paid. Life goes on.

No one can make the grief easy, but there are ways to be supportive and give people the time and space they need to process their emotions and find healing. Below are some ways that employers and coworkers can support a grieving employee:

### Have all workflows documented before the need arises.

Upon hearing of a loved one’s passing, an employee may need to drop everything and leave work immediately, and, in some circumstances, the employee may not be reachable or be able to update you on the status of all their work

assignments and projects. With clear, documented workflows set up ahead of time, you can quickly reassign work, and the employee doesn’t need to worry about any urgent or time-sensitive work they left behind. Having documented workflows is also (and more commonly) useful when an employee quits without giving sufficient notice or is sick or injured themselves.

### Educate managers and teammates about the grieving process.

Grief can take many forms and look different from day to day. Managers and coworkers of a grieving employee may not know what to say (or not to say) or how they should act. Bringing in a grief counselor to talk with employees and educate them about grief can help them support their grieving team member. Grief counseling is also a good idea if employees are grieving the loss of a colleague.

### Provide bereavement leave and flexibility upon return.

In many cases, people who have lost a close family member have to put their grief on hold so they can make all the calls and decisions that have to be made when someone dies. They may have to make arrangements for the funeral, inform family, friends, schools and others about the death, and give extra attention to children or other people in the home. It’s a lot. Employers can be a big help here by offering bereavement leave and flexibility when the employee returns.

In the United States, the typical bereavement leave policy is three to seven days, which is rarely enough time to hold a funeral or memorial service, let alone work through the initial pain of a loss. Some companies offer more time off. The policy at Facebook, for example, is 20 days of paid time off after the death of an immediate family member.

Of course, providing either paid or unpaid time off is a huge expense, and not every employer can make it work, however much they would like to. Our general recommendation is to offer as much time as you can and communicate with the employee about how much time they feel they need. Some employees may want to come back sooner rather than later because work helps get their minds off the pain. Others may ask for longer because they need more time to heal before they’re able to be fully productive at work.

Understand, too, that grieving employees will have bad days, and grief can come on suddenly, like a ton of bricks. Grieving employees may need extra breaks or need to take a half day unexpectedly. Letting employees know that they have flexibility after they return can be a big relief.

### Offer mental health care.

It’s likely that grieving employees will need therapy to help them process the loss and work through their emotions, but regular sessions with a therapist can quickly become costly. Providing health insurance that covers mental health care



can help ease this financial burden. An Employee Assistance Program may also be beneficial.

### Reach out to offer support, but be mindful of decision fatigue.

People experiencing a loss need support, but they may not know what support they need or be able to answer if asked. Decision fatigue is very common immediately after a death. Even a question like, “What can we bring over for dinner?” can be stressful to answer.

One option here is to simply let a grieving employee know that you’re there for them and that they can reach out if they need anything. Another option is to make decisions yourself about what support you give. For example, if you

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## BUSINESS MANAGEMENT

## New and Improved Wage and Benefit Report Released

The 2020 Printing Industries of America Affiliate Annual Wage and Benefit Survey is now available for purchase. It is the largest and most reliable industry wage and benefit survey on the market. Purchasing the survey report enables you to access critical data on over 100 positions in management, office/administration, information technology, prepress, digital printing, press operations (sheetfed, heatset and nonheatset web), finishing/converting, flexo, bindery, mailing and fulfillment and warehouse/maintenance.

The wage section reports data by region and by company size. Data on human resources policies and benefits is also reported by region and company size. Members who participated in the survey have already received a free copy of this report. Non-participating member companies can obtain a copy of the survey, which is only available for purchase by members, for \$250. To obtain a copy, contact Kristy at 323.728.9500 ext. 215 or [Kristy@piasc.org](mailto:Kristy@piasc.org).

## Upcoming Events

### Last Week of the Printers Fair!



The Los Angeles Printers Fair at The International Printing Museum in Carson, California is the largest celebration of letterpress, printing and the book arts on the West Coast. This year marks the 12th year of this celebration and it’s most unique one yet, because The LA Printers Fair has gone virtual! The Los Angeles Printers Fair brings together thousands of visitors and over 60 vendors and practitioners of letterpress and the book arts. It is an amazing gathering of graphic artists, hobbyists, print history enthusiasts and appreciators of great art. The 2020 Virtual Los Angeles Printers Fair, while not in person, offers that same community feel, learning opportunities and great shopping selections to stock up on prints, cards, letterpress supplies, and printing presses.

Instead of taking place over two days the 2020 Virtual Los Angeles Printers Fair has been occurring during the whole month of November! By visiting [www.printersfair.com](http://www.printersfair.com) visitors have the chance to shop the online vendor marketplace and browse featured products by all our vendors for FREE. Visitors are also rewarded with daily special treats such as videos, tours, hands-on at home tutorials, printable keepsakes, vendor spotlights, special sales, weekly raffles, shopping guides and more!

To produce these special releases The International Printing Museum has partnered with local art programs like Otis College of Art and Design, local art societies like The Los Angeles Printmaking Society and The Society for Calligraphy (Southern California), small local artists like Stephanie Gibbs Bookbinding and corporate supporters of the arts like Kelly Paper.

To discover all the gems we have in store visit the Fair website and sign up for daily e-mails notifying you of the new releases. Normally the LA Printers Fair can only be experienced by those in the area or those fortunate enough to afford the travel, but this year we get to celebrate with a worldwide audience and bring the magic of the Printers Fair to all.



## FEATURE ARTICLE

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again, disregard employees who received annualized salary above \$100,000.

- o For this you need to be able to show how the COVID-19 directives negatively impacted your business. This can mean looking at how COVID-19 directly affected your client base and then indirectly affected your sales. For example, if sales plummeted because your clients were unable to work because of stay-at-home orders, you have a good case to say that you qualify to use Form 3508EZ.

**Things that don't count against you when you're calculating FTEs**

As before, when you're determining whether or not you reduced your FTEs, the following do not count against you:

- **Employees who were laid off or had their hours reduced IF...**
  - o During the covered period you made a good faith, written offer to rehire them or restore their hours,
  - o This offer was for the same salary or wages and same number of hours (as before the change),
  - o This offer was rejected by the employee,
  - o You retained records documenting that rejection, and
  - o You notified the state unemployment insurance office of this rejection within 30 days.
- **Employees who voluntarily resigned**
- **Employees who voluntarily requested a reduction in hours**
- **Employees who were fired for cause**

Now there are also two additional FTE waivers that apply to all borrowers. The following FTE reductions also don't count against you:

- **Inability to hire** – Situations where you are able to document your inability to hire the same employees who were working on February 15, 2020 or similarly qualified individuals for unfilled positions.
- **Reduction in need** – Situations where you are able to document your inability to return to the same level of business activity between March 1 and December 31, 2020 that you had as of February 15, 2020, due to OSHA, CDC or HHA requirements or guidance related to COVID-19.
  - o Chris believes that if you have a 25% or greater reduction in sales then you would qualify under the "inability to return to same level of business activity" exemption. You can also document that social distancing and other requirements have reduced your ability to produce product.

**The magic moments for "safe harbor"**

If you reduced FTEs or wages/salaries between February 15 and April 26, 2020, but then brought your FTE headcount and wages/salaries back to their pre-February 15 level by

December 31, 2020, these reductions will not count against you in calculating your loan forgiveness amount.

Suggested strategy: If you did not have your FTE counts and wages up by the end of your covered period, but think you will have them fully restored by December 31, Chris suggests you get these people and things in place by the last payroll period in December. In this situation, hold off filing your application for forgiveness until 2021, so that your payroll report will support your numbers.

**Preparing for bank review**

Once your covered period ends you have 10 months from that date to file for forgiveness. The SBA will review all PPP loans over \$2 million. Loans under \$2 million will first be reviewed by the lender.

- Check with your bank to get their checklist and/or organizer.
- Gather the documentation required by the SBA form and the bank's organizer.
- Download the forms and manually work through the loan forgiveness application before filling it out through your bank's online portal. This will give you an opportunity to look at all the different situations that may apply to you.

**Selling your business when you have an outstanding PPP loan**

If you are planning to sell your business you should submit your application for PPP loan forgiveness as soon as possible. If you wait until the sale is in escrow the entire loan package will have to go to the SBA for review; this will add at least three weeks to the process of closing your business' sale.

Also, if you have an outstanding PPP loan that has not yet been forgiven, you must put these funds in escrow before escrow closes—using your own funds, not funds from the buyer—until the forgiveness is authorized by the SBA.

**Conclusion**

Although the Paycheck Protection Program's rules and guidelines seem to be in constant flux, things do seem to be moving in the right direction—i.e. towards making it easier for businesses to receive loan forgiveness.

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## HUMAN RESOURCES

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want to provide the employee with a gift card to a restaurant, you could select the restaurant yourself instead of asking the employee which restaurant they'd prefer (just be sure to take the possibility of food allergies into consideration). Both of these options let the employee know that you care about them without adding to the decisions they have to make and the stress they're feeling.

**Be aware of triggers and PTSD.**

If the death was particularly sudden, unexpected or traumatic, the employee may at times unexpectedly reexperience the horror, panic, stress and fear they felt at the time of the event. In some cases, the employee may be diagnosed with post-traumatic stress disorder (see <https://www.nimh.nih.gov/health/topics/post-traumatic-stress-disorder-ptsd/index.shtml>). If any of this occurs, give the employee time and space to process their emotions.

Also, don't be hard on yourself if something you say triggers a response. There's no way to anticipate all of the words and images that could be triggering, and even if you know the details of the death, it's simply not reasonable to expect that you'll remember those details in every moment that you're speaking. Don't worry if you say the "wrong thing." The important thing is to be aware that a grieving employee may feel the need to step away and to show understanding and compassion in those moments.

Source: HR | BIZZ

## TECHNICAL &amp; TECHNOLOGY

**Q. What is the best device to use when measuring color?**

A. With measurement devices your choice is either a colorimeter or spectrophotometer. Colorimeters contain three filters when they "look" at color and do a reasonable job at an affordable price. Spectrophotometers are more expensive but take many more sample measurements—up to 31—across the visible spectrum. The more color samples taken, the more accurate the measured results. When it comes to measuring color, either device is better than nothing. But if you have the budget, a spectrophotometer is the better choice.

**Q. I have halftone dots that aren't printing but are still visible on the plate on my web press. What could be causing this?**

A. Although this could be caused by many factors, it sounds like plate blinding. Calcium carbonate is used as a filler and coating ingredient in paper. The calcium can accumulate on the blanket and dissolve into the fountain solution, having a neutralizing effect on the pH of the fountain solution on the plate surface. Under certain conditions, the calcium carbonate will accumulate on the image areas on the plate, attracting the gum to which the water molecules will adhere, causing image areas to repel ink. Calcium carbonate is water soluble, so good ink/water balance is critical to minimize the amount of calcium dissolved into the system. During long runs on a web press, using stock that is not properly sized to increase the water resistance can contribute to the likelihood of plate blinding even with good ink/water balance. Using a fountain solution etch formulated to counter the effects of calcium carbonate can reduce or delay the blinding.

**Q. How much resolution is enough for images printed on my digital press?**

A. The most appropriate image resolution for digital presses varies somewhat by press, but a good estimate is 300 dpi. As a rule of thumb, you should never use an image resolution close to or higher than the output resolution of the press. Ask your press vendor what it recommends. The exceptions are scanned line art, screen grabs and other synthetic images as they should have a resolution that matches the final output device (e.g., 1200 dpi).



## PIASC Events Calendar

NOV

1-30

**Los Angeles Printers Fair**

Online  
<https://www.printmuseum.org>

DEC

16

**WEBINAR: Ransomware: Don't Be a Victim**

Online  
<https://www.piasc.org/events/>

DEC

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**Wine-ing From Home: Blind Tasting Event**

Online  
<https://www.piasc.org/events/>

For full list of workshops and virtual classes, please visit [www.piasc.org/events](http://www.piasc.org/events)