In an effort to keep you updated during the COVID-19 pandemic, we will be sending you updates on the latest developments. Please do not hesitate to reach out to your Sheakley HR team member should you have additional questions or concerns!

New CDC Guidance on Cleaning & Disinfecting

The Centers for Disease Control and Prevention has issued new guidance on Cleaning and Disinfecting work areas. This guidance is attached and can also be viewed on the CDC's website.

SBA Paycheck Protection Program

"Certification Safe Harbor" for PPP loans Under $2 Million:

On Wednesday, May 13 the Department of Treasury announced that PPP borrowers with less than $2 million in loans are automatically deemed to have made the financial-necessity certification on the loan application in good faith. Treasure also softened its rhetoric towards those businesses that have borrowed more than $2 million, nothing that while they will not automatically be deemed to have made the certification like those under $2 million loans, they can show an "adequate basis" for making the certification under prior SBA guidance based on their individual facts and circumstances.

The Small Business Administration (SBA) has determined that this safe harbor is appropriate because borrowers with loans below this threshold are generally less likely to have had access to adequate sources of liquidity in the current economic environment than borrowers that obtained larger loans. This safe harbor will also promote economic certainty as Paycheck Protection Program (PPP) loan borrowers with more limited resources endeavor to retain and rehire employees. In addition, given the large volume of PPP loans, this approach will enable the SBA to conserve its finite resources and focus its reviews on larger loans, where the compliance effort may yield a higher return.

This is exciting news for many small business and PEOs!

Paycheck Protection Program Loan Forgiveness

On Friday, May 15 the Small Business Administration (SBA) in consultation with the Department of Treasury, released the Paycheck Protection Program (PPP) Loan forgiveness Application and detailed instructions for the application.

The form and instructions inform borrowers how to apply for forgiveness of their PPP loans, consistent with the CARES Act. The SBA will also issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities.

The form and instructions include several measures to reduce compliance burdens and simplify the process for borrowers, including:

- Options for borrowers to calculate payroll costs using an "alternative payroll covered period" that aligns with borrowers' regular payroll cycles
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after receiving the PPP loan
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness
- Borrower-friendly implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30
- Addition of a new exemption from loan forgiveness reduction for borrowers who have made a good-faith, written offer to rehire workers that was declined

The application can be found by visiting https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf.

Please check with your CPA or Tax Advisor to direct you in the loan forgiveness process.

Below are additional resources outlining what is considered a PPP approved payroll expense:

- https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-7
- https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf

Sheakley HR COVID-19 Resource Page:

In addition to our daily email updates, we are also working diligently to keep our Sheakley HR COVID-19 Resource Page up-to-date. You can visit this page at https://ww2.sheakley.com/coronavirus-update/.