



NON-TRADITIONAL FINANCING SOURCES FOR FQHCS DURING COVID-19 SPOTLIGHT: PAYCHECK PROTECTION PROGRAM

April 24, 2020 Webinar Follow-Up Question and
Answer Document

This document is based on questions received during the 4/24/2020 NACHC webinar (the archived recording, transcript, and slides of which can be found on the Health Center Resource Clearinghouse at www.healthcenterinfo.org or specifically [here](#)).

The corresponding answers are provided by the webinar faculty from NACHC, Capital Link, and Joan Bondi (CFO, HealthLinc). Additional support provided by FTLF and BKD.

This project was supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under cooperative agreement number U30CS16089, Technical Assistance to Community and Migrant Health Centers and Homeless for \$6,375,000.00 with 0% of the total NCA project financed with non-federal sources. This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS or the U.S. Government.

Contents

Use of 330 Funds.....	1
Accounting	1
Allowable Costs.....	2
Double-Dipping	3
Families First Coronavirus Response Act (FFCRA).....	4
Loan Forgiveness.....	4
Logistics.....	5
Other Sources of Funds.....	6
Organizations with Over 500 Employees.....	6
Salary.....	7
Timing.....	9
Uncategorized.....	10

Questions appearing in *italics* were received multiple times.

Use of 330 Funds

1. Can you use the HRSA allocated funds to salary amounts exceeding \$100,000 in PPP?
 - o Yes, up to the salary ceiling amount allowable in your HRSA grant and assuming it is not covered by other funding sources.
2. Are there any new updates from HRSA about carryover requests?
 - o See HRSA FAQs – [Health Center Program Carryover of Unobligated Balances](#)
3. Will HRSA let you go 8 weeks without a draw on your H80 funds when you are using the PPP proceeds so that you qualify for forgiveness?
 - o HRSA doesn't require a specific draw schedule. It's up to you to draw funds as you incur eligible costs.

Accounting

1. Does the health center allocate employees to separate cost centers?
 - o Yes, HealthLinc uses cost centers and allocates all employees to the appropriate cost center in our payroll system and accounting system.
2. How do we need to account for the money coming from the CARES Act Provider Relief Fund? Do we need to worry about not double-dipping for these funds?
 - o Set up cost centers for each source of funding and carefully document the costs you are assigning to each. Further, you should not charge the same costs to multiple funding sources regardless of the funding source. Also, the Provider Relief Fund money has specific authorized uses. For more information please visit <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>.

Allowable Costs

1. What is the exact URL for the allowable costs of the PPP loan?
 - <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. Additional reference/outline: <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>.
2. Will the PPP money allocated to rent and utility, EHR monthly fee etc. (non-salary) be forgivable?
 - Rent and utility expenses under an agreement in effect on February 15, 2020 are forgivable. EHR fees are not listed as an approved expense therefore treatment of an EHR fee may depend on how it is characterized, e.g. as “rent” or perhaps as a “utility.” For example, forgivable “utility” payments are defined in the CARES Act as payment for the distribution of electricity, gas, water, transportation, telephone, or internet access under an agreement in effect on February 15, 2020. There may be further guidance on this topic since a significant number of first round recipients were health care providers. See the SBA authoritative guidance references above for details.
3. Do we have very clear and specific guidance about what constitutes payroll and what amounts contribute to the \$100k threshold? Also, do we have clear and specific guidance about what constitutes utility expenses? Thanks!
 - Yes. See: <https://www.congress.gov/bill/116th-congress/house-bill/748/text>. Also see the SBA’s Interim final rule and FAQ available at <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>.
4. At this point do we know what is considered "covered utilities"? Specifically, are telephone and internet is included.
 - The term “covered utility payment” means payment for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020.
5. Do you know if disability and life insurance benefits are included as allowable expenses?
 - Disability and life insurance benefits are not allowable expenses.
6. Where do I find allowable expenditure for the funds we received today from HHS for Cares act? Is this the funding for testing only? Is there guidance on the HHS stimulus funds that were received today and how they can be used?
 - HHS recently published an FAQ which can be accessed here: <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>.
7. Can we choose our PPP loans to cover our FFCRA payroll cost instead of claiming IRS tax credit?
 - The following costs are excluded from eligible payroll costs for PPP: “(dd) qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116–127)”; or “(ee) qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act (Public Law 116–127).”
8. The instructions specifically includes Employer Paid Health Benefits, 401K match as an eligible Payroll Cost. However it doesn't mention Dental Benefits or other employer paid benefits. Can those fringe benefits be included as well in the forgiveness amount? What about fees the employer pays for their 401K administrator and Flexible Spending Administrator?
 - Only the specifically enumerated benefits in the CARES Act (employer paid health benefits and retirement contributions) can be included.

9. What types of interest applies besides mortgage interest?
 - Interest paid on any debt obligation that was incurred before February 15, 2020 is an allowable use of PPP funds. Interest expense incurred and paid on mortgage debt (but not other kinds of debt) during the 8-week period is eligible for loan forgiveness.
10. What is the definition of COVID-related treatment? Is this limited to treatment for COVID s/s?
 - Payment of COVID-related treatment is not a condition of any of the SBA loans.
11. I have a payroll pay date that falls 2 days after the 8 weeks. Will that payroll not be allowed?
 - Only employee compensation incurred and paid during the 8 week period can be counted in the loan forgiveness calculation.
12. Cash basis or accrual or combination of both i.e. incurred and paid
 - The Small Business Association is currently working to develop the calculation for the forgiveness application / calculation. There is currently guidance that indicates loan forgiveness will be impacted by reductions of salary expenses, but the final calculation and regulations are necessary for a definitive answer. As of 4/27/20 there is no clarification as to whether or not the 8 week payroll is on a cash basis or accrual basis and further guidance is necessary. The authoritative site with resources and links on the Small Business Administration Paycheck Protection Program loans is:
<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>
13. If you cover wages with H80 funds but not benefits, can you use the PPP to cover benefits for those whose wages only are covered with H80 funds?
 - PPP loans may be used for pay-roll costs to include employee benefits consisting of group health care coverage, including insurance premiums, and retirement.
14. How are the Employee Payroll Taxes applied? Is it what we paid within the 8- week period?
 - Employer FICA payments are not eligible. The employer's share of state and local taxes can be included. [Example is US Treasury FAQ dated 4/26/20 #16.](#)
15. It is my understanding on the stimulus "Provider Relief" that you can use that to replace lost revenues, which would mean you can use it for anything. Is this correct? Is there any tracking required?
 - For Paycheck Protection Purposes, loan can only be used for payroll costs and certain other expenses, e.g. rent, utilities, etc.

Double-Dipping

1. *Are others thinking of using up all PPP loans by funding entire payrolls with just PPP and not allocating between PPP and 330 over multiple payrolls?*
 - You can allocate all eligible payroll to PPP during the 8 week PPP period and allocate 330 funding over the remaining 44 weeks OR you could decide on another allocation method. The main point is you cannot pay the same cost with two different funding sources (no double dipping).
2. *As one of the ways to avoid double-dipping, in theory can we continue drawing down from HRSA for personnel covered by the PPP for the portion above the allowed cap (\$100K, prorated over our bi-weekly pay periods)?*
 - Yes, assuming these costs are not being reimbursed by other sources and that it does not exceed the maximum allowable under grant rules.
3. *Utilizing PPP money where Program Income (PI) would have been used is not considered double dipping correct? Even if it ends up that you show a larger Program Income for the year?*
 - Correct, unless the PI is projected as a part of your approved budget for an allowable cost, in which case you may have to re-program the projected PI.

4. *One other question about double dipping. How about other private grants (state and local funding)?*
 - Same principle regarding “double-dipping” would presumably apply. Do not charge personnel costs to grants or state or federal contracts that you also charge to your PPP loan.
5. Is it only federal COVID funds you can’t double-dip? In other words, can private contributions fund same personnel as PPP or HRSA COVID funds?
 - The general rule is "no double dipping." But you should have plenty of other salary costs outside of the PPP 8 weeks that other funding sources can cover.
6. If you receive Emergency Disaster Relief funds, how does that affect PPP eligibility?
 - The PPP and the EIDL programs can be used together, as long as the loans are not used to fund the same costs.
7. Since the HHS funds are for lost Medicare revenue, there would be no fear of double dipping with those funds?
 - The first disbursement was based upon Medicare billing the second disbursement was based upon all sources.
 - Clarification required. If it is a grant and accounted for as a grant while following the terms and conditions you need to see terms and conditions of the funding.
<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>
8. Can any salary over 197,300 for an employee could be allocated to the PPP if the 197,300 has been allocated to 330 for example.
 - No. Only first \$100,000. Recommend having clear guidance before allocating expenses in this manner. It would be inconsistent with Uniform Grant Requirements to have salaries for a total of \$297,300 charged as \$100,000 to the SBA PPP loan and \$197,300 charged to a federal grant. This stacking of expenses is not permitted for Uniform Grant Requirements and I would not utilize this method without clear approval.
9. Are there restrictions on HRSA CARES dollars if you also received PPP funds?
 - Not specifically. But, as noted above, no double dipping

Families First Coronavirus Response Act (FFCRA)

1. *How does this work with FFCRA paid sick time reimbursement?*
 - You cannot claim the employee tax credit under Section 2301 of the CARES Act if you receive a PPP loan. Further, in accordance with the CARES Act, the following costs are expressly excluded from eligible payroll costs for PPP loans: qualified sick leave wages for which a credit is allowed under section 7001 of the FFCRA or qualified family leave wages for which a credit is allowed under section 7003 of FFCRA.

Loan Forgiveness

1. One rule of forgiveness it is that payroll cannot fall below the baseline by more than 25%. Does that mean 25% of total payroll? Or 25% of any single employee?
 - If compensation for an individual employee decreases by 25% or more, the forgiveness amount for that employee is reduced by the amount in excess of the 25% reduction. In addition, the amount of loan forgiveness will be reduced to the extent that the average number of FTEs decreases during the 8 week period from the average number of FTEs during the base line period, either February 15, 2019 through June 30, 2019 or January 1, 2020 through February 29, 2020 at the employer’s election.

2. What conditions apply to get loan forgiveness under PPP?
 - While guidance thus far is limited, the CARES Act and SBA guidance provides that loan recipients seeking loan forgiveness will need to complete a loan forgiveness application and provide to their lender, among other things, documentation verifying the number of employees on payroll and their pay rates, and documents verifying payments on covered mortgage obligations, covered lease obligations, and utilities.
3. We usually prepay the employee health insurance and rent, how can we go about it?
 - If you've prepaid outside the 8 week PPP covered period, consult your auditor. It appears that loan forgiveness will be limited to costs incurred and paid during the 8-week loan period.
4. Note that the lending bank also approves the forgiveness part.
 - Yes, the same lender will need to review the documentation and approve the loan forgiveness.

Logistics

1. Does our Lender provide us with the SBA number?
 - Your lender will inform you of the loan amount for which you have been approved for by the SBA. As stated previously, if your loan has not yet been approved by the SBA, contact your lender to see where your loan is in the process
2. I have been approved for PPP and already received the funds. What's the best way to keep informed about how to apply for forgiveness and how to calculate it?
 - Ask your lender and your auditor for guidance. Also, as NACHC and Capital Link become aware of additional guidance, we will post it on Noddlepod and on Capital Link's [website](#).
3. I've noticed that each bank has different rules/processes. With our bank, they are having us request funds each week, and they require backup documentation for each one. They intent to use all of that information to help us with the loan forgiveness process.
 - While most banks, appear to be disbursing the entire loan amount upfront, some banks may have their own internal processes.
4. When you perform the calculation, can you ask for less than the amount you are eligible for under the PPP. When considering our other grants, I know a portion of our payroll will be covered by other sources.
 - Yes. You do not have to take the full amount. You should only take the amount that is necessary. It is recommended that you discuss this with your lender.
5. Will SBA just continue to fund those who has applied but not approved from the first round or is it again first come first served basis starting all over again with new application?
 - SBA indicated on April 27, 2020 that it was accepting loans in queue. You do not have to reapply but you should check the status of your application with the lender.
6. Bank did not send our initial PPP application to SBA but is in que. How will the [SBA FAQ #31](#) affect us?
 - On the PPP loan application, borrowers must certify in good faith that the PPP loan request is necessary and that "current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant." If a borrower has determined that this certification was made in error prior to the SBA's issuance of guidance on this matter, they may repay the loan in full prior to May 7, 2020 and they will be deemed by the SBA to have made the required certification in good faith. For those borrowers who have applied but have not signed a promissory note, (continued)

(cont.) they may withdraw their application if they believe this certification was done in error. For further information, please consult the SBA's FAQ available here:

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>

7. If you applied in the first round but were not approved, can you apply again in the 2nd round even you are still in que for the first round?
 - You can apply again but can only receive one PPP loan. If you were not approved because funds ran out your original application should still be processed. Check with the lender. If it was not approved for substantive reasons than you will have to re-apply with a qualifying application
8. Is the intent to only apply once or can you apply again?
 - Unless Congress decides otherwise in the future, you can only receive one PPP loan based on one application. However, you can make multiple applications through multiple lenders if desired as a way to increase chances of obtaining a loan.
9. If you do have multiple applications submitted to the SBA, will the SBA cancel both since there are duplicate applications or approve one and cancel the other (assuming both are approvable)?
 - It is not known how the SBA will handle this situation, but you can only enter into one PPP loan.

Other Sources of Funds

1. What are the terms on the Economic Injury Disaster Loan (EIDL) loan?
 - Loans up to \$2 million. Interest rate of 2.75%, payable over up to 30 years. Can defer initial payments for up to a year. However, EIDLs will not be forgiven except for the Emergency grant.
2. Can we apply for the PPP and the EIDL at the same time?
 - Yes, but you can't cover the same costs twice. If you received an EIDL between January 31, 2020 and April 3, 2020, you may apply for a Paycheck Protection loan. If your EIDL was used for payroll costs, your Paycheck Protection loan must be used to refinance your EIDL. The proceeds from any emergency EIDL grant or advance, up to \$10,000, will be deducted from the total amount of the Paycheck Protection loan.
3. You mentioned an Advanced Medicare Payment. A \$246,000 HHS stimulus money deposit hit our account yesterday. We suspect it is from Medicare. *What is meant by "Advanced Medicare Payment"?* In what period do we recognize revenue?
 - For further information on the HHS payments, please visit <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>.
4. On the Provider Relief, we have not been able to calculate how HHS came up with our stimulus from the \$30 billion. Any hints?
 - The whole \$50 billion general distribution is allocated proportional to providers' share of 2018 net patient revenue: <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>.

Organizations with Over 500 Employees

1. *Are there any PPP eligibility exceptions for FQHC's with 500+ employees? Please explain the eligibility for the Economic disaster fund for FQHC's with over 500 employees. Thank you!*
 - Health centers with 500+ employees are not eligible for PPP funding. Economic Injury Disaster Loans (EIDL) are available for health centers regardless of FTE size. FQHC's may apply for EIDL directly through the SBA.

2. An earlier slide said that some of the approved loan FQHCs DID have more than 500 FEEs?
 - PPP only available for FQHCs with 500 employees or fewer. Other funding sources (such as EIDLs, and the main street lending program) are available to FQHC's with greater than 500 employees. On the other hand, for-profits, may qualify for a PPP even if they have more than 500 employees if they meet the applicable SBA size standards for the industry in which they operate, or meet the SBA's alternative size standards.

Salary

1. *Can we use the H80 to cover the amount greater than \$100k for our high earners?*
 - Yes, assuming these costs are not being reimbursed by other sources and that it does not exceed the maximum allowable under grant rules.
2. If you use the funds for payroll for the 8 weeks can you then use the H8D funds for the rest of the 44 weeks if some of those payroll costs were not allocated to your h80 grant?
 - Yes. Follow the basic advice that each expense can only be paid once (no double dipping).
3. With PPP funds, salaries are capped at \$100,000 annually. So if someone gets paid \$150,000 annually, we can use the PPP loan for two-thirds of pay and drawdown one-third of pay from HRSA, correct?
 - Correct, assuming salary costs are included in your HRSA budget.
4. For salaries what is included as many health centers have other payments included in salaries, such as stipends, loan repayment, what about signing bonus and relocation for new providers?
 - According to the SBA FAQ, Payroll costs include all cash compensation paid to employees and does not include non-cash benefits, subject to the \$100,000 annual compensation per employee limitation. For more information, please visit the SBA FAQ, available here: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>
 - For SBA PPP loans there has not been clarification, but the following is from HRSA's website (<https://bphc.hrsa.gov/emergency-response/coronavirus-frequently-asked-questions.html>) Can COVID-19 funding be used for hazard pay or a "pandemic premium"? (Added: 4/13/2020) COVID-19 (H8C) funds may be used for hazard and premium pay if you have policies and procedures in place that cover this type of pay. Personnel who will be paid with COVID-19 (H8C) funding must receive salary and benefits consistent with your health center's policies of paying salaries under unexpected or extraordinary circumstances from all funding sources, federal and non-federal. If you do not have such policies in place for paying salaries under unexpected or emergency circumstances, you should immediately develop and officially adopt these new policies. This is allowed through the Office of Management and Budget (OMB) flexibilities listed in memoranda [M-20-11](#) and [M-20-17](#) . You must document that you are following your organizational policy for charging salaries during unexpected and extraordinary circumstances. You should also document that you are following HRSA guidance as adopted and permitted by the OMB memoranda.

5. For calculating employee salary/wages for the PPP loan application, when an employee earns over \$100,000 or salary and allowable benefits will total over \$100,000, is a center able to include the allowable benefits to bring individual total to over \$100,000 cap? Example \$150,000 salary and \$25,000 benefits, so individual total toward loan application amount is \$100,000 or \$125,000? Example 2 - \$85,000 salary and \$20,000 in benefits, is the individual loan amount \$80,000, \$100,000 or \$105,000?
 - The compensation cap applies to salaries and wages. Payments for the provision of employee benefits consisting of group health care coverage, including insurance premiums, are eligible for loan forgiveness over and above the \$100,000 compensation cap. So, in first example, you would only count \$100,000 as allowable salary.
6. *Is voluntary resignation an allowable reason for reduction in payroll expenses?*
 - The reason for a reduction in payroll expenses does not matter. Reduction is based on number of FTEs during loan period as compared FTEs in the base period. Does not matter who the individual is.
7. Just to clarify, can you also add fringe (employer paid medical and retirement on your PPP calculations and these would be added above the \$100K CAP to salary?)
 - According to SBA guidance, the exclusion of compensation in excess of \$100,000 annually applies only to cash compensation, not to non-cash benefits, including: (i) employer contributions to defined-benefit or defined-contribution retirement plans; (ii) payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums; and (iii) payment of state and local taxes assessed on compensation of employees.
8. When we are reporting should we be capping salaries over the 100,000. ex only coding 3,846.15 each pay period for employees making over 100,000 annually or was the cap only part of the calculation process and we will be able to code all payroll expenses?
 - The \$100,000 annual salary cap applies to the loan forgiveness calculation as well as to the loan amount determination. See previous answers.
9. Will we need to cap the salaries at \$100,000 per employee for the 8 weeks?
 - The loan amount for each employee is capped at \$100,000. If you use the money for its intended purposes, the loan amount will be forgiven. However, you are still obligated to pay employees their agreed upon salaries and fringes.
10. The PPP loan covers payroll up to 100,000. Is it appropriate to use another grant, 330, to cover the excess?
 - Yes. Please reference the section on Double Dipping.
11. Do you know if we are able to include life insurance premiums in the PPP calculation or is it just health and dental insurance premiums?
 - Just health insurance premiums and retirement contributions (not life insurance or dental insurance).
12. Can we give a one-time bonus to our employees under \$100K?
 - Bonuses are considered part of compensation and would be eligible subject to the \$100,000 annual cap. But, bonuses should be reasonable under the circumstances

Timing

1. *Do we count expenses during that 8 week period on a cash basis? Are there restrictions on how you can time your expense payments to include them in the 8 week period?*
 - The statutory language says "costs incurred and expenses paid," however, that definition is a bit murky when it comes to payroll. Most accountants appear to be focused on expenses paid during the 8 week period, i.e. cash expenditures not accrued costs.
2. *Can you pay ahead the health benefits, 403B catch up in this 8 week period?*
 - No clear guidance from SBA available on this question yet. Eligible costs are supposed to be "incurred and paid," even though most guidance focuses on the actual cash payment of expenses.
3. *On timing for PPP, do we use the actual payroll for the specific 8 weeks or our cash outlay for payroll during those 8 weeks?*
 - Payroll paid in the 8 weeks following disbursement counts toward forgiveness. Please refer to the answer above for additional information on cash versus accrual considerations.
4. *We have a lease with CISCO with annual payments due in July. Can I make an early payment so that I can use the interest payment for the PPP loan?*
 - Statutory language says: (7) the term "expected forgiveness amount" means the amount of principal that a lender reasonably expects a borrower to expend during the covered period on the sum of any— (A) payroll costs; (B) payments of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation); (C) payments on any covered rent obligation; and (D) covered utility payments. The term "covered rent obligation" means rent obligated under a leasing agreement in force before February 15, 2020. It doesn't say rents/leases can't be prepaid, as is the case with mortgage payments, but there isn't any more definitive guidance available yet.
 - The Small Business Association is currently working to develop the calculation for the forgiveness application / calculation. The areas of concern is that interest could be limited to mortgage and/or building leases rather than to computer software or hardware interest expense. Please see the US treasury for more guidance. Also, clarity needs to be provided on whether expenses are on a cash or accrual basis as it will impact the ultimate treatment. The authoritative site with resources and links on the Small Business Administration Paycheck Protection Program loans is:
<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>"
5. *Can we retroactively claim payroll costs prior to PPP funding arriving? Can we go back to Jan - March and claim additional 330 for salary rather than claiming them in the 8 week PPP period?*
 - The 8 weeks related to costs eligible for loan forgiveness begins on the day the loan is disbursed. Regarding HRSA 330 funding: if you had costs eligible for HRSA funding that you did not fully reimburse in prior months, you should be able to retroactively reimburse yourself for these eligible costs.
6. *It is uncertain when Health Centers can begin non-emergent or preventive care. This impedes our ability to bring back some staff (like hygienists or assistants) timely. Will SBA consider extending the time to bring employees back due to slowdowns on return to work? Thanks.*
 - The loan forgiveness incentive encourages borrowers to bring back/retain employees. We have not yet seen/heard a suggestion that the June 30th date be extended.

7. *In regards to the SBS loan for PPP, we would like to know after approval, when could we start the 8 weeks of expense of the PPP?*
 - Read your Promissory Note for the definition of the loan forgiveness period. Some SBA guidance says the 8 week period begins on the date the loan is disbursed, but some promissory notes may refer to the "date of the loan," which may be different from the disbursement date.
8. *I heard 8 weeks began date of receipt of funds not date of note?*
 - Refer to your Promissory Note. 8 weeks may begin on the date of funds disbursement, or possibly on the date of the Note (not the date of approval).
9. *If we make a payroll payment after the 8 week period, but the pay period is within the 8 weeks, is that included, or does it have to be paid within the 8 weeks?*
 - The CARES Act specifically states that loan forgiveness is limited to costs incurred and payments made during the covered period. CPAs advise only paid costs will be eligible for forgiveness.
10. *What does it mean "the date of the loan" is it the date it was signed by both bank and us?*
 - The Promissory Note will specify the date of the loan. See also the Loan Forgiveness section of the Promissory Note; it may refer to the date of the loan or the disbursement date as the beginning of the 8 week PPP covered period. SBA guidance provides that the eight-week period begins on the date the lender makes the first disbursement of the PPP loan to the borrower.
11. *Do you think that pre-paying the next month's health insurance towards the end of the loan period to get in three months rather than two would be allowed?*
 - Check with your auditor, but given the focus on cash payment, you may be able to include your May 1 and June 1 payments. The CARES Act specifically states that loan forgiveness is limited to costs incurred and payments made during the covered period.

Uncategorized

1. *What are the thoughts on which buckets should be the last dollar spent? For example should the new COVID funding be expended prior to using the SBA monies as the basis for amounts to be forgiven?*
 - Consider the "covered period" for each funding source. Spend the first dollars on the costs incurred in the narrowest funding period and the last dollars on the costs incurred during the longer time periods
2. *I saw guidance that stated to put the PPP loan in an interest bearing account....is this allowed?*
 - We have not seen any guidance on this question.