

Survive and Advance

Update On Paycheck Protection Program and Claims

4.21.2020

With the initial \$349 billion allocated to the Paycheck Protection Program for small business now depleted, Secretary Mnuchin communicated they are working to get approval this week for an additional \$300 billion for small business.

If you have not been approved or have been approved but could not get funded because the funds ran out, continue to work with your lender NOW. With new funding possible as early as this week, call your lender and be sure your application is in and getting approved now, so as funds get approved, the lender can release them. It is important to get the loan approved, loan documents signed, and await funding.

Based on the fact that Business Interruption coverage claims have been largely denied by insurance carriers, and lots of litigation and friction is expected, the PPP appears to be the quickest and least frictional way to get access to cash for small businesses. However, be sure to consider all options. Click [HERE](#) for our update on claims guidance.

If you have not applied for the PPP or have not been funded as of today, do NOT stop the process.

Move towards approval with your lender. Once approved here are some tips:

1. Have your attorney review loan documents.
2. Work with your CPA on hiring back or payroll continuation to measure projected loan forgiveness. Know that up to 25% of forgiveness of loans can be for rent and utilities.
3. Review employee re-hiring practices with a labor attorney to reduce employment practice claims.
4. Work with your lender to track and document dollars in a way your lender requires for forgiveness.
5. Keep aware of additional programs that may become available for small business.

In our purpose of Helping Others, we are here to help your business survive during these difficult times and advance out the other side stronger. More information on Coronavirus/COVID-19 can be found [HERE](#) on our Smith Brothers Survive and Advance page.