



Dear Clients and Friends,

The federal government has enacted a new set of programs in an attempt to provide additional financial relief to the American people and businesses from the Covid-19 crisis.

There are many provisions within the various programs, but we attempt to summarize those aspects that we believe are most important to our clients:

1. Modifications to the original Paycheck Protection Program for small businesses – A.) Expenses covered by the loan proceeds will be tax deductible even in the event that the loan is forgiven. B.) Eligibility to use the simplified forgiveness application has been increased to loans up to \$150,000 from the former \$50,000. C.) Non-payroll costs that can be covered by forgivable proceeds was expanded to include certain software and cloud computing services, expenses related to adapting a business to deal with Covid-19, certain supplier costs, and property damage due to public disturbances that were not covered by insurance.

2. Second round of PPP loans – There is now an opportunity to seek a second PPP loan for businesses that have experienced a 25% decline in revenues in any quarter of 2020. The maximum loan amount is determined by a similar means as the original program for most businesses at 2.5x average monthly payroll costs in 2019 or in the 12 months preceding the loan. For businesses in the food or accommodation industries the maximum loan size is 3.5x average monthly payroll. C-corporations, S-corporations, partnerships, sole proprietors, independent contractors, and self-employed are eligible.

3. Expansion in unemployment benefits – The new stimulus package also provides an additional \$300.00 per week in Federal unemployment benefits for up to eleven weeks in addition to the amount received in state benefits. Further, self-employed workers and independent contractors are eligible to receive unemployment benefits.

Please let us know how we can help you learn more about these provisions along with any other aspects of the various government relief provisions. We are here to help our clients and their families and friends.

Happy holidays!

Your BRAVE Team