

# AICPA Town Hall Series

April 22, 2021

# AICPA Town Hall Agenda

1. Opening Comments & Broad 2021 Outlook
2. Legislative Update & Tax Season Discussion
3. PPP Final Stretch Update
4. Business Relief Program Update (PPP, RRF, SVOG)
5. Open Forum and Closing Remarks

## Webinar Housekeeping Particulars:

- **Earn CPE credit by responding to 75% of attendance pop-ups**
- You can also use the bottom tool bar to download materials and ask questions
- **Please refresh browser if video freezes**
- To access links in the deck, download to your local computer

# Presenters

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# Engagement With Stakeholders & Broad Ecosystem



Government

- Treasury, IRS
- SBA
- Policy Makers



Business Advisors

- 44K firms
- Other advisors
- AICPA Role



Information Providers

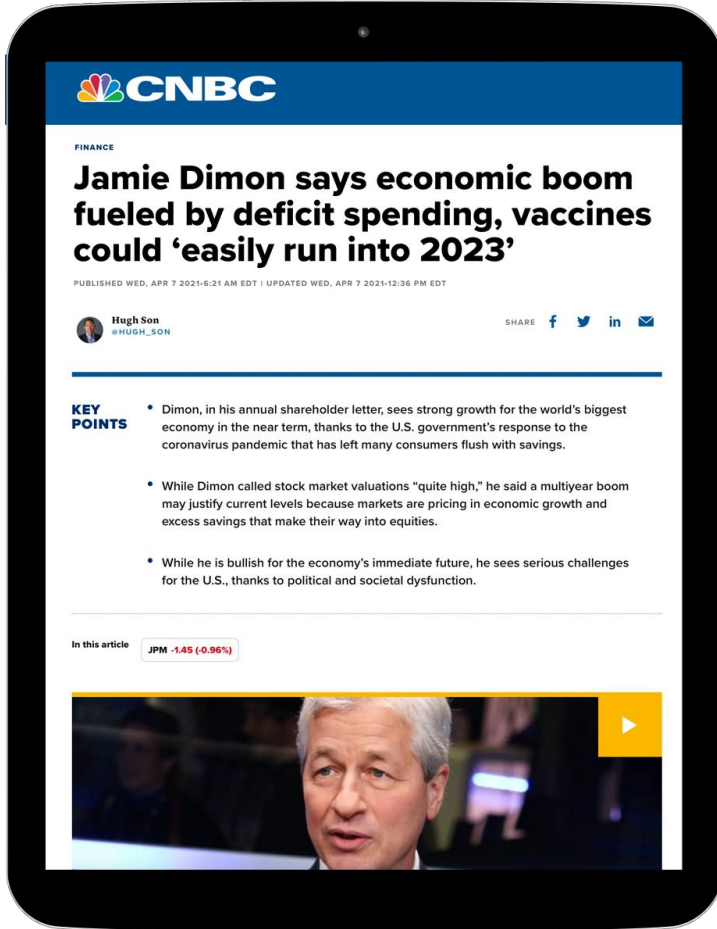
- Payroll Processors
- Tax & G/L data
- Other data



Lenders

- Banks
- Credit Unions
- Fintech lenders

# Media Articles on 2021 Outlook



**CNBC**

FINANCE

## Jamie Dimon says economic boom fueled by deficit spending, vaccines could 'easily run into 2023'

PUBLISHED WED, APR 7 2021-6:21 AM EDT | UPDATED WED, APR 7 2021-12:36 PM EDT


Hugh Son @HUGH\_SON

SHARE f t in e

**KEY POINTS**

- Dimon, in his annual shareholder letter, sees strong growth for the world's biggest economy in the near term, thanks to the U.S. government's response to the coronavirus pandemic that has left many consumers flush with savings.
- While Dimon called stock market valuations "quite high," he said a multiyear boom may justify current levels because markets are pricing in economic growth and excess savings that make their way into equities.
- While he is bullish for the economy's immediate future, he sees serious challenges for the U.S., thanks to political and societal dysfunction.

In this article **JPM -1.45 (-0.96%)**




**AXIOS**

Mar 15, 2021 - Economy & Business

## Goldman Sachs predicts U.S. economy will grow 8% this year

Dion Rabouin, author of Markets

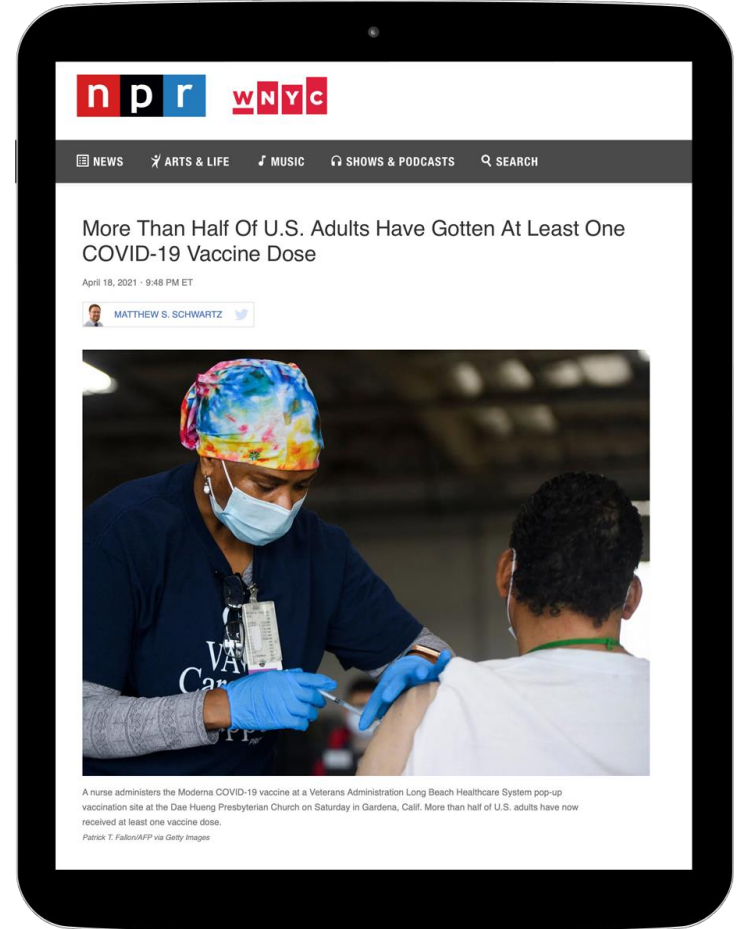
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Illustration: Aida Amer/Axios

Economists at Goldman Sachs raised their GDP growth expectations for the U.S. economy to 8% for 2021 in a note to clients on Sunday night.

**Why it matters:** If Goldman's forecast is correct, it would mark the largest economic expansion for the U.S. in generations.




**npr WNYC**

NEWS ARTS & LIFE MUSIC SHOWS & PODCASTS SEARCH

## More Than Half Of U.S. Adults Have Gotten At Least One COVID-19 Vaccine Dose

April 18, 2021 - 9:48 PM ET

MATTHEW S. SCHWARTZ



A nurse administers the Moderna COVID-19 vaccine at a Veterans Administration Long Beach Healthcare System pop-up vaccination site at the Dae Hwang Presbyterian Church on Saturday in Gardena, Calif. More than half of U.S. adults have now received at least one vaccine dose.

Patrick T. Fallon/AFP via Getty Images

# Broad Reflection on 2021 Outlook

- **Vaccination Progress**
  - Over 50% of US adult population have had one vaccine shot
  - Over 30% of US adult population fully vaccinated
- **Economic Growth**
  - Goldman Sachs predicts U.S. economy will grow 8% this year to \$22.6 trillion and predicts unemployment will drop to 4% by the end of the year.
  - JPMC CEO annual letter predicts robust recovery through 2023
  - Last time US economy grew at 8% was 1951
- **Supply-Chain Challenges**
  - Forty four percent of small businesses reported temporary shortages or other supply chain problems in March 2021
  - Supply chain issues driving higher prices
- **Ongoing Business Model Changes**
  - Pandemic has accelerated adoption of technology by five plus years
  - Significant changes to existing businesses and significant new business creation



# Policy Maker Activities

- Biden \$2.3 trillion infrastructure, tax plus plan
- House and Senate Legislation: PPP Schedule C Retroactivity
- Congressional oversight



# Reflection on Q1 Tax Filing Deadline Effort

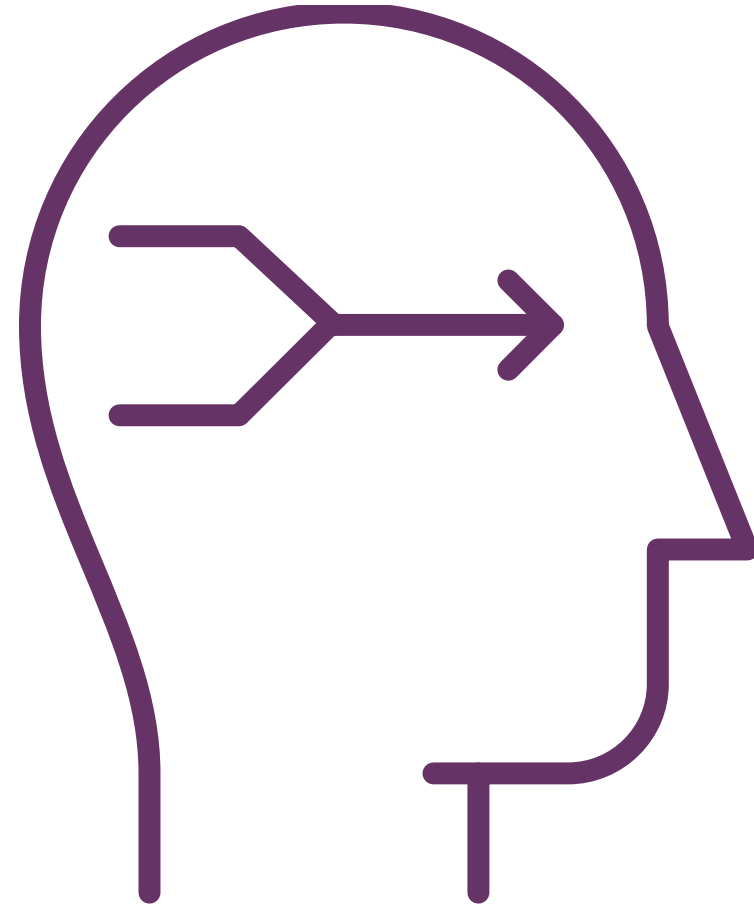
- House letter with 60+ bipartisan signatures, House bill, bipartisan Senate Finance Committee letter
- Small Business Committee Chairs and Ways & Means Oversight Chair supportive statements
- Multiple questions in different hearings aimed at Treasury and IRS





# Planning for the next 60 days

- Long List of Activities
  - Manage expectations
  - Tax deadline
  - Travel considerations
  - Vaccinations
  - Various relief programs
  - Economic growth
  - Business continuity
  - Leadership
- Wellness for the Profession



# Planning For 2021 - Firm & Company Strategies

1. Review and determine priorities
  - Unlimited set of opportunities & problems to address
  - Need to determine firm/company focus
2. Progress takes time & investment
  - We have sprint weeks, but key is to focus on the marathon – the long game
  - Put together realistic plans
3. Client & Customer Plans
  - Practice Management, layering of deadlines
  - Focus on communication with clients and setting expectations
  - Build relationships & client value



# Summary of 2021 PPP Approved Lending as of 4/18/21

Loans Approved	Net Dollars	Lender Count
4,733,661	\$240,161,960,611	5,244

## Top PPP Lenders of 2021 PPP

Rank	Lender Name	Loans Approved	Net Dollars	Average Loan Size
1	JPMorgan Chase Bank	147,964	\$11,445,214,840	\$77,351
2	Bank of America	141,114	\$8,626,551,111	\$61,132
3	Capital Plus Financial, LLC	360,273	\$6,261,069,314	\$17,379
4	Itria Ventures LLC Biz2Credit Financial Subsidiary	224,439	\$6,154,145,955	\$27,420
5	Cross River Bank	248,260	\$5,791,532,371	\$23,328
6	PNC Bank	42,831	\$4,198,420,247	\$98,023
7	Customers Bank	177,770	\$3,737,806,927	\$21,026
8	Harvest Small Business Finance, LLC	203,283	\$3,438,723,970	\$16,916
9	TD Bank	43,792	\$3,354,710,956	\$76,606
10	Truist Bank	34,061	\$3,298,855,484	\$96,851
11	Wells Fargo Bank	79,225	\$3,165,058,124	\$39,950
12	U.S. Bank	60,984	\$3,019,695,555	\$49,516
13	Zions Bank	27,009	\$2,789,461,986	\$103,279
14	KeyBank	24,039	\$2,747,757,286	\$114,304
15	M&T Bank	22,678	\$2,715,560,505	\$119,744

# PPP Final Stretch: Key Activities

- Lender resolution of PPP application error codes
  - Ongoing improvements, but still thousands of apps held up
  - More capabilities being offered to resolve error codes
  - Contacting local SBA offices for support
- Borrower focus
  - New rule from SBA allows 2nd Draw loan applications for borrowers who only took their first PPP loan in 2021
  - Many firms are still reviewing Schedule C clients
- SBA officials stating funds now forecasted to run out in early May
  - Some lenders have stopped receiving new PPP applications
  - Other lenders plan to stop prior to funding running out



# PPP Forgiveness Statistics as of 4/8/21

Total 2020 PPP volume	5.2M
Forgiven	2.7M
Under review	195K
Applications not yet received	2.3M

- More than 50% of 2020 PPP Loans Now Forgiven
- Total 2020 PPP Volume = \$521.2B
- \$227.6B has been forgiven\*

\*Many PPP Forgiveness Applications above \$2 million  
are well past 90-day period

# Business Relief Programs



# Key Federal Business Relief Options

- Paycheck Protection Program
- Employee Retention Credit
- Covid-19 Economic Injury Disaster Loan
- Targeted EIDL Advance
- Shuttered Venue Operators Grant
- Restaurant Revitalization Fund
- SBA Debt Relief



## Help your clients navigate the options

- Know the basics
- Identify the relevant programs for your clients
- Develop strategy to build capacity or refer to your network
- Communicate options to clients and set expectations

# Cross-program Eligibility on SBA COVID-19 Relief Options

	<b>PPP Applicant</b>	<b>SVOG Applicant</b>	<b>COVID-19 EIDL Applicant</b>	<b>Restaurant Fund</b>
<b>PPP recipient</b>	First Draw PPP borrowers may be eligible to apply for Second Draw PPP loans	May apply if received a PPP loan prior to applying for SVOG. If PPP loan received on or after Dec. 27, 2020, the amount will be deducted from SVOG.	May apply for EIDL, but cannot be used for the same purpose/costs as PPP	PPP loans received by the RRF applicant will affect the applicant's funding calculation
<b>SVOG</b>	May not apply for PPP loan after receiving SVOG	May be eligible to receive a supplemental SVOG award	May apply for EIDL, but cannot be used for the same purpose/costs as SVOG	Entity may not apply for RRF if they apply for/receive SVOG
<b>COVID -19 EIDL recipient</b>	May apply for PPP, but cannot be used for the same purpose/costs as EIDL	May apply for SVOG, but cannot be used for the same purpose/costs as EIDL	The same business cannot apply for more than one EIDL	May apply for EIDL and RRF
<b>Restaurant Fund</b>	PPP loans received by the RRF applicant will affect the applicant's funding calculation	Entities who apply for/receive SVOG cannot apply for RRF grant	May apply for EIDL and RRF	The same business cannot apply for RRF more than once



# Updated Summary of PPP



Updated for  
American Rescue  
Plan and March  
30 PPP Extension  
Act

## Summary of the Paycheck Protection Program (PPP) after Legislative and Administrative Changes

As of April 20, 2021

Most up-to-date version is [available here](#).  
You'll need a free account to access.  
Creating it is easy – just your email  
address and a password!

### TOPICS COVERED:

First Draw Borrowers:	Simplified forgiveness \$150k
• Eligibility	
• Loan amount	Impact of EIDL advances
Second Draw Borrowers:	Deductibility
• Eligibility	
• Loan amount	Using ERC and PPP
• Calculating revenue decline	New categories of expenses
Economic necessity	Practice management considerations
Covered periods	
Modifying first draws	Links to forms and guidance
Excess loan amounts due to errors	
Forgiveness – first and second draws	

## SBA and Treasury PPP Guidance

As of March 23, 2021

The guidance and forms issued by the SBA and Treasury are integral to understanding PPP. Please review the authoritative resources listed below as you have questions about the program. For more information and updates visit [SBA.gov/PPP](https://www.sba.gov/PPP) or [Treasury.gov/Cares](https://www.treasury.gov/Cares).

Provides links to authoritative resources, including:  
Loan application forms and guidance

- Loan forgiveness forms and guidance
- Loan necessity questionnaires and borrower disclosures
- FAQs

Most up-to-date version is [available here](#).

## FAQs are updated for American Rescue Plan

### Paycheck Protection Program (PPP) FAQs

*As of March 17, 2021*

This series of frequently asked questions (FAQs) provide answers to questions we are hearing from our members about the Paycheck Protection Program (PPP). There are currently two draws available established and modified as follows:

**1<sup>st</sup> Draw PPP** – Created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (effective March 27, 2020), modified by the Paycheck Protection Program Flexibility Act of 2020 (effective June 5, 2020) and by the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act (the Economic Aid Act), which became law as a part of the [Consolidated Appropriations Act, 2021](#). (effective Dec. 27, 2020). Also modified by the [American Rescue Plan Act](#) ( effective March 11, 2021)

**2<sup>nd</sup> Draw PPP** – Created by the Economic Aid Act (effective Dec. 27, 2020). Modified by the [American Rescue Plan Act](#) ( effective March 11, 2021)

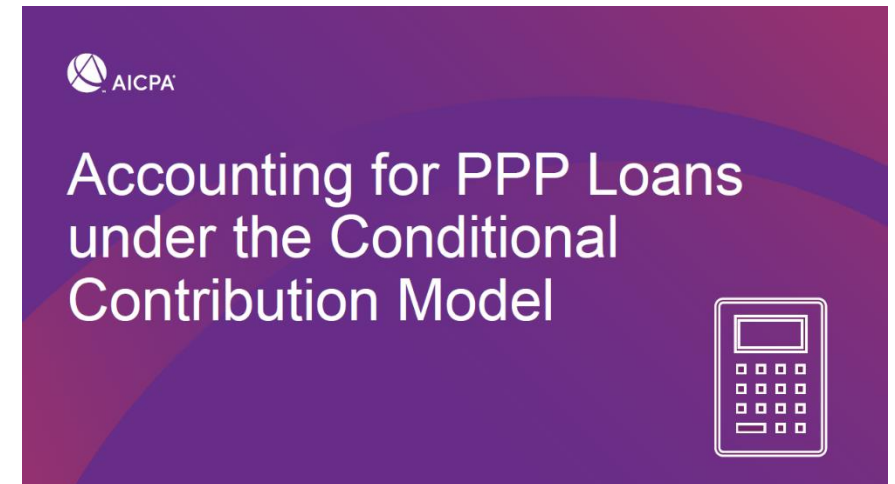
Most up-to-date version is [available here](#).

# Common question: Gross receipts for 2<sup>nd</sup> draw eligibility

- Q** Are other types of business relief funds other than PPP and EIDL included in calculation of gross receipts for a 2nd draw application? Examples: Provider Relief Funds, Higher Education Emergency Relief Funds, state and local grants
- A** *For calculating the gross receipts for Second Draw Loans, the applicant must count all sources of income, including grants.*
- Q** What about restricted contributions for not-for-profits? Examples: Pledges received for capital projects; gifts earmarked for specific programs and/or projects such that the funds are not readily available for current operations
- A** *For purposes of calculating gross receipts under subparagraph (A)(iv)(I)(bb) for an eligible entity that is a nonprofit organization, a veterans organization, or an organization described in subparagraph (A)(iv)(II), gross receipts means gross receipts within the meaning of section 6033 of the Internal Revenue Code of 1986.*

# Accounting for PPP – Conditional Contribution Model

- **For-profit entities** may use the Conditional Contribution Model (FASB ASC 958-605) when recording PPP loans
- In [this video](#), subject matter experts walk through the key considerations including:
  - **Sample journal entries** for PPP loan funding and PPP loan forgiveness
  - Requirements for **timing of revenue recognition**:
    - Barriers to entitlement
    - Right of return to provider is grant/contract provisions are not met
  - A look at **disclosure information** required for PPP loans, as any liability or debt instrument using the model
- Don't forget – [video](#) on accounting using Debt Model also available.



## Reminder

Four methods available for PPP accounting as noted in this [AICPA Technical Q&A](#)

# Practitioner Insights: Restaurant Revitalization Fund



# Restaurant Revitalization Fund

- \$28.6B billion provided by American Rescue Plan (See Sec. 5003)
- **Grant program** to be administered by SBA
- Designed to replace revenue lost during the pandemic
- **Not open as of April 21** - look for May rollout
- Sign up for email alerts from the SBA
- Current SBA resources:
  - 21-page guide
  - 16-page sample application (inc. instructions)
  - Available in English and Spanish
  - RRF Knowledge Base
- Reminder: Good faith certification is required regarding uncertainty of current economic conditions making the grant request necessary to support the ongoing operations.



This program is  
not yet open.  
See SBA site  
for details.

# Restaurant Revitalization Fund

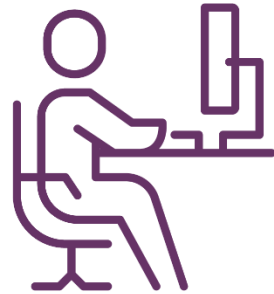
## Eligible entities

- Restaurant, food stand, food truck, food cart, caterer, saloon, inn, tavern, bar, lounge, brewpub, tasting room, taproom, licensed facility or premise of a beverage alcohol producer where the public may taste, sample, or purchase products, or other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink, snack and nonalcoholic beverage bar, inn, bakery, brewery/microbrewery, winery, distillery
- Some have eligibility requirements around on-site sales comprising at least 33% of gross receipts (*see SBA program guide for definition of on-site – it's more generous than it sounds*)

## Ineligible entities

- State or local government-operated business
- Non-profits
- Publicly traded
- As of March 13, 2020, owns or operates (together with any affiliated business) more than 20 locations
- Received or have a pending application for SVOG
- Permanently closed
- Other – see SBA program guide for additional details

# RRF: Three ways to apply



## Through SBA Online Portal

- Portal can be accessed directly via <http://restaurants.sba.gov/>



## Via SBA-recognized Point of Sale Restaurant Partners

- Restaurant must currently use the POS partner to use this method
- Currently includes Toast, Square, Aloha, and Clover, but others will be added



## Via Telephone

844-279-8898

### Application Assistance:

- Call center support: 1-844-279-8898
- Contact local SBA District Office



Max grant = \$5 million per physical location  
& \$10 million per entity

# RRF: Award Calculations

## Calculation 1

For restaurants in operation before or on Jan 1, 2019

2019 Gross Receipts

minus

2020 Gross Receipts

minus

Any PPP Loans

## Calculation 2

For restaurants that began operation after Jan 1, 2019\*

2019 Average Monthly Gross  
Receipts x 12

minus

2020 Gross Receipts

minus

Any PPP Loans

## Calculation 3

For restaurants that began operation between Jan 1, 2020-March 10, 2021, AND applicants who have not yet opened but have incurred eligible expenses\*

Amount spent on eligible expenses between  
Feb 15, 2020 and Mar 11, 2021

minus

2020 and 2021 Gross Receipts (through  
Mar.11, 2021)

minus

Any PPP Loans

**Note: no grants under \$1k**

*\*Restaurants who began operations partially through 2019 may elect (at their own discretion) to use either calculation 2 or calculation 3. If began after Dec. 31, 2019, must use calculation 3.*

# RRF: Gross Receipts – What's In, What's Out

## Includes:

- All revenue received or accrued
- Includes sales of products or services, interest, dividends, rents, royalties, fees, or commissions
- Reduced by returns and allowances
- Use the entity's accounting method, i.e., accrual or cash

Per SBA RRF Program Guide (page 18)

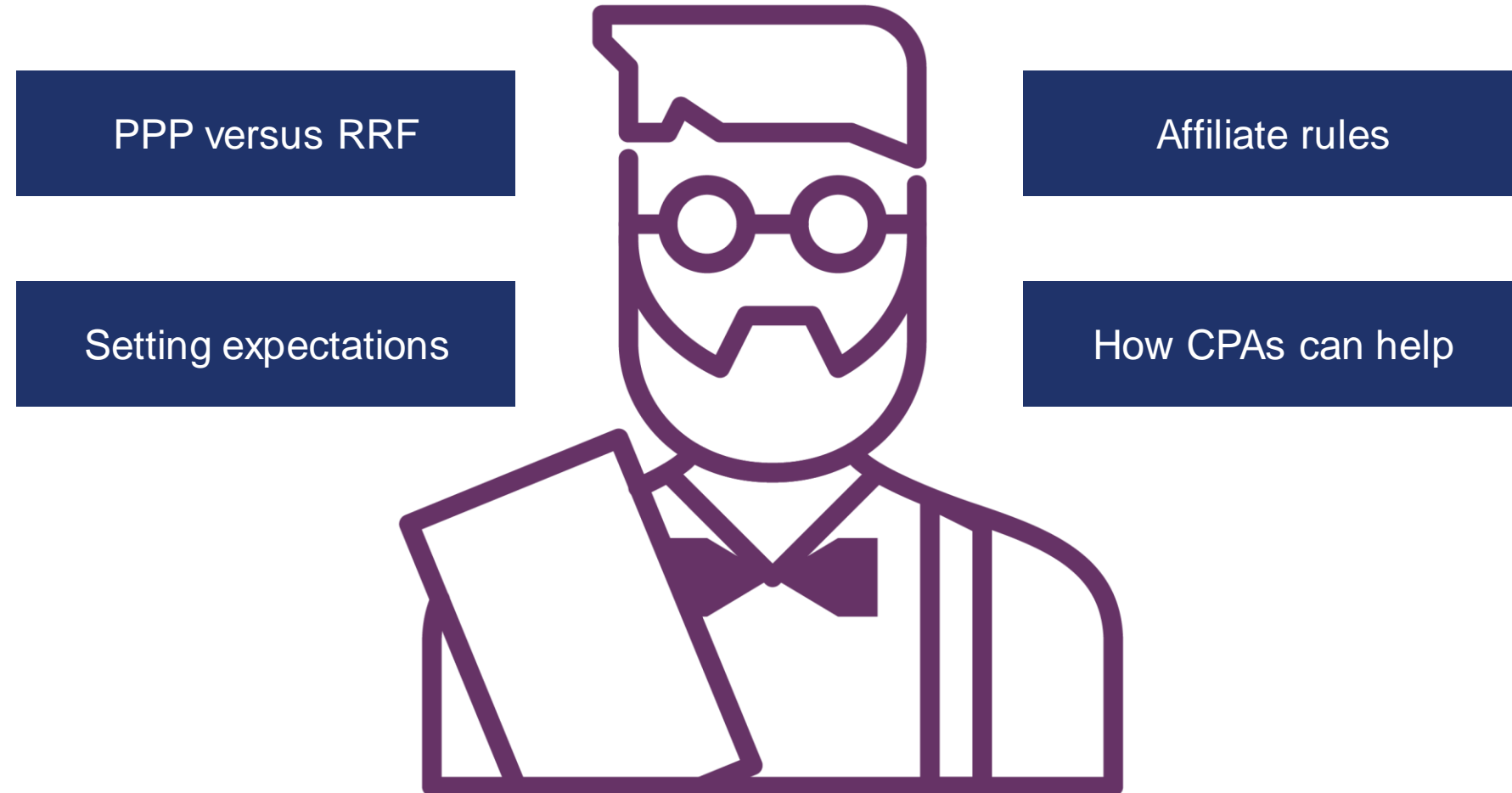
## Does not include:

- Net capital gains and losses
- PPP Loans (first or second)
- SBA Section 1112 payments
- EIDL Loan, EIDL Advance, Targeted EIDL Advance
- Randolph-Sheppard Act Financial Relief and Restoration Payments (FRRP)
- State/local small business grants (via CARES Act or otherwise)

# RRF: Eligible Expenses

- **Grant funds can be used for**
  - Payroll costs.
  - Mortgage payments (principal and interest)
  - Rent payments
  - Utilities
  - Maintenance expenses
  - Supplies
  - Food and beverage expenses
  - Covered supplier costs
  - Operational expenses
  - Paid sick leave
  - Other essential expenses
- Covered period for this grant program is **Feb 15, 2020 through March 11, 2023**
  - SBA changed from an earlier cutoff of Dec. 31, 2021.
- If funds aren't used on allowable expenses or business "permanently ceases operations" before the end of the covered period, the funds not used for allowable expenses are **REQUIRED TO BE RETURNED.**

# RRF: Client considerations



# Shuttered Venue Operators Grant

- \$16B available for **grants** that can equal to 45% of their gross earned revenue (max of \$10M). Administered directly by SBA.
- For venue operators, theatrical producers, museum operators, talent representatives, and other art related specialties in the live arts and entertainment industry
- Grant program opened April 8...and quickly closed
  - **Aim is to reopen this week**
  - [SVOG-specific version of IRS Form 4506T](#)
  - All eligible entities **can apply once portal is reopened** but there are preference periods for funding
- [Check the SBA site for FAQs, application checklist and more](#)
- Must have been in operation as of Feb. 29, 2020
- See [March 18 Town Hall](#) and [April 1 Town Hall](#) for review of program details.
- AICPA resource: [Understanding the Shuttered Venue Operators Grant Program](#)

See [SBA site](#) for other program info including allowable use of funds.



# Cross-program Eligibility on SBA COVID-19 Relief Options

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# Increased Scrutiny on Applications

## Department of Justice – Targeting PPP Fraudulent Activities

### SBA Inspector General Details Actions to Combat Fraud in Testimony Before Congress

#### Bloomberg Tax

Reporter:  
David Hood

March 24, 2021

Fraud probes in the Small Business Administration's pandemic-relief loan programs will take 10 years to resolve, according to the agency's watchdog.

SBA Inspector General Hannibal Ware said [fraud is so widespread](#) in the SBA's Paycheck Protection Program and Economic Injury Disaster Loan program that it will take a targeted effort to oversee them and crack down on fraudulent activity, despite a 40% increase in staffing provided by recent legislation.

**“Fraud investigations will be a decade-long effort due to the performance of those loans within SBA’s portfolios, and the statute of limitations for fraud,” Ware said Wednesday during a Senate Small Business Committee hearing.**

While the twin programs have [saved businesses](#) from failing due to the pandemic, they have also fallen prey to fraudsters taking advantage of the government.

The SBA has made or guaranteed more than 17 million loans and grants, providing about \$910 billion so far. But financial institutions have flagged more than 41,000 suspicious activities related to the programs from last April through October, William Shear, director of the Government Accountability Office's Financial Markets and Community Investment unit, said during the hearing.



#### Department of Justice Statement About Actions the Department is Taking Against SBA Loan Fraud on March 26, 2021

These cases involve attempts to obtain over \$569 million from the U.S. government and unsuspecting individuals through fraud and have been brought in 56 federal districts around the country.



#### SBA Inspector General Hannibal Ware's testimony before the Senate Small Business Committee on March 25, 2021

OIG has increased staffing in both its Auditing and Investigations Divisions with the supplemental funds appropriated to our office to increase our review and investigative capacity by approximately 40 percent. The supplemental funds are available until exhaustion, with some funding being directed for the purpose of EIDL oversight. These supplemental funds are critical for this initial oversight

# Open Forum

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# Recent AICPA Town Hall Series

- [April 8<sup>th</sup> AICPA Town Hall](#)
  - Business Relief program review, ERC and hot tax topics
- [April 1 AICPA Town Hall](#)
  - One year of pressure points, new guidance and recommendations, top issues, small firm perspective
- [March 25<sup>th</sup> AICPA Town Hall](#)
  - Policy maker activities, new guidance review, SVOG, Restaurant Fund, ARPA tax provisions overview.
- [March 11<sup>th</sup> Special Edition Recording](#)
  - Key PPP developments, Accounting for PPP
- [March 4<sup>th</sup> AICPA Town Hall](#)
  - ERC update, review of latest IFR, legislative and lender update with Barry Melancon.
- [February 26<sup>th</sup> Special Edition Recording](#)
  - Biden PPP announced changes, SBA & Lender processing update, tax news.

Note: Replays can also be found at [AICPA TV](#) - select the Town Hall Series link.



## Calculators

- Loan amounts
- Loan forgiveness (incl. simple version)
- FTEs and safe harbors



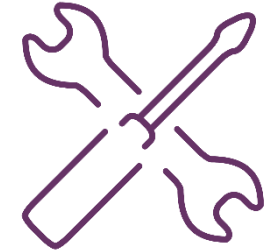
## Education

- **Summary of PPP updated as program changes**
- **FAQs**
- Overviews of forgiveness



## CPA Resources

- **Accounting & Reporting (CPEA)**
- CPA service matrix
- Sample AUP engagement letters, reports procedures
- Independence & ethics



## Other Tools

- [CPAloanportal.com](https://www.aicpa.org/loanportal)
- Updated list of guidance & forms
- Forgiveness filing decision aid
- Fillable forgiveness applications

# Semi-Weekly Live Service Updates



## CPA **Business Funding** Portal

Live PPP Service Updates

Tuesdays and Thursdays  
10:00 -11:00am EST

**CPALoanPortal.com**

**[Click Here to Attend](#)**

Hear from CPA.com and Biz2Credit leadership as we explain service and experience updates at the CPA Business Funding Portal

- ✓ CPA Business Funding Portal feature updates and new fixes.
- ✓ SBA communications updates and clarifications on error messages.
- ✓ Application processing timeline updates.
- ✓ Best practices for getting the answers your clients need.

## Important Resources & Information

Expand each section below to view and access applicable support resources for you and your clients.



### PPP RESOURCES, UPDATES, AND INFORMATION

#### A Call for PPP Deadline Extension

[Read letter sent on March 1 to US House and Senate leaders by dozens of organizations](#)

[Read the AICPA press release](#)

Feb. 22, 2021:

#### White House Announces Changes to PPP

[Read statement](#) [View top takeaways](#)

New York Times, Feb. 22, 2021:

#### Biden Changes P.P.P. Rules to Help the Self-Employed

[Read article](#) [Download article](#)

New York Times, Feb. 22, 2021:

#### Fraud Checks and Errors Slow Small-Business Relief Loans

[Read article](#) [Download article](#)

Journal of Accountancy, Updated: Feb. 22, 2021:

#### PPP processing delays continue

#### [SBA Paycheck Protection Program \(PPP\) resources for CPAs](#)

#### [SBA Paycheck Protection Program \(PPP\) FAQs](#)

#### [PPP Summary after Economic Aid Act](#)



### KEY CUSTOMER SERVICE UPDATE HIGHLIGHTS AND ON-DEMAND TRAINING

#### On-Demand Training Tips

#### Other Important Updates

#### On-Demand Training Tips

**Customer Care Training Tips & Updates** Posted: 3/1/21  
Our 3/2 training focused on the current post submission application journey, error resolution strategies and agent fees opt-outs. Additionally, a review of the existing resources available on-demand and where to go for support.

[Read document](#) [Watch video](#)

**2.23 Best Practices Training** Posted: 2/23/21  
Kari Hipsak, CPA, Sr. Manager of Firm Services at the AICPA, reviews common application mistakes firms should avoid.

[Read document](#) [Watch video](#)

**Calculation of 2.5x or 3.5x for Certain NAICS Codes** **Reloading of Documents** **Incorrect Loan Amounts**  
[Watch video](#) [Watch video](#) [Watch video](#)

**Customer Care Update** Posted: 2/16/21  
Hear from Jessica Clemens, Customer Success Manager at CPA.com, review our resource hubs, differences in customer care teams, and some of the top support inquiries.

[Read document](#) [Watch video](#)

**AICPA PCPS Pro Tips: Application Insights** Posted: 2/16/21  
Kari Hipsak, Sr. Manager Firm Services at the AICPA reviews what firms should consider around key platform inputs on loan eligibility and ownership information.

[Read document](#) [Watch video](#)

**Application Tips from the AICPA** Posted: 2/16/21  
Kari Hipsak, Sr. Manager Firm Services at AICPA, provides advice for firms using the CPA Business Funding Portal in streamlining the experience for clients.

[Read document](#) [Watch video](#)

#### Other Important Updates

#### Other Important Updates

**PPP & Portal Updates and Guidance on Schedule C Filers** Posted: 3/2/21  
Hear the discussion on overall PPP status updates as well as where sole proprietor rules stand, and guidance on action to take.

[Read document](#) [Watch video](#)

**Operational Updates – Error Code Resolution & New Features Review** Posted: 3/2/21  
Learn the most common error codes and how to direct clients to manage the resolution process directly within their Portals. Additionally, review our a newly launched funnel report which helps firms visualize client application progress within a single screen.

[Read document](#) [Watch video](#)

**SBA Application Processing Updates** Posted: 2/25/21  
In response to Monday's announcement from the White House, firms should be aware of the process changes and potential impact on clients which include: 2-week priority to smallest businesses (20 or fewer employees) and guidance when filing applications for sole proprietors.

[Read document](#) [Watch video](#)

**Operational Updates – PPP Application Errors Handling** Posted: 2/23/21  
This update discussed the PPP error resolution strategy in detail as well as reviewed what you and your clients need to know about the validation response messages.

[Read document](#) [Watch video](#)

**Recent Changes to the Paycheck Protection Program** Posted: 2/23/21  
The Biden-Harris Administration announced changes to the PPP that will

# Key ERC Resources

## **AICPA Tax Section resource:**

- [ERC Guidance and Resource Hub](#)

## **Journal of Accountancy:**

- [IRS issues employee retention credit guidance](#)

## **IRS:**

- [Notice 2021-20](#)
- [Form 7200, Advance Payment of Employer Credits Due to COVID-19](#)
- [Form 941, Employers Quarterly Federal Tax Return](#)
- [Didn't Get Requested PPP Loan Forgiveness?](#)

# Key resource: PPP State Tax Treatment Chart

Last revised March 29

AICPA members  
can access in the  
AICPA's COVID-19  
tax resource hub



Chart

PPP state tax treatment

Tax Section

## Paycheck Protection Program (PPP) State Tax Treatment Chart

**Purpose of chart:** Use this chart to determine whether states treat Coronavirus Aid, Relief and Economic Security Act (Public Law 116-136) (CARES Act) Paycheck Protection Program (PPP) loan forgiveness as taxable income. Also, use this chart to determine whether a state allows the deductibility of expenses paid with PPP loan amounts as provided for federal tax purposes by the Consolidated Appropriations Act, 2021 (CAA).

State	Taxability of CARES Act PPP loan forgiveness	Deductibility of expenses paid with PPP loan proceeds as provided by the CAA
Alabama	<p>Not taxable.</p> <p>Amounts for which the taxpayer has received loan forgiveness under the CARES Act PPP are not included in the calculation of an individual taxpayer's 2020 Alabama income liability.</p> <p><a href="#">21<sup>st</sup> Supplemental Emergency Proclamation</a></p>	<p>Deductible.</p> <p>In calculating their 2020 Alabama income tax liability, taxpayers may deduct expenses paid with PPP loan amounts that have been forgiven or that the taxpayer reasonably expects to receive forgiveness even if the taxpayer has not applied for forgiveness of the loan by the end of the 2020 tax year.</p>

# Join the Conversation, Stay Informed #AICPATownHall



**Jeff Drew**  
@jdrewJOA

Tips for for-profits applying NFP accounting rules for PPP funds



Tips for for-profits applying NFP accounting rules for PPP funds  
journalofaccountancy.com



**Glen Birnbaum**  
@GlenBirnbaum

NEW - Revenue Procedure 2021-20  
[irs.gov/pub/irs-drop/r...](https://irs.gov/pub/irs-drop/r...) #PPP  
#TaxTwitter

April 22, 2021

**Issue Number: RP-2021-20**

**Inside This Issue**

[Revenue Procedure 2021-20](#) provides a safe harbor for certain taxpayers that received a loan pursuant to the Paycheck Protection Program (PPP) and, based on guidance issued by the Treasury Department and the IRS prior to the enactment of the COVID-related Tax Relief Act of 2020, did not deduct certain otherwise deductible expenses paid or incurred during the taxpayer's taxable year(s) ending after March 26, 2020, and on or before December 31, 2020. Under the safe harbor, these taxpayers may deduct the expenses in the immediately subsequent taxable year. This revenue procedure also obsoletes Revenue Procedure 2020-51.

Revenue Procedure 2021-20 will appear in IRB 2021-19, issued on May 10, 2021.

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**Zach Warmbrodt** ✓  
@Zachary

Senators on Tuesday unveiled plans to revamp the PPP so the tiniest employers can receive more aid.

But it's unclear how many businesses the bill would help because the program is running low on funds and Congress isn't appropriating more money



Lawmakers push PPP revamp as funding lapse looms  
politico.com



**Lisa Simpson**  
@LisaTSimpsonCPA

Here's the latest on the [#SVOG](#) portal. We'll discuss Thurs. 3PM ET on [#AICPATownHall](#). [#CPA](#)  
[#TrustedAdvisor](#)



SBA aims to reopen Shuttered Venue Operators Grant portal this week  
cvsoci.al

# Wrap-up & Next Steps

## AICPA Town Hall Series

- Town Hall scheduled for May 6<sup>th</sup> at 3pm ET
- AICPA Members who have attended a Town Hall are auto registered (unless opt-out)
  - New registrations:
    - [www.aicpastore.com/townhallseries](http://www.aicpastore.com/townhallseries)
- Stay tuned via LinkedIn and Twitter for the latest info #AICPATownHall

