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issues of the CARES Act.

Apr. 09, 2020



The National Society of Accountants (NSA) has sent a letter to all members of Congress voicing concerns raised by NSA members regarding the implementation issues of the CARES Act.

The position of the NSA is that the programs aimed at providing assistance to small businesses across the United States have not proceeded in an efficient manner and have been subject to many significant setbacks.

One of the major concerns raised by NSA's CEO John Rice is the CARES Act definition of "small business."

“...new SBA guidance released on April 7, 2020 states that small businesses eligible

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“Furthermore, these are also small businesses likely to pay the most taxes in normal times since they do not have debt expenses to write off on their taxes. When our nation recovers from the COVID-19 pandemic—and we will recover—the best of American ingenuity and entrepreneurial spirit will be gone. What will remain are those businesses that the banks had a vested interest in preserving because, as of February 15, 2020, they already owed those same banks money,” wrote Rice.

Another notable problem Rice outlined stems from tax and accounting professionals role as “agents” for their clients. They are restricted from charging reasonable fees for assistance provide to their clients in preparing PPP documents. Instead, they must recover their fees from lenders and many lenders are not recognizing the work these “agents” are doing in PPP loan applications.

“The SBA Interim Final Rule on PPP clearly and specifically provides instructions for how lenders should pay ‘agent’ fees from funds provided by the SBA to lenders for this purpose. It is critical to remember that ‘agents’ are small businesses themselves and are already reeling from the financial consequences of the much needed, but significantly disrupting, changes to Federal and state tax filing deadlines.”

Download and read CEO John Rice’s letter to Chairman Charles Grassley, Committee on Finance, [here](#). (This letter is an example of what was sent to members of Congress, differing only in to whom it is addressed.)

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