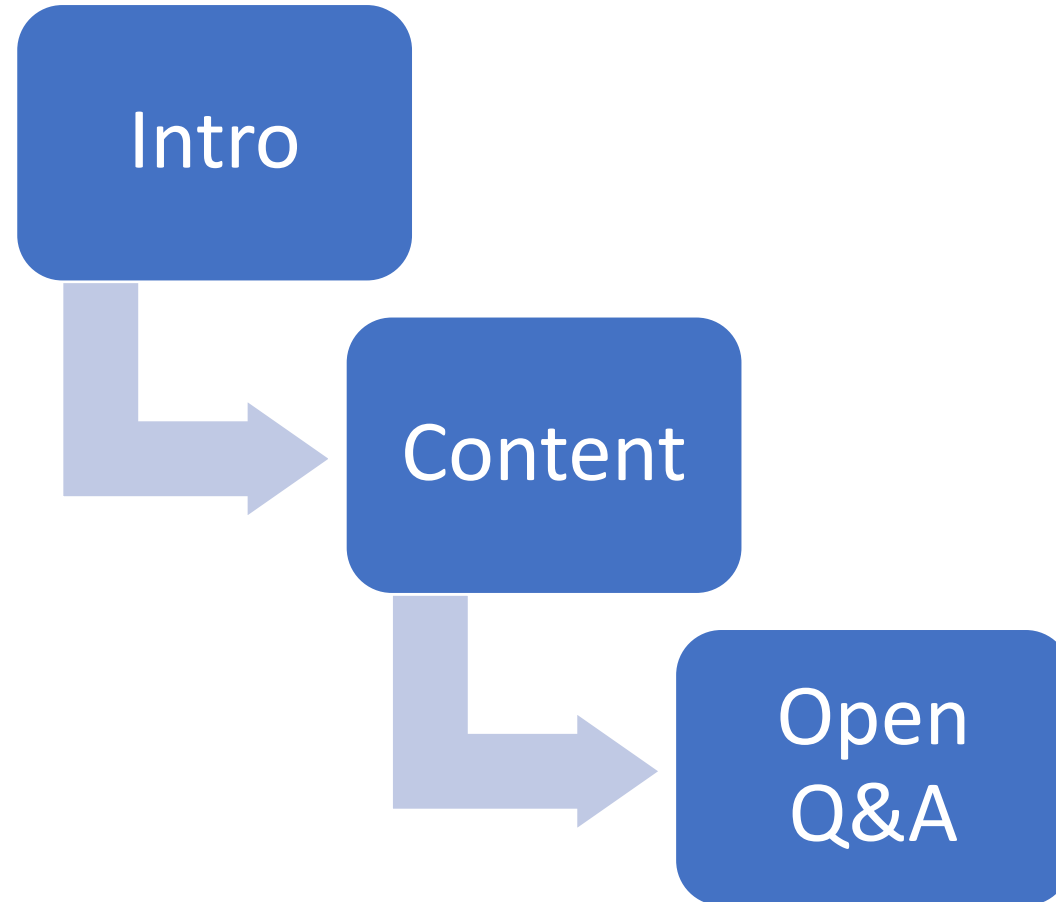




Presented By



Agenda



Recap of Sources of Funding

Paycheck
Protection
Program

Economic
Injury Disaster

Main Street
Lending
Program

Employee
Retention
Credit

Federal Sick &
Family Leave

Payroll Tax
Deferral

Other
Funding

Management

Good News...You Got The \$\$\$



Bad News...You're Not Done



This Webinar: Focus On Next Steps

- Account For Funds
- Maximize Forgiveness
- Claim Tax Credits
- Comfortably Repay Loans
- Use Money & Resources Wisely



About Me

Serial
Entrepreneur

Manuel “Manny” Cosme
Founder & CEO



Accounting Firm **FOCUSED** On **Bookkeeping & Strategy**
For Small **Businesses & Non-Profits**

Disclaimer A

Keeping this “high level”

*Keeping this focused on micro-business
(<100 employees ; $< \$5M$ revenue)*



For detailed information...

Go to source docs (links on our website)

Schedule 1-1 consultation.

Disclaimer B

Information Is Changing Frequently!!!

*This is the latest information we have,
but is subject to change.*



Still some unanswered questions.

And...

I am not YOUR Accountant...

*Touch base with your CFO / Accountant / Bookkeeper
to help you take advantage of programs*

Paycheck Protection Program (“PPP”)

Paycheck
Protection
Program

Economic
Injury Disaster

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Lending
Program

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Retention
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Payroll Tax
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Other
Funding

Management

Paycheck Protection Program (“PPP”) Purpose?

- Keep Employees Working & Producing
- Keep Businesses Generating Revenue
- Keep Economy Moving!!!



Paycheck Protection Program (“PPP”) Criteria For Forgiveness



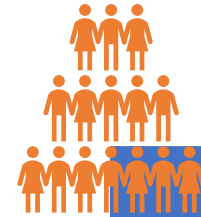
Criteria #1

- Time Period (8 weeks)



Criteria #2

- Authorized Spending



Criteria #3

- Employee Count

Paycheck Protection Program (“PPP”)

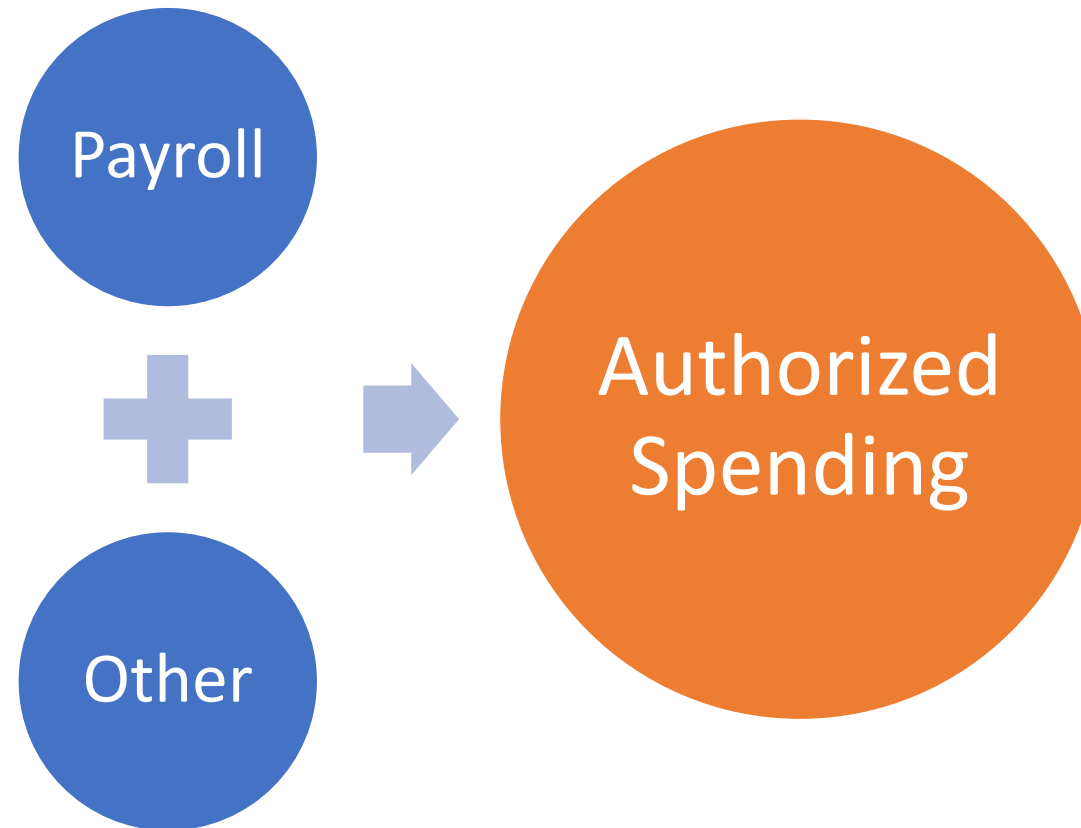
Criteria #1: Time Period



- Clock starts from
DAY YOU RECEIVE FUNDS
 - No grace period
 - Keep checking your bank account
- During next 8 weeks / 56 days...
 - Authorized Spending
 - Employee Count

TIP:
Mark Your Calendar

Paycheck Protection Program (“PPP”) Criteria #2: Spending



Paycheck Protection Program (“PPP”)

Criteria #2: Payroll Spending



Authorized

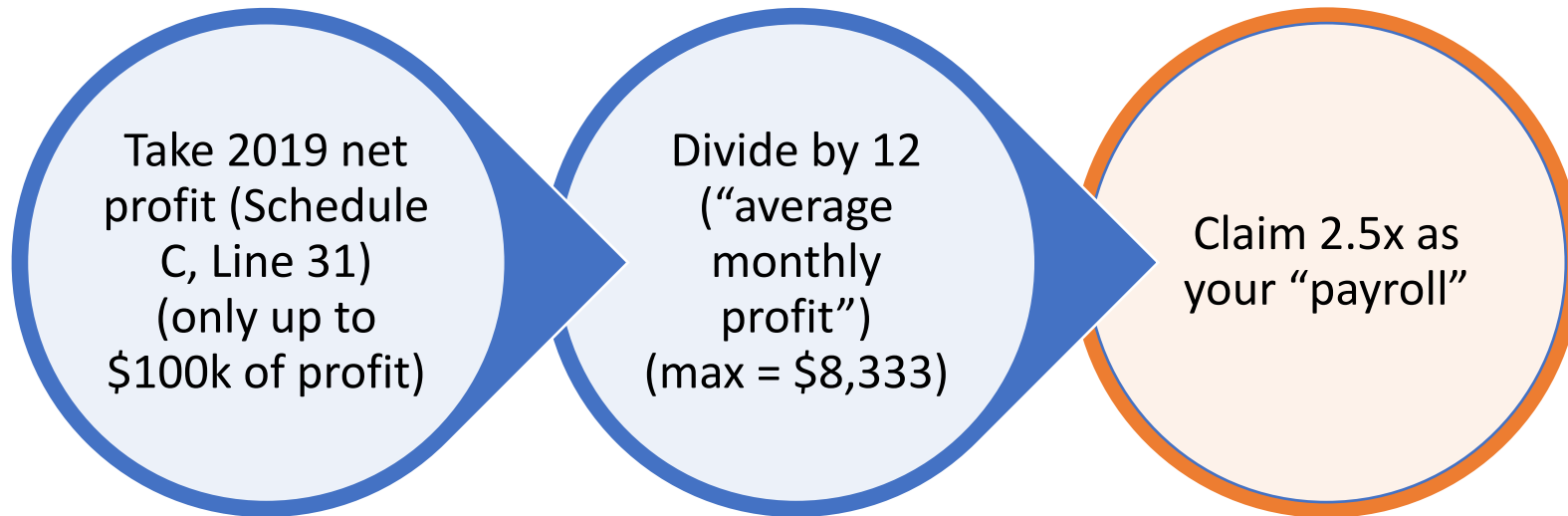
- Gross Wages*
- Owner Compensation*
- Severance
- Paid Time Off
- State & Local Taxes
- Employer-Paid Health
- Employer-Paid Retirement

Not Authorized

- Federal Employer Taxes (FICA, FUTA)
- Tuition Reimbursement
- Federal Sick & Family Leave

* Up to first \$100k annualized per employee / owner

Paycheck Protection Program (“PPP”) Criteria #2: Owner Compensation



Paycheck Protection Program (“PPP”)

Criteria #2: Other Spending



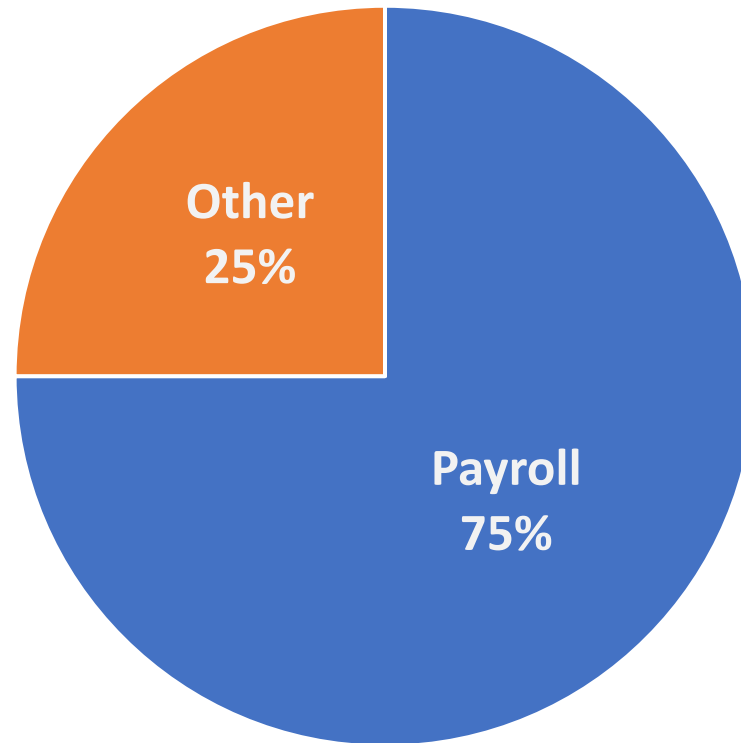
Authorized

- Mortgage Interest
- Office Rent
- Utilities
(electricity, gas, water, telephone, internet)
- Transportation

Not Authorized

- Anything else!
 - 1099 Contractors
 - Raw Materials
 - Software
 - Liability Insurance
 - etc.

Paycheck Protection Program (“PPP”) Criteria #2: Percentages

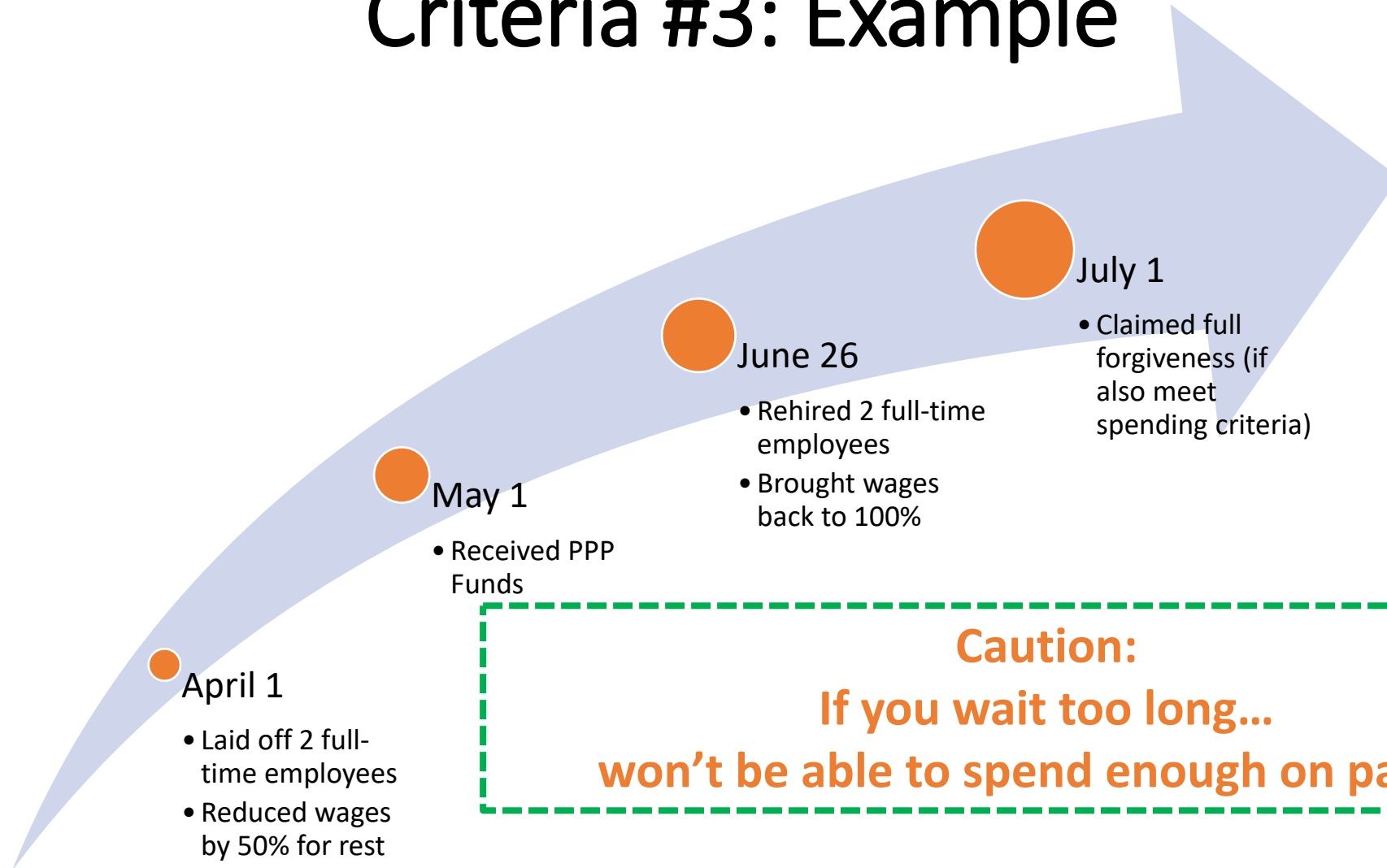


Paycheck Protection Program (“PPP”) Criteria #3: Employee Count

- Headcount Not Reduced
 - Full Time Equivalents (“FTE”)
- Wages Not Decreased More Than 25%*
- However...
Have until June 30 to fix



Paycheck Protection Program (“PPP”) Criteria #3: Example



Paycheck Protection Program (“PPP”) What If I Don’t Meet Criteria?

Didn’t Spend All Funds In 8 Weeks

- Repay unspent portion

Spent On Unauthorized Expenses

- Repay amount spent on unauthorized

Didn’t Spend 75% Payroll / 25% Other

- Repay amount you missed by

Didn’t Rehire By June 30

- Repay pro-rated amount (see calculator)

Didn’t Restore Wages By June 30

- Repay pro-rated amount (see calculator)

Paycheck Protection Program (“PPP”) Repayment (if loan not forgiven)

Max Interest Rate = 1%

Max Loan Repayment Period = 2 years

No Prepayment Fees

First Payment Deferred 6 to 12 Months

Paycheck Protection Program (“PPP”) Bookkeeping Required

KEEP GOOD BOOKKEEPING RECORDS
ON YOUR SPENDING!!!



Paycheck Protection Program (“PPP”) Bookkeeping Tips

Use Separate “PPP” Bank Account

- Put PPP funds into new bank account
- As spent PPP...transfer exact amount from “PPP account” to main account
- Pros:
 - Physical transfer can be easier to “see” money used
- Cons:
 - Must open a new bank account
 - Lots of transfers back & forth

Use QuickBooks

- Set up “class tracking” feature
- Set up separate “PPP account” on chart of accounts
- Pros:
 - Will have to use QBO to track other program funds (e.g. social security tax deferral balance, sick / family leave tax credit repayment, economic injury loan balance, etc)
- Cons:
 - May need help doing bookkeeping work

**Have Bookkeeper Help You
Set Up / Track / Transfer Funds**

Economic Injury Disaster Loan (“EIDL”)

Paycheck
Protection
Program

Economic
Injury Disaster

Main Street
Lending
Program

Employee
Retention
Credit

Federal Sick &
Family Leave

Payroll Tax
Deferral

Other
Funding

Management

Economic Injury Disaster Loan (“EIDL”) Repayment

Interest Rate – Business = 3.75%

Interest Rate – Non-Profit = 2.75%

Loan Repayment Period = 30 years

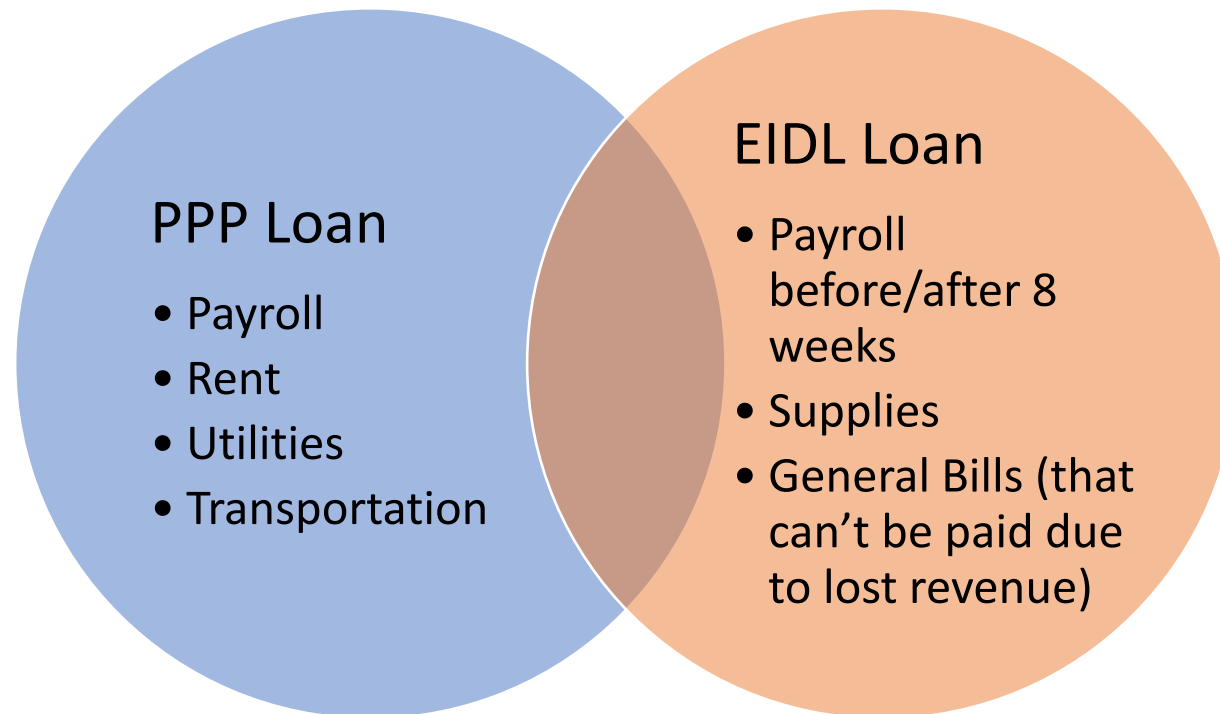
First Payment January 2021

Economic Injury Disaster Loan (“EIDL”) Advance



Economic Injury Disaster Loan (“EIDL”) Be Clear On Fund Spend

You can take BOTH PPP Loan & EIDL Loan
As long as used for different purposes



Economic Injury Disaster Loan (“EIDL”) Bookkeeping Required

Use QuickBooks...

...or...

Open Separate Bank Account



**Have Bookkeeper Help You
Set Up / Track / Transfer Funds**

Main Street Lending Program

Paycheck
Protection
Program

Economic
Injury Disaster

Main Street
Lending
Program

Employee
Retention
Credit

Federal Sick &
Family Leave

Payroll Tax
Deferral

State & Local
Funding

Management

Main Street Lending Program Loan & Repayment Terms

Minimum EBITA = \$250,000

Minimum Loan Amount = \$1 Million

Interest Rate = 2.5% to 4.0%

Loan Repayment Period = 4 years

Employee Retention Credit

Paycheck
Protection
Program

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Injury Disaster

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Employee Retention Credit Overview

Purpose

Retain your employees* during pandemic

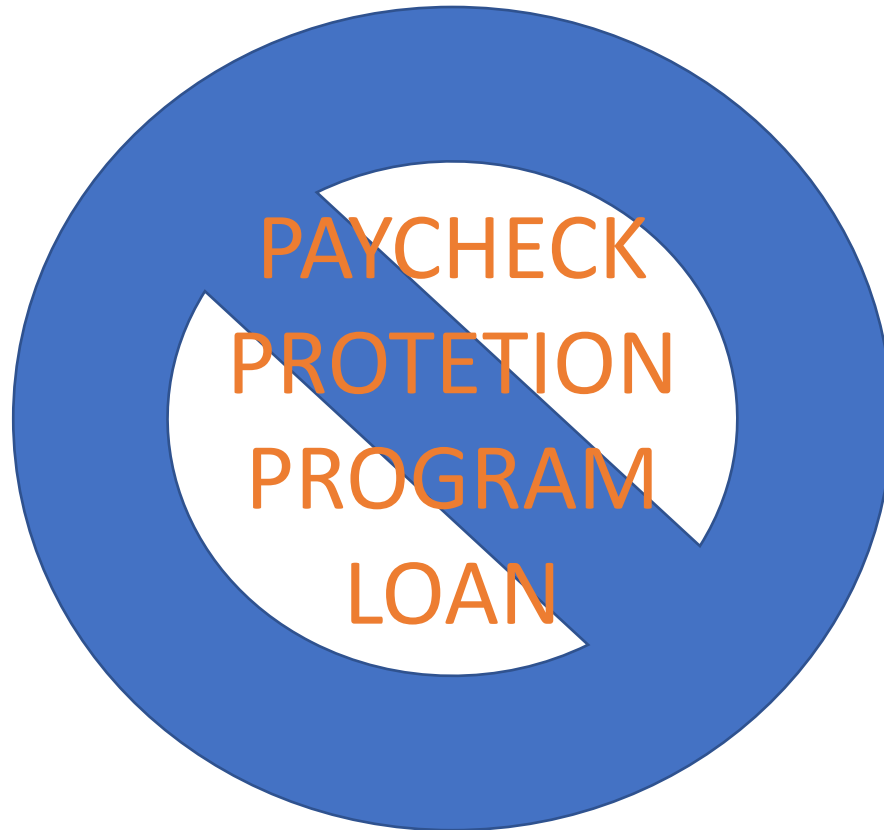
Tax Credit

50% of wages* paid Mar 9 to Dec 31
(up to max credit of \$5,000 per employee)

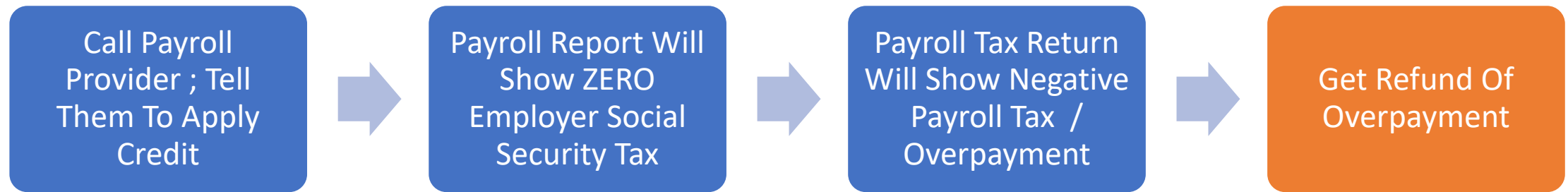
Eligibility

Only for “eligible employers”
Cannot take if PPP loan forgiven (no “double-dipping”)

Employee Retention Credit Criteria



Employee Retention Credit How To Use (if you qualify!)



Employee Retention Credit Example – Reduce Taxes

Report generated by
gusto

Payroll Journal Report

Payroll Period: 04/01/2020 - 04/15/2020 Report Created On: 04/29/2020

Employee Information	Payment Method	Earnings				Deductions/Contributions			Employee Taxes		Employer Taxes		Totals	
		Description	Hours	Rate	Total	Description	Type	Amount	Description	Amount	Description	Amount	Description	Amount
Payroll Totals		Regular	346.67	\$24.76	\$8,583.33	Dental S-Corporation Owner's Dental Insurance	Employer Contribution	\$11.16	Federal Income Tax	\$870.25	Social Security	\$0.00	Net Pay	\$7,467.90
		Commission	--	--	\$1,500.00	Vision S-Corporation Owner's Vision Insurance	Employer Contribution	\$1.29	Social Security	\$619.32	Medicare	\$144.84	Check Amount	\$7,467.90
		Dental S-Corporation Owner's Dental Insurance	--	--	\$11.16	Medical Insurance S-Corporation Owner's Medical Insurance	Employer Contribution	\$129.66	Medicare	\$144.84	Total	\$		
		Vision S-Corporation Owner's Vision	--	--	\$1.29	Dental	Employee Deduction	\$33.48	VA Income Tax	\$366.97				

Employer Social Security Tax should be zero

Employee Retention Credit Example – Refund Triggered

This is meant as an illustrative example only, based on how we assume the 941 form will look. IRS has not issued the updated form yet. Actual final form issued by IRS may look different.

Form **941 for 2020: Employer's QUARTERLY Federal Tax Return** 950117
 (Rev. January 2020) Department of the Treasury — Internal Revenue Service OMB No. 1545-0029

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address

Report for this quarter of 2020 (Check one.)
 1: January, February, March
 2: April, May, June
 3: July, August, September
 4: October, November, December

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1	Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4)	1	<input type="text" value="4"/>
2	Wages, tips, and other compensation	2	<input type="text" value="55622.83"/>
3	Federal income tax withheld from wages, tips, and other compensation	3	<input type="text" value="4882.15"/>
4	If no wages, tips, and other compensation are subject to social security or Medicare tax <input type="checkbox"/> Check and go to line 6.		
Column 1		Column 2	
5a	Taxable social security wages $57202.65 \times 0.124 =$	5a	<input type="text" value="7093.13"/>
5b	Taxable social security tips $\times 0.124 =$	5b	<input type="text"/>
5c	Taxable Medicare wages & tips $57202.65 \times 0.029 =$	5c	<input type="text" value="1658.88"/>
5d	Taxable wages & tips subject to Additional Medicare Tax withholding $\times 0.009 =$	5d	<input type="text"/>
5e	Add Column 2 from lines 5a, 5b, 5c, and 5d	5e	<input type="text" value="8752.01"/>
5f	Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions)	5f	<input type="text"/>
6	Total taxes before adjustments. Add lines 5e, 5f, and 3	6	<input type="text" value="13634.16"/>
7	Current quarter's adjustment for fractions of cents & COVID-19 RELIEF	7	<input type="text" value="-20000.01"/>
8	Current quarter's adjustment for sick pay	8	<input type="text" value="0"/>
9	Current quarter's adjustments for tips and group-term life insurance	9	<input type="text" value="0"/>
10	Total taxes after adjustments. Combine lines 6 through 9	10	<input type="text" value="-6365.85"/>
11	Qualified small business payroll tax credit for increasing research activities. Attach Form 8974	11	<input type="text" value="0"/>
12	Total taxes after adjustments and credits. Subtract line 11 from line 10	12	<input type="text" value="-6365.85"/>
13	Deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter	13	<input type="text" value="-13634.15"/>
14	Balance due. If line 12 is more than line 13, enter the difference and see instructions	14	<input type="text"/>
15	Overpayment. If line 13 is more than line 12, enter the difference: <input type="text" value="6365.85"/> Check one: <input type="checkbox"/> Apply to next return <input checked="" type="checkbox"/> Send a refund.		

You MUST complete both pages of Form 941 and SIGN it.

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher. Cat. No. 170012Z Form 941 (Rev. 1-2020)

Credit shows as negative amount on 941

Results in overpayment which triggers refund



Employee Retention Credit Expedite Refund

Form 7200 Advance Payment of Employer Credits Due to COVID-19
(March 2020)
 Department of the Treasury
 Internal Revenue Service

OMB No. 1545-0020
 Go to www.irs.gov/Form7200 for instructions and the latest information.

Name (not your trade name) _____ Employer identification number (EIN) _____
 Trade name (if any) _____ Applicable calendar quarter (check one)
 Number, street, and apt. or suite no. if a P.O. box, see instructions. (2) April, May, June
 (3) July, August, September
 (4) October, November, December
 City or town, state, and ZIP code. If a foreign address, also complete spaces below. (See instructions.)
 Foreign country name _____ Foreign province/county _____ Foreign postal code _____
 Does a third-party payer file your employment tax return? (See instructions.) If "Yes," enter its name. _____ Third-party payer's EIN (if applicable) _____

Tip: File Form 7200 if you can't reduce your employment tax deposits to fully account for these credits that you expect to claim on your employment tax return for the applicable quarter. Don't reduce your employment tax deposits and request advanced credits for the same expected credits. You will need to reconcile your advanced credits and reduced deposits on your employment tax return. You can't request an advance payment of the credit for sick and family leave for self-employed individuals.

Part I Tell Us About Your Employment Tax Return

A Check the box to indicate which employment tax return form you file (or will file for 2020):
 (1) 941, 941-PR, or 941-SS (2) 943 or 943-PR (3) 944 or 944(SP) (4) CT-1

B Is this a new business started on or after January 1, 2020? Yes No
 If "Yes," skip line C unless you've already filed Form 941, Form 941-PR, or Form 941-SS for at least one quarter of 2020.

C Amount reported on line 2 of your most recently filed Form 941 (or wages reported on Schedule R (Form 941), column (c), by your third-party payer (see instructions)). If you file a different employment tax return, see instructions

D Enter the total number of employees you have. See instructions

Part II Enter Your Credits and Advance Requested

1	Total employee retention credit for the quarter. See instructions	1
2	Total qualified sick leave wages eligible for the credit and paid this quarter. See instructions	2
3	Total qualified family leave wages eligible for the credit and paid this quarter. See instructions	3
4	Add lines 1, 2, and 3	4
5	Total amount by which you have already reduced your federal employment tax deposits for these credits for this quarter	5
6	Total advanced credits requested on previous filings of this form for this quarter	6
7	Add lines 5 and 6	7
8	Advance requested. Subtract line 7 from line 4. If zero or less, don't file this form	8

Third-Party Designee
 Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details. Yes. Complete below. No
 Designee's name _____ and phone number _____
 Select a 5-digit personal identification number (PIN) to use when talking to the IRS _____

Sign Here
 Under penalties of perjury, I declare that I have examined this form, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
 Your signature _____ Date _____ Printed title _____
 Printed name _____ Best daytime phone _____

Paid Preparer Use Only
 Print/Type preparer's name _____ Preparer's signature _____ Date _____ PTIN _____ Check if self-employed
 Firm's name _____ Firm's EIN _____
 Firm's address _____ Phone no. _____

How To File
 Fax your completed form to 855-248-0552.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cal. No. 56392D Form 7200 (3-2020)

**File Form 7200
 To Expedite Refund &
 Get \$\$\$ Now!!!**



Federal Sick & Family Leave

Paycheck
Protection
Program

Economic
Injury Disaster

Main Street
Lending
Program

Employee
Retention
Credit

Federal Sick &
Family Leave

Payroll Tax
Deferral

State & Local
Funding

Management

Federal Sick & Family Leave Credit

How Much

Sick Leave

- Two weeks (80 hours) of paid sick leave at 100% of normal pay
- Max \$511 per day (~\$130k annual salary)
- Part-time people get equivalent (e.g. normally work 20 hrs/wk, get 40 hrs sick)

Family Leave

- Ten weeks (400 hours)* of paid family leave at 67% of normal pay
- Max \$200 per day (~75k annual salary)

**Actually get up to 12 weeks Family Leave, but recommend exhausting Sick Leave first*

Federal Sick & Family Leave Credit “Affected By Coronavirus”

Sick Leave

- “Anyone told to quarantine, showing symptoms, exposed to the virus or trying to get a test or preventive care.”

Family Leave

- “Care for a child whose school or child-care facility is closed due to the coronavirus.”

Federal Sick & Family Leave Credit

How It Works

Business keeps paying employee during leave

- Sick Leave: Normal pay rate
- Family Leave: 67% pay rate



Business reimbursed via payroll tax credit

**Ask your payroll provider
to apply for you!**

Federal Sick & Family Leave Credit Example – Add Leave To Payroll

Enter public health emergency leave

Employees may be eligible for emergency paid sick leave and/or family and medical leave because of COVID-19 starting Apr 1, 2020. Employers can receive tax credits to cover wages paid for this type of leave.

- ▼ About emergency paid sick leave
- ▼ About family and medical leave of absence (FMLA)

Cosme, Manuel

Add emergency leave for this pay period

Type of leave

Reason for leave

Hours of leave
For full-time salaried employees, count each day as 8 hours.

❗ you must enter a value

Over how many days?
Count all days on which this employee took any amount of this type of leave.

❗ you must enter a value

Done Remove

Payroll System should prompt you to enter Sick Leave or Family Leave

Federal Sick & Family Leave Credit Example – Reduce Taxes



Payroll Journal Report

Payroll Period: 04/01/2020 - 04/15/2020 Report Created On: 04/29/2020



Employee Information	Payment Method	Earnings				Deductions/Contributions			Employee Taxes		Employer Taxes		Total	
		Description	Hours	Rate	Total	Description	Type	Amount	Description	Amount	Description	Amount		
Payroll Totals		Regular	346.67	\$24.76	\$8,583.33	Dental S-Corporation Owner's Dental Insurance	Employer Contribution	\$11.16	Federal Income Tax	\$870.25	Social Security	\$0.00	Net Pay	\$7,467.90
		Federal Sick Leave	20.00	\$24.76	\$2,158.98	Vision S-Corporation Owner's Vision Insurance	Employer Contribution	\$1.29	Social Security	\$619.32	Medicare	\$144.84	Check Amount	\$7,467.90
		Dental S-Corporation Owner's Dental Insurance	--	--	\$11.16	Medical Insurance S-Corporation Owner's Medical Insurance	Employer Contribution	\$129.66	Medicare	\$144.84	Total	\$		
		Vision S-Corporation Owner's Vision	--	--	\$1.29	Dental	Employee Deduction	\$33.48	VA Income Tax	\$366.97				

Make sure to specify Federal Sick Leave / Federal Family Leave (paid by you)

Employer Social Security Tax should be zero

Federal Sick & Family Leave Credit Example – Refund Triggered

This is meant as an illustrative example only, based on how we assume the 941 form will look. IRS has not issued the updated form yet. Actual final form issued by IRS may look different.

Form **941 for 2020: Employer's QUARTERLY Federal Tax Return** 950117
 (Rev. January 2020) Department of the Treasury — Internal Revenue Service OMB No. 1545-0029

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address

Report for this quarter of 2020 (Check one.)
 1: January, February, March
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2	Wages, tips, and other compensation	2	<input type="text" value="55622.83"/>
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Column 1		Column 2	
5a	Taxable social security wages	<input type="text" value="57202.65"/> × 0.124 =	<input type="text" value="7093.13"/>
5b	Taxable social security tips	× 0.124 =	
5c	Taxable Medicare wages & tips	<input type="text" value="57202.65"/> × 0.029 =	<input type="text" value="1658.88"/>
5d	Taxable wages & tips subject to Additional Medicare Tax withholding	× 0.009 =	
5e	Add Column 2 from lines 5a, 5b, 5c, and 5d	5e	<input type="text" value="8752.01"/>
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Credit shows as negative amount on 941

Results in overpayment which triggers refund



Federal Sick & Family Leave Credit Expedite Refund

Form 7200 Advance Payment of Employer Credits Due to COVID-19
 (March 2020)
 Department of the Treasury
 Internal Revenue Service

OMB No. 1545-0020

Go to www.irs.gov/Form7200 for instructions and the latest information.

Name (not your trade name) _____ Employer identification number (EIN) _____

Trade name (if any) _____ Applicable calendar quarter (check one)
 April, May, June
 July, August, September
 October, November, December

Number, street, and apt. or suite no. If a P.O. box, see instructions. _____
 City or town, state, and ZIP code. If a foreign address, also complete spaces below. (See instructions.) _____

Foreign country name _____ Foreign province/county _____ Foreign postal code _____

Does a third-party payer file your employment tax return? (See instructions.) If "Yes," enter its name. _____ Third-party payer's EIN (if applicable) _____

Tip: File Form 7200 if you can't reduce your employment tax deposits to fully account for these credits that you expect to claim on your employment tax return for the applicable quarter. Don't reduce your employment tax deposits and request advanced credits for the same expected credits. You will need to reconcile your advanced credits and reduced deposits on your employment tax return. You can't request an advance payment of the credit for sick and family leave for self-employed individuals.

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 If "Yes," skip line C unless you've already filed Form 941, Form 941-PR, or Form 941-SS for at least one quarter of 2020.

C Amount reported on line 2 of your most recently filed Form 941 (or wages reported on Schedule R (Form 941), column (c), by your third-party payer (see instructions)). If you file a different employment tax return, see instructions. _____

D Enter the total number of employees you have. See instructions. _____

Part II Enter Your Credits and Advance Requested

1	Total employee retention credit for the quarter. See instructions.	1
2	Total qualified sick leave wages eligible for the credit and paid this quarter. See instructions.	2
3	Total qualified family leave wages eligible for the credit and paid this quarter. See instructions.	3
4	Add lines 1, 2, and 3.	4
5	Total amount by which you have already reduced your federal employment tax deposits for these credits for this quarter.	5
6	Total advanced credits requested on previous filings of this form for this quarter.	6
7	Add lines 5 and 6.	7
8	Advance requested. Subtract line 7 from line 4. If zero or less, don't file this form.	8

Third-Party Designee
 Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details. Yes. Complete below. No

Designee's name _____ and phone number _____
 Select a 5-digit personal identification number (PIN) to use when talking to the IRS: _____

Sign Here
 Under penalties of perjury, I declare that I have examined this form, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Printed title _____

Paid Preparer Use Only
 Print/Type preparer's name _____ Preparer's signature _____ Date _____ PTIN _____ Check if self-employed

Firm's name _____ Firm's EIN _____
 Firm's address _____ Phone no. _____

How To File
 Fax your completed form to 855-248-0552.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 56392D Form 7200 (3-2020)

**File Form 7200
 To Expedite Refund &
 Get \$\$\$ Now!!!**



Federal Sick & Family Leave Credit No Employees

Form 1040 Department of the Treasury—Internal Revenue Service (99) **2018** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing status: Single Married filing jointly Married filing separately Head of household Qualifying widow(er)

Your first name and initial Last name Your social security number

Your standard deduction: Someone can claim you as a dependent You were born before January 2, 1954 You are blind

If joint return, spouse's first name and initial Last name Spouse's social security number

Spouse standard deduction: Someone can claim your spouse as a dependent Spouse was born before January 2, 1954 Full-year health care coverage or exempt (see inst.)

Spouse is blind Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street), if you have a P.O. box, see instructions. Apt. no. Presidential Election Campaign (see inst.) You Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. If more than four dependents, see inst. and here

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) <input type="checkbox"/> if qualifies for (see inst.)
(1) First name	Last name		Child tax credit	Credit for other dependents
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Spouse's signature, if a joint return, both must sign. Date Spouse's occupation If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only Preparer's name Preparer's signature PTIN Firm's EIN Check if: are Party Designee Self-employed

Firm's name Phone no. Firm's address

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11220G Form 1040 (2018)

If you don't have employees...

Will apply tax credit on your **Form 1040** income tax return (that you file **April 15, 2021**)

Form 1040 (2018) Page 2

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a	Tax-exempt interest	2a
2b	Taxable interest	2b
3a	Qualified dividends	3a
3b	Ordinary dividends	3b
4a	IRA, pension, and annuities	4a
4b	Taxable amount	4b
5a	Social security benefits	5a
5b	Taxable amount	5b
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7
8	Standard deduction or itemized deductions (from Schedule A)	8
9	Qualified business income deduction (see instructions)	9
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10
11	a Tax (see inst.) (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4372 3 <input type="checkbox"/>)	11
11	b Add any amount from Schedule 2 and check here <input type="checkbox"/>	11
12	a Child tax credit/credit for other dependents b Add any amount from Schedule 3 and check here <input type="checkbox"/>	12
13	Subtract line 12 from line 11. If zero or less, enter -0-	13
14	Other taxes. Attach Schedule 4	14
15	Total tax. Add lines 13 and 14	15
16	Federal income tax withheld from Forms W-2 and 1099	16
17	Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863	17
17	Add any amount from Schedule 5	17
18	Add lines 16 and 17. These are your total payments	18
19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	19
20a	Amount of line 19 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	20a
20b	Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	20b
20c	Account number <input type="text"/>	20c
21	Amount of line 19 you want applied to your 2019 estimated tax	21
22	Amount you owe. Subtract line 19 from line 15. For details on how to pay, see instructions	22
23	Estimated tax penalty (see instructions)	23

Go to www.irs.gov/Form1040 for instructions and the latest information. Form 1040 (2018)



Federal Sick & Family Leave Credit Must Track Hours



Maximum:

- 2 Weeks of Sick Leave
- 10 Weeks of Family Leave
(or full 12 Weeks if didn't take Sick Leave)

Track PTO Balances To Know When Leave Exhausted

**Have Payroll System or Bookkeeper
Track For You**

Payroll Tax Deferral

Paycheck
Protection
Program

Economic
Injury Disaster

Main Street
Lending
Program

Employee
Retention
Credit

Federal Sick &
Family Leave

Payroll Tax
Deferral

Other
Funding

Management

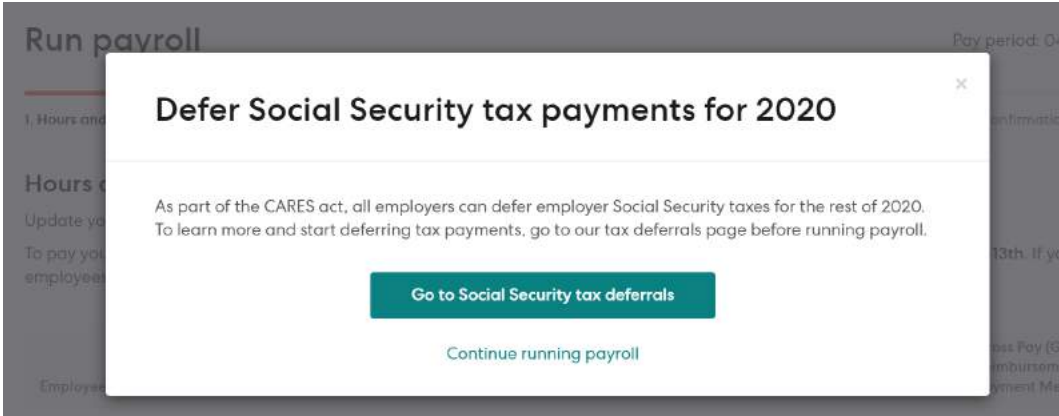
Payroll Tax Payment Deferral General Information

Can delay deposit of employer portion of Social Security Tax on wages paid through Dec 31

Must deposit 50% of tax by Dec 31 2021 and rest by Dec 31 2022

Can't continue to defer once PPP loan forgiven

Payroll Tax Payment Deferral Turn On Deferral



[Back to COVID Resource Center](#)

Social Security tax deferrals under the CARES Act

- ✔ You're currently deferring Social Security tax payments
If your eligibility has changed, stop deferring your tax payments now.

[Stop deferring tax payments](#)

Payroll Tax Payment Deferral Example – Reduce Taxes

Report generated by
gusto

Payroll Journal Report

Payroll Period: 04/01/2020 - 04/15/2020 Report Created On: 04/29/2020

Employee Information	Payment Method	Earnings				Deductions/Contributions			Employee Taxes		Employer Taxes		Totals	
		Description	Hours	Rate	Total	Description	Type	Amount	Description	Amount	Description	Amount	Description	Amount
Payroll Totals		Regular	346.67	\$24.76	\$8,583.33	Dental S-Corporation Owner's Dental Insurance	Employer Contribution	\$11.16	Federal Income Tax	\$870.25	Social Security	\$619.32	Net Pay	\$7,467.90
		Commission	--	--	\$1,500.00	Vision S-Corporation Owner's Vision Insurance	Employer Contribution	\$1.29	Social Security	\$619.32	Medicare	\$144.84	Check Amount	\$7,467.90
		Dental S-Corporation Owner's Dental Insurance	--	--	\$11.16	Medical Insurance S-Corporation Owner's Medical Insurance	Employer Contribution	\$129.66	Medicare	\$144.84	Total	\$764.16	Employer Cost	\$11,630.72
		Vision S-Corporation Owner's Vision	--	--	\$1.29	Dental	Employee Deduction	\$33.48	VA Income Tax					

Employer Social Security Tax IS NOT ZERO!!!

Actual Deduction From Bank Account Will Be Less (\$11,630.72 - \$619.32)

Payroll Tax Payment Deferral Example – Account For Liability



Chart of Accounts Reconcile

NAME	TYPE ▲	DETAIL TYPE	QUICKBOOKS BALANCE	BAI
Board of Equalization Payable	Other Current Liabilities	Sales Tax Payable	370.94	
CARES Payroll Tax Deferral	Other Current Liabilities	Federal Income Tax Payable	619.32	
Loan Payable	Other Current Liabilities	Other Current Liabilities	4,000.00	
Note Payable	Long Term Liabilities	Other Long Term Liabilities	25,000.00	

Set Up Liability Account
In QuickBooks
To Keep Track Of Balance

Have Bookkeeper Set Up Payroll <-> QBO Sync

Payroll Tax Payment Deferral Pay Balance Due On Time

**50% by
December 31, 2021**

**50% by
December 31, 2022**



Payroll Tax Payment Deferral Turn Off Deferral

[Back to COVID Resource Center](#)

Social Security tax deferrals under the CARES Act

✔ You're currently deferring Social Security tax payments
If your eligibility ~~has changed~~, stop deferring your tax payments now.

Stop deferring tax payments

**Must STOP Deferring
Once PPP is forgiven**

- NOT when PPP is received...
- Not when PPP period is done...
- ONLY when officially forgiven!

Other Funding

Paycheck
Protection
Program

Economic
Injury Disaster

Main Street
Lending
Program

Employee
Retention
Credit

Federal Sick &
Family Leave

Payroll Tax
Deferral

Other
Funding

Management

Other Funding State & County Relief



- *Direct Loans & Grants*

- *Tax Relief*

- *Tenant Protection*

- *Compliance Deferment*



Other Funding Private Programs



U.S. Chamber of Commerce Foundation

facebook

Goldman
Sachs

Other Funding Expansion Capital



COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS FUND

Other Funding Check Criteria

Every program will have its own criteria.

Make sure you check and abide by rules!



**Ask Bookkeeper / Accountant
If Not Sure!!!**

Management

Paycheck
Protection
Program

Economic
Injury Disaster

Main Street
Lending
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Employee
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Credit

Federal Sick &
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Payroll Tax
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Other
Funding

Management

Management Please Remember...



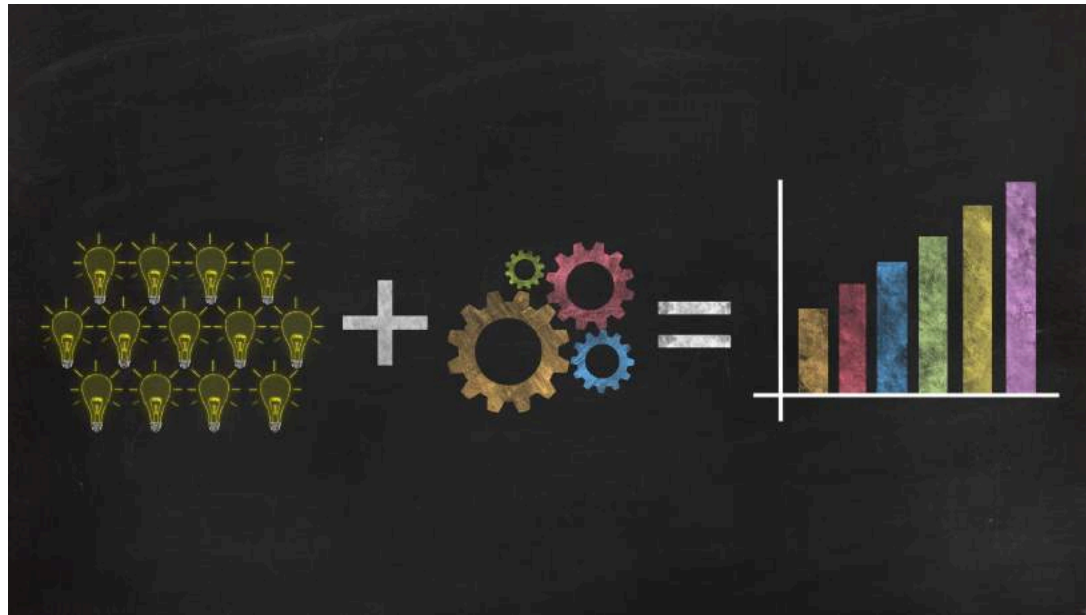
These programs are a BAND-AID for you.

They are meant to keep you moving for

2 to 3 months max

*You need to ultimately **GROW** your way out of this.*

Management Diversify Revenue Streams



Use \$\$\$ To
Create New Revenue Streams

Don't Let Employees Sit Idle!!!
(whole point of this)

Management

Update Your Financial & Cash Forecasts

- Cash received
- Changes to business
 - Employees rehired
 - Sales streams (new/diversified)
 - Expenses cut
- Loan repayments



Management Strategy...Strategy...Strategy!



Free Assistance

To help you out...

I will be providing FREE
Disaster Planning Session

Loan Assistance



Bookkeeping Support

Schedule initial consultation:

www.cfoservicesgroup.com/covid19