

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

program. With billions of dollars still available, this is a unique opportunity for small businesses to access funding that has the opportunity to be completely forgiven.

Jun. 26, 2020

**PAYCHECK  
PROTECTION  
PROGRAM**



It's been several weeks since most states have started to re-open their economy, but many small businesses are still struggling to find financial stability. Recognizing these hardships, the [Small Business Association \(SBA\)](#) implemented the Paycheck Protection Program (PPP) back in April to provide payroll assistance, but many are still in need of financial help.

The program officially ends on June 30, 2020, but with over \$130 billion still available small businesses still have a window to access this funding. Here's an overview of the program and how [small businesses can still apply](#):

**What businesses are eligible?:**

Whether an LLC, corporation, sole proprietor or independent contractor, any

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

As the program is winding down, small businesses should ask their local credit union or bank if they're still accepting applications and the criteria required to apply. Many banks require customers to have existing credit relationships in order to process a PPP loan. Other SBA-approved lenders across the nation can be found using [this tool](#).

My company, [Kabbage](#), has been deputized by the SBA as a direct lender in the PPP, and we will continue to accept applications until 11:59pm ET on June 28. Any business may apply, whether they're an existing customer or not. Our technology allows customers to apply and be approved in hours, and we've seen great success with CPAs supporting their clients.

Nury Saenz, owner of the accounting firm, IN2Tax and Accounting turned to Kabbage to access PPP funding. Seanz said that other banks provided her business and clients with "no options" as the crisis forced her to lay off employees, which compounded the difficulty navigating the PPP for her and her clients with a limited staff. "I've now successfully helped over 25 clients through Kabbage," said Saenz.

### **How are loans calculated?**

PPP loans are calculated as 2.5 times the average monthly payroll for a business. The SBA has capped PPP loans at \$10 million, but some lenders have set their own limits. For example, Kabbage is processing PPP loans up to \$2 million as we're predominantly serving America's smallest businesses including rural business and non-employer companies that may need lower amounts of funding.

### **Once approved, how can the loan be used?:**

The funds are intended to cover payroll costs and retain staff. At least 60% of the funding must be used to cover payroll to be eligible for forgiveness. Any remaining

percentage, up to 40%, must be used on mortgage interest, utilities, lease, or rent

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

funding. Businesses have up to 24 weeks to use the funds appropriately to be eligible for forgiveness and will benefit from waiting to apply while the SBA finalizes their guidance. It's possible businesses that apply for forgiveness early will not have the same outcomes as companies that apply later.

### **Final tips worth mentioning?:**

The program is set to close on June 30, so there are only a few days left in the program. With billions of dollars still available, this is a unique opportunity for small businesses to access funding that has the opportunity to be completely forgiven.

=====

*Christian Warner is the Director of Domestic Policy & Corporate Social Responsibility at [Kabbage](#).*

Small Business • Taxes • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us